



MARCH 2019 • NO. 1

Michigan Doubles Down on Legalizing Online Gambling

The Michigan legislature is renewing its effort to introduce online gaming legislation in the state after outgoing Governor Rick Snyder vetoed the prior passed legislation at the end of 2018. To read our prior updates on this legislation, please visit [Michigan Legislature Passes Law Allowing Online Gambling, Includes Potential for Online Sports](#) and [Michigan Veto Pushes Online Gaming to 2019](#).

The two new bills that were filed in the House and Senate last week are substantially similar to the legislation proposed last year. If adopted, Michigan would become the fifth state to legalize online gambling. The new bills also pave the way for sports gambling as they state that the newly created Division of Internet Gaming “may permit Internet gaming operators licensed by the division to accept Internet wagers under this act on any amateur or professional sporting event or contest.”

Like the prior legislation, this renewed legislation includes:

- Licenses for online gambling will be made available to both tribal and commercial operators in Michigan;
- The initial application for an online gambling license must be accompanied by an application fee of \$100,000, some of which may be refunded if not expended in the processing of the application;
- If approved, the costs of the online gambling license will be \$200,000 for the first year, with a \$100,000 annual renewal;
- Commercial casinos will be taxed at a base rate of eight percent with an additional 1.25 percent tax going to the City of Detroit;
- The bill requires that the Internet games “include, but need not be limited to, poker, blackjack, cards, slots, and other games typically offered at a casino;”

- The bill would create a new license for Internet gaming vendors who would pay \$5,000 for an initial license followed by a \$2,500 annual renewal fee;
- Internet gaming vendors that provide the gaming operator with “all or substantially all of an Internet gaming platform” would pay a \$100,000 initial license fee, followed by a \$50,000 annual renewal fee; and
- Internet gaming operators will not be able to conduct Internet gaming until one year after the effective date of this bill.

Blank Rome’s gaming attorneys have assisted clients in launching the first online gaming sites in the United States as well as the first sports betting locations in New Jersey and Pennsylvania.

For additional information regarding this new opportunity in Michigan and throughout the United States please visit our [Gaming & Entertainment](#) industry page or contact:

Stephen D. Schrier
215.569.5651 | schrier@blankrome.com

Jeremy N. Kolman
215.569.5615 | jkolman@blankrome.com