



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 511 (as introduced 9-3-25)  
Sponsor: Senator Veronica Klinefelt  
Committee: Regulatory Affairs

Date Completed: 9-17-25

**CONTENT**

**The bill would amend Chapter XLIV (Gambling) of the Michigan Penal Code to exempt a wager that was incidental to a bona fide social relationship and that met other circumstances from the current prohibition on gambling on the result of a race, contest, or game. It also would increase the fine for the prohibitions' violation.**

Currently, any person who directly or indirectly takes, receives, or accepts from any person any money or valuable thing with the agreement, understanding, or allegation that any money or valuable thing will be paid or delivered to any person where the payment or delivery is alleged to be or will be contingent upon the result of any race, contest, or game or upon the happening of any event not known by the parties to be certain, is guilty of a misdemeanor punishable by up to one year's imprisonment or a fine of not more than \$1,000.<sup>1</sup> The bill would increase the fine from \$1,000 to \$5,000.

Additionally, the bill would specify that the prohibition above would not apply to a game, wager, or other transaction to which all the following applied:

- The transaction was incidental to a bona fide social relationship.
- Not more than 100 individuals participated in the transaction.
- The maximum total amount wagered by an individual was \$25.
- Other than the wagers, no other money or thing of value was paid to participate in the transaction.
- The entire amount of the wagers was paid to one or more participants as a prize.
- The organizer of the game, wager, or other transaction was a participant, and the benefit to the organizer was only the potential to win the same prizes eligible to be won by other participants.
- The game, wager, or other transaction did not take place inside a gambling establishment, restaurant, entertainment venue, or bar, and was not promoted by a business with the intent to bring in extra customers to the business.

MCL 750.301

**PREVIOUS LEGISLATION**

*(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)*

The bill is similar to Senate Bill 1104 from the 2023-2024 Legislative Session.

Legislative Analyst: Nathan Leaman

<sup>1</sup> The prohibition and penalty do not apply to gambling under the Lawful Internet Gaming Act or to sports betting under the Lawful Sports Betting Act.

## **FISCAL IMPACT**

The bill would have a negative and corresponding positive fiscal impact on State and local government. New misdemeanor arrests and convictions under the bill could increase resource demands on law enforcement, court systems, community supervision, and jails; however, it is unknown how many people would be prosecuted under provisions of the bill. The bill would increase the maximum fine from \$1,000 to \$5,000, benefiting local libraries. Any additional revenue from imposed fines would go to local libraries. The bill would have no fiscal impact on courts or the Attorney General.

Fiscal Analyst: Joe Carrasco, Jr.  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.