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## BILL ANALYSIS



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House Bill 4403 (as passed by the House)  
Sponsor: Representative Pauline Wendzel  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Affairs

Date Completed: 8-11-25

**CONTENT**

**The bill would amend the Michigan 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 one of the following:

- An arrangement in which two or more wine makers or small wine makers take turns using the same space and equipment to manufacture wine.
- An arrangement in which two or more brewers or micro brewers take turns using the same space and equipment to manufacture beer.

The bill would extend eligibility to engage in an alternating proprietorship to spirits distillers and mixed spirit manufacturers. Under the bill, "alternating proprietorship" also would mean one of the following:

- An arrangement in which two or more distillers or small distillers take turns using the same space and equipment to manufacture spirits.
- An arrangement in which two or more mixed spirit manufacturers take turns using the same space and equipment to manufacture mixed spirit drinks.

Currently, the Code allows the Liquor Control Commission to approve the following, subject to written approval of the United States Department of Treasury Alcohol and Tobacco Tax and Trade Bureau:

- A wine maker participating with one or more wine makers in an alternating proprietor operation.
- A brewer participating with one or more brewers in an alternating proprietor operation.

The bill also would allow the Commission to approve the following with such written approval:

- A distiller or small distiller participating with one or more distillers or small distillers in an alternating proprietor operation.
- A mixed spirit manufacturer participating with one or more mixed spirit manufacturers in an alternating proprietor operation.

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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