



# TOPICS IN THE NEWS:

## Online Sports Betting

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April 2021

### INTRODUCTION

In May 2018, the U.S. Supreme Court [overturned the federal ban on sports betting](#), which had been in effect since 1992. A year and a half later, on Dec. 20, 2019, Michigan's [Lawful Sports Betting Act](#) went into immediate effect, expanding legal gambling and setting into motion a [year long process to create rules](#) for conducting and engaging in sports betting, both at in-person venues and online. Three casino-based betting venues or sportsbooks (MGM Grand Detroit, Greektown Casino and Motorcity Casino) opened by March 2020 and by fall of last year, several other Michigan sportsbooks opened in tribal casinos, with more slated to open in 2021. The [first online sports](#) bet was placed January 22, 2021, by Sen. Curtis Hertel Jr. (D-East Lansing) a strong proponent for expansion of the state gaming laws.

Just months later, the popularity and success of online sports betting in Michigan is [surpassing the growth](#) achieved in other states with previously approved sports betting statutes. Through internet gaming alone, which constitutes 80-90% of all sports betting, \$302 million in bets were placed in February 2021, and that number exceeded by nearly \$50 million in March, prompting the former director of the Michigan Gaming Control Board to describe the situation as '...drinking from a fire hose.'

Behind the gaudy numbers lurk realities and concerns with unknown outcomes potentially impacting all Michigan citizens, not just those operating, or participating in, online sports betting, and the industry.

- Declining television viewing of regional sports is driving changes to [viewer access](#) in Michigan and [elsewhere](#), making it harder, not easier for fans to watch their team's broadcasts from home. To counter the decline in televised coverage followers, Sinclair Broadcast Group, the owner of most regional sports networks (RSN) in the U.S., is beefing up the associated online apps that until now largely mirrored televised coverage. The messaging of the RSNs and their accompanying apps changed drastically earlier this year through a naming rights deal between Sinclair and Bally's Corporation (a gaming company). The [rebranding](#) creates an unavoidable connection between the gaming industry and 3 of the 4 primary Detroit-based professional sports teams (Tigers, Redwings and Pistons) through the new Bally Sports Detroit network. Though Bally's is not currently able to participate directly in online sports betting in Michigan, [Sinclair's CFO](#) announced they have plans to release an upgraded online app that will package team and game coverage with free interactive sports gaming and an online sports betting platform, a move that further ties the experience of game viewing to gambling activities.

- The ready availability and [pervasive promotion](#) of online sports betting in all medias to all age groups has raised concerns regarding its potential social impact. Michigan’s problem [gambling help lines showed large increases](#) in call volume in the first 2 months of 2021. To address problem gambling in Michigan, some proceeds from online sports betting contribute to the Michigan Compulsive Gaming Fund which supports programs and information provided by [MGCB](#) and the [MDHHS](#) to help problem gamblers, but studies show that problem gamblers are already [experiencing increasing stress](#) due to the pandemic. Other concerns include the potential for [online scamming](#) and heightened exposure to gambling on [new and impressionable demographics](#).
- Michigan has a relatively low tax rate (8.4%) for online sports betting, compared to some states that claim as much as 50%, [limiting the economic impact](#) despite the big numbers associated with the industry. Numbers from other states that adopted online gaming several years earlier show that the [impact on the state’s budget](#) was initially slow to develop and not as ample as hoped, though they indicate an upward trend. Compared to overall state budgets, however, online sports betting tax revenue [contributes but does not cure](#) the budget gaps states are facing. In addition, other economic factors and trends in gaming markets may impact the long-term sustainability of revenue gains.

## RESOURCES TO READ

[Michigan Sports Betting](#) (PlayMichigan) – current statistics and trends

[The Early Bets are In: Is Online Sports Betting Paying Off?](#) (NCSL, March 2021)

[Sports betting money tempts cash-strapped states](#) (Bismarck Tribune, Apr. 17, 2021)

[Interactive Map: Sports Betting in the U.S.](#) (American Gaming Association)

[Gamblers embrace new legalized sports betting in Michigan](#), Ludington Daily News, Jan. 30, 2021.

[Online betting launched in January. Then, calls to Michigan’s gambling helpline spiked](#), Lansing State Journal April 28, 2021.

[Online gambling should be a tax windfall for Michigan but at what cost?](#), Oakland Press, Apr. 11, 2021.

## PODCASTS AND DOCUMENTARIES TO WATCH

[Safe Bets: Michael Burke of the Michigan Association on Problem Gambling](#), Business and Personal Podcast, episode 41.

[Exploring Gambling Addiction and the Path to Recovery](#), State Bar of Michigan On Balance Podcast, November 1, 2019.

[The Invisible Addiction](#)

## NOTE:

If you need assistance accessing any of these resources, please email [librarian@michigan.gov](mailto:librarian@michigan.gov).