

MICHIGAN

Continued growth in Michigan’s internet gaming market ensured that total statewide commercial casino gaming revenue hit a record total of \$4.19 billion in 2024, up 17.1 percent on the previous year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS
3

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting;
Internet Gaming

REGULATORY AUTHORITY

Michigan Gaming
Control Board

GROSS CASINO GAMING REVENUE 2024
\$4.19B

GAMING TAX REVENUE 2024
\$962.9M



Market Overview

Michigan offers commercial casino gaming at three land-based casinos, each of which operates electronic gaming devices, table games and sports betting. The casinos are regulated by the Michigan Gaming Control Board (MGCB).

Commercial casinos were first authorized in 1996, when Michigan voters approved a referendum permitting a maximum of three casinos in Detroit.

In December 2019, lawmakers authorized the state’s commercial casinos and 12 recognized Indian tribes to offer statewide online sports betting and iGaming through a single sportsbook, casino and poker platform affiliated with each casino or tribe. Online gaming commenced in January 2021. At the end of 2024, a total of 12 online sportsbooks, 15 internet casinos and three online poker platforms were operational. Two online sportsbooks ceased operations during the course of the year.

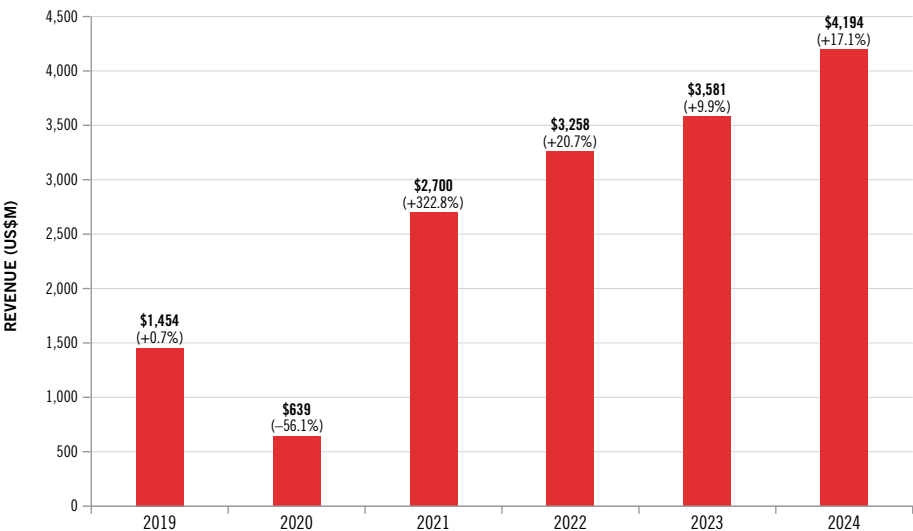
Market Performance

In 2024, total statewide commercial casino gaming revenue was \$4.19 billion, up 17.1 percent versus the previous year.

The record annual total primarily reflected continued strong growth in Michigan’s internet gaming market.

Total iGaming revenue from online casino games and poker reached \$2.44 billion in 2024, an increase of 26.9 percent from the prior year. Sports betting revenue was \$470.3 million, up 8.3 percent, as total online sports betting revenue of \$460.5 million increased by 9.5 percent to more than offset a

MICHIGAN: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2019 to 2024



SOURCE: Michigan Gaming Control Board

decline of around 30 percent in land-based sports betting revenue of \$9.8 million.

In contrast, combined revenue from electronic gaming devices and table games at Michigan's three land-based casinos was \$1.28 billion in 2014, up 4.9 percent compared to the previous year when casinos' operations were affected by labor union activity for a portion of the year.

Gaming Tax Distribution

Land-based casino gaming revenue is taxed at 19 percent for electronic gaming devices and table games, with 10.9 percent directed to the host city of Detroit and 8.1 percent allocated for the state. Revenue from land-based sports betting is subject to an effective tax rate of 8.4 percent. In addition to revenue-based taxes, casinos are required to remit annual services fees to state and municipal governments.

Revenue from iGaming is subject to a graduated tax rate that ranges from 20 percent on revenue less than \$4 million, to 28 percent on revenue exceeding \$12 million, with limited deductions for promotional credits offered to patrons.

Revenue from online sports betting is taxed at 8.4 percent, applied after deductions of free bets and other bonuses and promotions. Online sports betting operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2024, Michigan's three commercial casinos and its regulated iGaming and online sports betting platforms generated estimated total gaming tax revenue of approximately \$962.9 million, up 17.3 percent from the previous year. Of this amount, approximately \$613.7 million was remitted to the state, with \$294.0 million going to the Detroit city government. A further \$55.3 million in iGaming taxes was remitted to tribal governments.

The City of Detroit uses the gaming taxes it receives to fund a variety of public needs, including law enforcement, public safety programs, economic development and job creation programs, anti-gang and youth development programs, tax relief, and infrastructure improvements. Most gaming tax revenue that the state receives is allocated to the Michigan School Aid Fund, which benefits K-12 public education. Additional tax revenue generated by iGaming and online sports betting are appropriated for problem gambling services and first-responder programs.

Competitive Landscape

In addition to commercial casinos in Detroit, Michigan's broader gaming market includes 23 tribal casinos operated by 12 sovereign tribal nations, which are located throughout the state. The three commercial casinos also compete directly with a casino-resort in Windsor, Ontario located on the opposite bank of the Detroit River.

Due to a state constitutional amendment passed in 2004, any new commercial casino gaming facility, or the addition of casino gaming at existing venues such as racetracks, must first receive the approval of a majority of voters both statewide and in the locality where gaming will take place.

Policy & Regulatory Review

Illegal Gaming

Michigan authorities remained at a forefront of state enforcement activities against illegal gaming operations in 2024.

In May, the Michigan Gaming Control Board became the first state regulatory agency to announce that it had issued a formal cease-and-desist order to the operator of prominent offshore gaming site Bovada, citing alleged violations of the state's gambling laws. Bovada ceased accepting bets from Michigan residents a few weeks later.

A dozen other state regulators followed the MGCB's lead later in 2024, materially reducing Bovada's presence across the U.S. market.

The Michigan gaming regulator issued similar orders to two additional offshore operators later in the year, alongside a series of other enforcement actions directed at providers of illegal gambling devices within the state.

Responsible Gaming

In October, Gov. Gretchen Whitmer (D) signed a package of bills to increase state funding for responsible gaming and problem gambling prevention programs.

The bills specifically increased the amount of annual tax revenue appropriated from both online sports betting and iGaming for the state's compulsive gaming prevention fund. As a result of the new legislation, the fund will receive \$1 million annually from online sports betting tax revenue and \$3 million from iGaming tax revenue, up from \$500,000 under prior law.

Separately, the governor also signed an annual state budget law in June that maintained a \$3 million appropriation to fund a statewide responsible gaming awareness campaign run by the Michigan Gaming Control Board. The board's "Don't Regret The Bet" campaign was launched in 2023.

Regulatory Reform

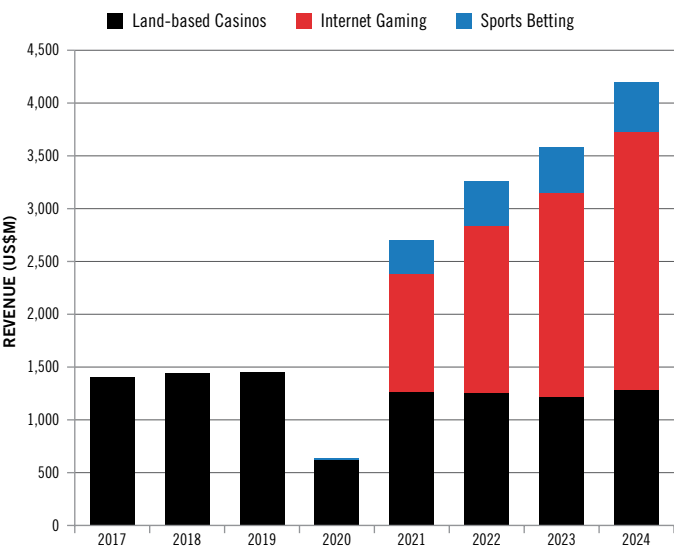
The Michigan Gaming Control Board continued to fine-tune its regulatory requirements for iGaming and online sports betting in 2024.

During the course of the year, the board published a series of new or updated guidelines related to account withdrawals, geolocation requirements and the testing and approval process for software used in online gaming or mobile sports betting.

In November, the MGCB also published additional guidelines on Michigan's identity verification requirements that are designed to prevent fraudulent activity and to ensure patrons of online gaming platforms are at least 21 years of age.

MICHIGAN: COMMERCIAL GAMING REVENUE (US\$M)
2009 to 2024

Michigan's licensed online casinos generated more than \$2 billion in total iGaming revenue for the first time in 2024, with iGaming accounting for more than 58 percent of total commercial casino gaming revenue in the state.



SOURCE: Michigan Gaming Control Board