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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## Michigan Operators Report \$126.1 Million in September Gross Internet Gaming and Sports Betting

According to a [press release](#), Michigan internet gaming operators reported a state record of \$102.4 million in internet gaming gross receipts for September, up 5.3% from the previous record \$97.2 million recorded in August. Internet sports betting operators received \$23.7 million in total gross sport betting receipts, which were up 49% from August. In September the total handle of \$354.3 million was an 84.2% increase from the prior month.

Taxes and payments are based on adjusted gross receipts, which were \$92.3 million for internet gaming, and up 5.4% in August. Internet sports betting adjusted gross receipts were \$17,399 in September, down more than 99% compared with \$7.5 million in August.

The operators delivered more than \$19.3 million in taxes and payments to the State of Michigan, with Internet gaming contributing \$18.9 million and internet sports betting contributing \$426,873.

For internet gaming, the state receives 70% of the total tax from the commercial operators and 80% of the total payment from tribal operators. The tax and payment rate ranges from 20% to 28% based on yearly adjusted gross receipts.

For internet sports betting, commercial operators pay 70% of the 8.4% tax to the state and 30% to the city of Detroit. Tribal operators make an 8.4% payment on adjusted gross receipts to the State of Michigan.

The three Detroit Casinos – MotorCity Casino, MGM Grand Detroit, and Greektown Casino - reported city wagering taxes and municipal service fees of \$5.5 million for:

- Internet gaming taxes and fees: \$5.2 million
- Internet sports betting taxes and fees: \$263,398

Tribal operators reported making total payments of \$2.1 million of wagering payment to the tribes' governing bodies according to the MGCB.

From the Jan. 22 launch through September 30, aggregate internet gaming adjusted gross receipts totaled \$698.5 million and aggregate internet sports betting adjusted gross sports betting receipts were \$60.5 million.

An online gaming and sports betting revenue distribution [table](#) is available on the agency's website.

During September, 14 operators were authorized for one or both forms of online wagering. Details for each operator's internet gaming and internet sports betting results are available in [tables](#) published on the MGCB website.

## **MGCB Grants Provisional License to NYRAbets to Provide Advanced Deposit Wagering on Horse Races**

This week, the Michigan Gaming Control Board granted NYRAbets L.L.C. a provisional license to provide advanced deposit wagering on pari-mutuel races. Sports bettors in Michigan now can place bets on live and simulcast pari-mutuel horse races using mobile wagering through NYRAbets L.L.C. under the [order](#) issued Oct. 15 by Michigan Gaming Control Board Executive Director Henry Williams.

NYRAbets is a subsidiary of the New York Racing Association, which is headquartered in Jamaica, N.Y., and operates the three largest thoroughbred horse racing tracks in New York State: Aqueduct Racetrack, Belmont Park and Saratoga Race

Course.

"Michigan horse racing fans now have another option for using mobile wagering to place bets from anywhere in the state on horse races," Williams said.

In December 2019, Michigan's [Horse Racing Law of 1995](#) was amended to allow a race meeting licensee to use contracted third-party firms to facilitate wagering on live and simulcast races. A bettor creates an account with the third-party facilitator and can use a mobile device or computer to place wagers on pari-mutuel races using money on deposit.

The MGCB originally approved mobile wagering on horse races in June 2020. Other authorized providers in Michigan include TVG Network, Churchill Downs Technology Initiatives Co. and Xpress Bet.

## **FinCEN Provides Exceptional Relief for Casinos from Certain Customer Identification Requirements**

This week, the Financial Crimes Enforcement Network (FinCEN) issued a ruling granting limited "exceptional relief" under the authority set forth in 31 U.S.C. § 5318(a)(7) and 31 CFR § 1010.970(a) to casinos and card clubs from certain customer identity verification requirements in the context of online gaming. Specifically, under the terms of this relief, a casino may utilize suitable non-documentary methods to verify the identity of online customers. According to FinCEN, the suitability or non-suitability of any particular method should be evaluated based on risk. This exceptional relief is effective as of October 19, 2021. A copy of the FinCEN ruling can be found at the following link: <https://www.fincen.gov/resources/statutes-regulations/administrative-rulings/exceptional-relief-casinos-certain-customer>