

# Legislative Analysis



## LIQUOR LICENSEE DONATIONS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4663 (H-2) as reported from committee**

**Sponsor: Rep. Curt S. VanderWall**

**Committee: Regulatory Reform**

**Complete to 10-28-25**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4663 would amend the Michigan Liquor Control Code to allow liquor licensees to donate a portion of the profits generated from their license to an organization that not itself a licensee and that is exempt from taxation as a nonprofit under section 501(c) of the federal Internal Revenue Code, as long as the licensee's profits are recorded on its financial records before the donation. The licensee also would have to report its profits to the Michigan Liquor Control Commission (MLCC) upon request. In addition, the bill would prohibit a 501(c) nonprofit that was issued a special license under the code from using a donation made under the bill to pay for any part of an event for which the special license was issued.

The above provisions would supersede any provisions to the contrary in section 609(1) of the code,<sup>1</sup> which generally prohibits gifts to other licensees, and administrative rule R 436.1041,<sup>2</sup> which generally prohibits licensees from obtaining a license to benefit another person or entity.

Proposed MCL 436.2016

### BRIEF DISCUSSION:

Michigan liquor laws generally prohibit someone from deriving a benefit from someone else's liquor license. According to committee testimony, there has been some confusion about how this prohibition applies to charitable donations made by liquor licensees.<sup>3</sup> Supporters of the bill argue that it would simplify the law and so also provide clarity regarding the types of charitable donations bars, breweries, and licensed restaurants can make. This may encourage more of these businesses to host fundraising events or engage in similar community-oriented activities, without having to worry about whether those activities are a violation of their licenses (or unknowingly committing such a violation).

### FISCAL IMPACT:

House Bill 4663 would have no fiscal impact on any units of state or local government.

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<sup>1</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-436-1609>

<sup>2</sup> [ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R.436.1001 to R.436.1063.pdf&ReturnHTML=True](ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R.436.1001.to.R.436.1063.pdf&ReturnHTML=True)

<sup>3</sup> The MLCC issued an interpretive statement in 2021 to address charitable donations. [https://www.michigan.gov/-/media/Project/Websites/lara/lcc/MLCC-FAQs/Interpretative\\_Statement\\_as\\_to\\_Charitable\\_Donations.pdf](https://www.michigan.gov/-/media/Project/Websites/lara/lcc/MLCC-FAQs/Interpretative_Statement_as_to_Charitable_Donations.pdf)

## **POSITIONS:**

The following entities indicated support for the bill:

- Michigan Brewers Guild (9-18-25)
- Michigan Licensed Beverage Association (9-4-25)
- Michigan Nonprofit Association (9-18-25)

The Michigan Liquor Control Commission testified with a neutral position on the bill.  
(9-4-25)

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