



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 4403 (as reported without amendment)  
Sponsor: Representative Pauline Wendzel  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Affairs

**CONTENT**

The bill would amend the Liquor Control Code to allow two or more distillers and two or more mixed spirit manufacturers to take turns using the same space and equipment to respectively manufacture spirits and mixed spirit drinks.

The Code allows winemakers and beer brewers to enter an alternating proprietorship, which generally means an arrangement in which two or more makers of wine or beer take turns using the same space and equipment to manufacture their products. The bill would extend eligibility to engage in an alternating proprietorship to spirits distillers and mixed spirit manufacturers.

**BRIEF RATIONALE**

Allowing smaller spirits distillers and mixed spirit manufacturers to use the same equipment in production would reduce the burden of expensive capital investments in their manufacturing. This could increase economic activity in Michigan. Accordingly, it has been suggested to allow distillers and mixed spirit manufacturers to enter agreements to share space and equipment as currently allowed for beer brewers and winemakers.

MCL 436.1105 & 436.1603

**FISCAL IMPACT**

The bill would have an indeterminate but likely minimal fiscal impact on the State. While there is no application fee for entering into an alternating proprietorship, the Department of Licensing and Regulatory Affairs (LARA) does not expect many new participants, and so the added administrative cost to LARA would be minimal.

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