

Written by Administrator

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Sports bettors in Michigan will have to wait until early next year for online gambling.

On Tuesday, the Joint Committee on Administrative Rules, a bipartisan group of lawmakers from both the Michigan Senate and House of Representatives, waived the customary 15 session-day waiting period to approve final online gaming rules.

The Michigan Gaming Control Board had hoped to launch online gaming before the end of 2020 but it appears that won't happen for about six weeks, MGCB executive director Richard Kalm told MLive Friday.

All operators and platform providers, such as DraftKings and FanDuel, still must earn final licensing approval, which can now happen after Tuesday's JCAR meeting, Kalm said. But before they are licensed, they must submit approval letters from independent test labs to show each meets the state's technical requirements.

Still, the move to waive the 15-day waiting period will speed the process.

Without the JCAR's waiver, officials would have had to re-submit the rules in January with a new set of lawmakers following November's election, potentially delaying launch until after the Super Bowl in February. But now, Kalm said he expects some online operators to go live in early January.

"The whole thing is going to be really dependent on the paperwork they're submitting," Kalm said in a phone interview. "We're going to give them provisional licenses as soon as we get all the paperwork and then finish our background investigations, and also the platforms that are required to submit their software and testing labs to make sure they comply with all of our requirements. So that's gonna take a little bit of time to get that done."

"They're all gonna have to go through with their fine-tooth comb and make sure they're in compliance. Otherwise, we can't license them. With the waive of the rules, I thought we were

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four weeks out, but we just sent out earlier this week -- the same day as the JCAR (meeting) -- an inquiry to the platform providers' operators to give us how ready they are to go and what they're going to have done. So we might be having to push that back, because we're now looking at probably six weeks."

Online wagering can't begin until at least one of Michigan's three commercial casinos -- MGM Grand, MotorCity and Greektown -- and one of the 23 tribal casinos earn their operator licenses, Kalm said.

"It's all good," Kalm said. "Nothing huge is standing in the way except getting them to the licensure level. The vendors, the suppliers, a lot of those -- I've been issuing licenses daily and vendors exemptions daily, so there's the whole substructure that supports this is all ready to go."

Michigan Gov. Gretchen Whitmer signed a bill in December 2019 to legalize sports betting and internet gambling, but it has been a long, painstaking process to receive rules approval and necessary legislative endorsement.

The first step was launching in-person sports betting March 11, but most of the casinos' revenue is expected to come from online gaming, especially during the coronavirus pandemic.

In New Jersey, \$803.1 million was wagered on sports in October, setting the national record for the third month in a row, according to the state's Division of Gambling Enforcement. Of the \$803.1 million wagered, \$743.9m was staked online.

Meanwhile, [MichiganSharp.com](#) projects Michigan's commercial casinos to lose \$67 million in revenue during the current three-week shutdown mandated by the state, which was issued Nov. 15.

Based on the \$7.6 million in October earnings from sportsbooks at the three Detroit casinos, [MichiganSharp.com](#) also projects the casinos will lose out on \$5 million in sports betting revenue during the

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shutdown.

Michigan's commercial casinos also lost millions when they were forced to close from March 16 through Aug. 5 before reopening at 15% capacity. Launching online wagering could provide an immediate boost for casinos.

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[MichiganSharp.com](#) projects that online casinos and sports betting could bring in \$650 million in annual revenue for Michigan's commercial and tribal casinos.

"They got hit pretty hard," Kalm said. "They had their best October ever on just sportsbooks, and that was at 15% capacity. Operating at 15%, they were still bringing in about 70 to 78% of revenue from a year previous, so they were doing great considering COVID. Then they shut down, and it's gonna be brutal."

"What does that say for the appetite (for online gambling)? If they could do that much revenue at 15% capacity in October during COVID, just hang on because I just think that this is going to be huge for the state."

Other states have been able to launch online gambling quicker than Michigan after expediting their rulemaking processes. For instance, the Indiana Gaming Commission approved emergency rules on sports wagering in August 2019, allowing the state to go live with mobile betting just months after it was legalized.

Kalm said that wasn't an option for Michigan.

"Our rulemaking process in Michigan is cumbersome to say the least because of the amount of hoops you have to jump through," he said. "The rules for online gambling didn't fit Michigan's

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criteria for an emergency, so we had to go through the regular process. There's a lot of vetting. We write the rules, then we send them out to all the stakeholders, they review them, their attorneys review them, they come back with suggestions, we make changes, then we have to send it to two different state branches, and they go through and vet the rules.

"Then we have to do an economic impact to the State of Michigan. So all these hoops that we jumped through are different state by state."

Considering the MGCB has been working remotely during the pandemic and other extenuating circumstances, Kalm is confident they will hit their original goal of an early-2021 launch.

"We're getting it done," he said. "I'm amazed at the team that we've got here at gaming and how much we've accomplished given the remote circumstances we're dealing with. The tribes have been very cooperative. I can't tell you how happy I am with how good this has gone to this point, so I anticipate a seamless launch."

Read more <https://www.mlive.com/sports/2020/12/michigan-online-sports-betting-casino-gaming-now-expected-to-launch-in-early-2021-state-official-says.html>