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|  | PRESS RELEASE |

**Michigan Gaming Control Board**

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| **FOR IMMEDIATE RELEASE:  May 2, 2022** | **Contact:** Mary Kay Bean  Beanm1@michigan.gov  www.michigan.gov/mgcb |

#### Location: Cadillac Place, 3062 W. Grand Blvd., L-700 – Detroit

**Time:** 10:00 a.m.

**For Immediate Release:**

**Michigan Gaming Control Board now offers fantasy contest licensing applications on its website**

**Detroit, May 2, 2022** – The Michigan Gaming Control Board today added fantasy contest operator license applications to its website, [www.michigan.gov/mgcb](http://www.michigan.gov/mgcb).

“Licensing is a key step in fulfilling the requirements established by Michigan’s Fantasy Contests Consumer Protection Act,” said Henry Williams, MGCB executive director. “I urge operators to file soon for licensing so current operators can continue to participate and new ones can join them once rules have been approved by the Michigan Legislature.”

The agency may issue two types of licenses. An operator license is needed to conduct or offer fantasy contests for play, and a management company licensee handles the day-to-day fantasy contest operations for an operator. Forms and related information can be found on the agency website’s Internet Gaming and Fantasy Contests [section](https://www.michigan.gov/mgcb/internet-gaming-and-fantasy-contests).

The initial operator’s license fee is $10,000, and the annual license renewal fee is $5,000. In its draft rules, the MGCB proposes a $5,000 management company initial licensing fee and a $5,000 annual renewal fee. The MGCB may assess the operators or companies investigative costs if they exceed the initial license or renewal fee.

Michigan [law](https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Internet-Gaming-and-Fantasy-Contests/ActsandRules/Fantasy_Contests_Consumer_Protection_Act_157_of_2019.pdf) requires submission of commercially reasonable procedures and internal controls to protect the public and ensure integrity of contests, which the MGCB must approve. Key personnel also must be qualified by the MGCB.

Fantasy contest licenses may be issued to operators and their management companies, including those currently offering fantasy contests in the state. The commercial casinos and the federally recognized tribes operating Class III casinos do not require a license to conduct fantasy contests, but they must meet all other requirements of the Fantasy Contests Consumer Protection Act and associated rules.

[Current operators](https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Detroit-Casino-Revenue-Files/FantasyContests-January-2022.xlsx?rev=43c2b14a93f64f9584b6fd6c5b449157&hash=A17BF046D0097267346160243EBB3C5D), who met the definition of a fantasy contest operator in Michigan on May 1, 2018, are required by law to apply for a license by July 1, 2022, in order to continue offering fantasy contests in Michigan.

Michigan law defines a fantasy contest as a simulated game or contest with an entry fee that meets certain conditions. A fantasy contest may not be offered:

* At a kiosk or machine physically located in a retail business, bar, restaurant or other commercial establishment
* At a place of public accommodation
* At a facility owned, operated or occupied by a private club, association or similar membership-based organization

State law sets limits on the composition of fantasy contest teams and defines what a fantasy contest involves plus other requirements and prohibitions. More details can be found in Section 432.502 of the [Fantasy Contests Consumer Protection Act](https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Internet-Gaming-and-Fantasy-Contests/ActsandRules/Fantasy_Contests_Consumer_Protection_Act_157_of_2019.pdf). The MGCB’s proposed fantasy contest draft rules are proceeding through the state’s [administrative rulemaking process](https://www.michigan.gov/lara/bureau-list/moahr/admin-rules) following a public comment period that concluded with a public hearing in January 2022. The rules were submitted April 27 to the Michigan Legislature for review. [Draft rules](https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Internet-Gaming-and-Fantasy-Contests/ActsandRules/Fantasy_Contests_-_Rules.pdf?rev=50e666d1772c4c30b4097f16f088436c&hash=2653E3AF4CB408DA4C70C9D3E1205761) are available on the agency’s website.

Michigan taxes monthly fantasy contest adjusted revenues at 8.4 percent. Adjusted revenues are the amount equal to the total of all players' entry fees minus the total of all sums paid out as prizes or awards to all fantasy contest players multiplied by the in-state percentage. The in-state percentage is equal to the total entry fees of in-state participants divided by the total entry fees collected from all participants of a fantasy contest.

Fantasy contest taxes are paid into the Fantasy Contest Fund. The fund provides the MGCB its costs of regulating and enforcing fantasy contests. The State School Aid Fund receives the money remaining after the MGCB’s expenditures.

"The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan."

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