

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Executive Reorganization Implementation Act
5 is amended by changing Section 3.1 as follows:

6 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

7 Sec. 3.1. "Agency directly responsible to the Governor" or
8 "agency" means any office, officer, division, or part thereof,
9 and any other office, nonelective officer, department,
10 division, bureau, board, or commission in the executive branch
11 of State government, except that it does not apply to any
12 agency whose primary function is service to the General
13 Assembly or the Judicial Branch of State government, or to any
14 agency administered by the Attorney General, Secretary of
15 State, State Comptroller or State Treasurer. In addition the
16 term does not apply to the following agencies created by law
17 with the primary responsibility of exercising regulatory or
18 adjudicatory functions independently of the Governor:

- 19 (1) the State Board of Elections;
20 (2) the State Board of Education;
21 (3) the Illinois Commerce Commission;
22 (4) the Illinois Workers' Compensation Commission;
23 (5) the Civil Service Commission;

- 1 (6) the Fair Employment Practices Commission;
2 (7) the Pollution Control Board;
3 (8) the Department of State Police Merit Board;
4 (9) the Illinois Racing Board;
5 (10) the Illinois Power Agency;
6 (11) the Illinois Liquor Control Commission.

7 (Source: P.A. 96-796, eff. 10-29-09; 97-618, eff. 10-26-11.)

8 Section 10. The Liquor Control Act of 1934 is amended by
9 changing Sections 3-1, 3-2, 3-5, 3-6, 3-7, 3-10, 3-12, 5-1, and
10 8-5 and by adding Section 3-20 as follows:

11 (235 ILCS 5/3-1) (from Ch. 43, par. 97)

12 Sec. 3-1. There is hereby created an Illinois Liquor
13 Control Commission consisting of 7 members to be appointed by
14 the Governor with the advice and consent of the Senate, no more
15 than 4 of whom shall be members of the same political party.
16 The Executive Director of the Illinois Liquor Control
17 Commission shall be appointed by the Governor with the advice
18 and consent of the Senate.

19 (Source: P.A. 91-798, eff. 7-9-00.)

20 (235 ILCS 5/3-2) (from Ch. 43, par. 98)

21 Sec. 3-2. Immediately, or soon as may be after the
22 effective date of this Act, the Governor shall appoint 3
23 members of the commission, one of whom shall be designated as

1 "Chairman", one to hold office for a period of 2 years, one to
2 hold office for a period of 4 years and one to hold office for a
3 period of 6 years. Immediately, or as soon as may be after the
4 effective date of this amendatory Act of 1983, the Governor
5 shall appoint 2 members to the commission to the offices
6 created by this amendatory Act of 1983, one for an initial term
7 expiring the third Monday in January of 1986 and one for an
8 initial term expiring the third Monday in January of 1988. At
9 the expiration of the term of any such commissioner the
10 Governor shall reappoint said commissioner or appoint a
11 successor of said commissioner for a period of 6 years. The
12 Governor shall have power to fill vacancies in the office of
13 any commissioner.

14 Notwithstanding any provision of this Section to the
15 contrary, the term of office of each member of the commission
16 is abolished on the effective date of this amendatory Act of
17 1985, but the incumbent members shall continue to exercise all
18 of the powers and be subject to all of the duties of members of
19 the commission until their respective successors are appointed
20 and qualified. The Governor shall appoint 2 members of the
21 commission whose terms of office shall expire on February 1,
22 1986, 2 members of the commission whose terms of office shall
23 expire on February 1, 1988, and one member of the commission
24 whose term shall expire on February 1, 1990. Their respective
25 successors shall be appointed for terms of 6 years from the
26 first day of February of the year of appointment. Each member

1 shall serve until his successor is appointed and qualified.

2 The initial term of both of the 2 additional members
3 appointed pursuant to this amendatory Act of the 91st General
4 Assembly shall expire on February 1, 2006. Their respective
5 successors shall be appointed for terms of 6 years from the
6 first day of February of the year of appointment. Each member
7 shall serve until his or her successor is appointed and
8 qualified.

9 Notwithstanding any action taken to fill the office on an
10 acting, temporary, or other basis, the office of Executive
11 Director of the Commission shall be vacant on January 1, 2019.
12 On and after January 1, 2019, the Governor shall appoint the
13 Executive Director of the Commission for a 4-year term, with
14 the advice and consent of the Senate.

15 (Source: P.A. 91-798, eff. 7-9-00.)

16 (235 ILCS 5/3-5) (from Ch. 43, par. 101)

17 Sec. 3-5. Each commissioner, the secretary, the Executive
18 Director, and each person appointed by the commission shall,
19 before entering upon the duties of his or her office, take and
20 subscribe to the constitutional oath of office. The secretary,
21 the Executive Director, and each inspector, clerk, and other
22 employee shall devote his or her entire time to the duties of
23 his or her office.

24 (Source: P.A. 82-783.)

1 (235 ILCS 5/3-6) (from Ch. 43, par. 102)

2 Sec. 3-6. No person shall be appointed a commissioner,
3 secretary, Executive Director, or inspector for the commission
4 who is not a citizen of the United States. No commissioner,
5 secretary, Executive Director, inspector, or other employee
6 shall be appointed who has been convicted of any violation of
7 any Federal or State law concerning the manufacture or sale of
8 alcoholic liquor prior or subsequent to the passage of this Act
9 or who has paid a fine or penalty in settlement of any
10 prosecution against him or her for any violation of such laws
11 or shall have forfeited his or her bond to appear in court to
12 answer charges for any such violation, nor shall any person be
13 appointed who has been convicted of a felony. No commissioner,
14 Executive Director, inspector, or other employee, may,
15 directly or indirectly, individually or as a member of a
16 partnership, or as a shareholder of a corporation, have any
17 interest whatsoever in the manufacture, sale or distribution of
18 alcoholic liquor, nor receive any compensation or profit
19 therefrom, nor have any interest whatsoever in the purchases or
20 sales made by the persons authorized by this Act, or to
21 purchase or to sell alcoholic liquor. No provision of this
22 section shall prevent any such commissioner, secretary,
23 Executive Director, inspector, or other employee from
24 purchasing and keeping in his or her possession for the use of
25 himself or herself or members of his or her family or guests
26 any alcoholic liquor which may be purchased or kept by any

1 person by virtue of this Act.

2 (Source: P.A. 83-1254.)

3 (235 ILCS 5/3-7) (from Ch. 43, par. 103)

4 Sec. 3-7. No commissioner, secretary, Executive Director,
5 or person appointed or employed by the commission, shall
6 solicit or accept any gift, gratuity, emolument or employment
7 from any person subject to the provisions of this Act, or from
8 any officer, agent or employee thereof, nor solicit, request
9 from or recommend, directly or indirectly, to any such person
10 or to any officer, agent or employee thereof, the appointment
11 of any person to any place or position, and every such person,
12 and every officer, agent or employee thereof, is hereby
13 forbidden to offer to any commissioner, secretary, Executive
14 Director, or to any person appointed or employed by the
15 commission, any gift, gratuity, emolument or employment. If any
16 commissioner, secretary, Executive Director, or any person
17 appointed or employed by the commission, shall violate any of
18 the provisions of this Section, he or she shall be removed from
19 the office or employment held by him or her. Every person
20 violating the provisions of this Section shall be guilty of a
21 Class A misdemeanor.

22 (Source: P.A. 82-783.)

23 (235 ILCS 5/3-10) (from Ch. 43, par. 106)

24 Sec. 3-10. The commissioners, the secretary, the Executive

1 Director, and all clerks, inspectors, and other employees shall
2 be reimbursed for all actual and necessary traveling and other
3 expenses and disbursements incurred or made by them in the
4 discharge of their official duties. The commission may also
5 incur necessary expenses for office furniture and other
6 incidental expenses.

7 (Source: P.A. 82-783.)

8 (235 ILCS 5/3-12)

9 Sec. 3-12. Powers and duties of State Commission.

10 (a) The State commission shall have the following powers,
11 functions, and duties:

12 (1) To receive applications and to issue licenses to
13 manufacturers, foreign importers, importing distributors,
14 distributors, non-resident dealers, on premise consumption
15 retailers, off premise sale retailers, special event
16 retailer licensees, special use permit licenses, auction
17 liquor licenses, brew pubs, caterer retailers,
18 non-beverage users, railroads, including owners and
19 lessees of sleeping, dining and cafe cars, airplanes,
20 boats, brokers, and wine maker's premises licensees in
21 accordance with the provisions of this Act, and to suspend
22 or revoke such licenses upon the State commission's
23 determination, upon notice after hearing, that a licensee
24 has violated any provision of this Act or any rule or
25 regulation issued pursuant thereto and in effect for 30

1 days prior to such violation. Except in the case of an
2 action taken pursuant to a violation of Section 6-3, 6-5,
3 or 6-9, any action by the State Commission to suspend or
4 revoke a licensee's license may be limited to the license
5 for the specific premises where the violation occurred. An
6 action for a violation of this Act shall be commenced by
7 the State Commission within 2 years after the date the
8 State Commission becomes aware of the violation.

9 In lieu of suspending or revoking a license, the
10 commission may impose a fine, upon the State commission's
11 determination and notice after hearing, that a licensee has
12 violated any provision of this Act or any rule or
13 regulation issued pursuant thereto and in effect for 30
14 days prior to such violation.

15 For the purpose of this paragraph (1), when determining
16 multiple violations for the sale of alcohol to a person
17 under the age of 21, a second or subsequent violation for
18 the sale of alcohol to a person under the age of 21 shall
19 only be considered if it was committed within 5 years after
20 the date when a prior violation for the sale of alcohol to
21 a person under the age of 21 was committed.

22 The fine imposed under this paragraph may not exceed
23 \$500 for each violation. Each day that the activity, which
24 gave rise to the original fine, continues is a separate
25 violation. The maximum fine that may be levied against any
26 licensee, for the period of the license, shall not exceed

1 \$20,000. The maximum penalty that may be imposed on a
2 licensee for selling a bottle of alcoholic liquor with a
3 foreign object in it or serving from a bottle of alcoholic
4 liquor with a foreign object in it shall be the destruction
5 of that bottle of alcoholic liquor for the first 10 bottles
6 so sold or served from by the licensee. For the eleventh
7 bottle of alcoholic liquor and for each third bottle
8 thereafter sold or served from by the licensee with a
9 foreign object in it, the maximum penalty that may be
10 imposed on the licensee is the destruction of the bottle of
11 alcoholic liquor and a fine of up to \$50.

12 Any notice issued by the State Commission to a licensee
13 for a violation of this Act or any notice with respect to
14 settlement or offer in compromise shall include the field
15 report, photographs, and any other supporting
16 documentation necessary to reasonably inform the licensee
17 of the nature and extent of the violation or the conduct
18 alleged to have occurred. The failure to include such
19 required documentation shall result in the dismissal of the
20 action.

21 (2) To adopt such rules and regulations consistent with
22 the provisions of this Act which shall be necessary to
23 carry on its functions and duties to the end that the
24 health, safety and welfare of the People of the State of
25 Illinois shall be protected and temperance in the
26 consumption of alcoholic liquors shall be fostered and

1 promoted and to distribute copies of such rules and
2 regulations to all licensees affected thereby.

3 (3) To call upon other administrative departments of
4 the State, county and municipal governments, county and
5 city police departments and upon prosecuting officers for
6 such information and assistance as it deems necessary in
7 the performance of its duties.

8 (4) To recommend to local commissioners rules and
9 regulations, not inconsistent with the law, for the
10 distribution and sale of alcoholic liquors throughout the
11 State.

12 (5) To inspect, or cause to be inspected, any premises
13 in this State where alcoholic liquors are manufactured,
14 distributed, warehoused, or sold. Nothing in this Act
15 authorizes an agent of the Commission to inspect private
16 areas within the premises without reasonable suspicion or a
17 warrant during an inspection. "Private areas" include, but
18 are not limited to, safes, personal property, and closed
19 desks.

20 (5.1) Upon receipt of a complaint or upon having
21 knowledge that any person is engaged in business as a
22 manufacturer, importing distributor, distributor, or
23 retailer without a license or valid license, to notify the
24 local liquor authority, file a complaint with the State's
25 Attorney's Office of the county where the incident
26 occurred, or initiate an investigation with the

1 appropriate law enforcement officials.

2 (5.2) To issue a cease and desist notice to persons
3 shipping alcoholic liquor into this State from a point
4 outside of this State if the shipment is in violation of
5 this Act.

6 (5.3) To receive complaints from licensees, local
7 officials, law enforcement agencies, organizations, and
8 persons stating that any licensee has been or is violating
9 any provision of this Act or the rules and regulations
10 issued pursuant to this Act. Such complaints shall be in
11 writing, signed and sworn to by the person making the
12 complaint, and shall state with specificity the facts in
13 relation to the alleged violation. If the Commission has
14 reasonable grounds to believe that the complaint
15 substantially alleges a violation of this Act or rules and
16 regulations adopted pursuant to this Act, it shall conduct
17 an investigation. If, after conducting an investigation,
18 the Commission is satisfied that the alleged violation did
19 occur, it shall proceed with disciplinary action against
20 the licensee as provided in this Act.

21 (6) To hear and determine appeals from orders of a
22 local commission in accordance with the provisions of this
23 Act, as hereinafter set forth. Hearings under this
24 subsection shall be held in Springfield or Chicago, at
25 whichever location is the more convenient for the majority
26 of persons who are parties to the hearing.

1 (7) The commission shall establish uniform systems of
2 accounts to be kept by all retail licensees having more
3 than 4 employees, and for this purpose the commission may
4 classify all retail licensees having more than 4 employees
5 and establish a uniform system of accounts for each class
6 and prescribe the manner in which such accounts shall be
7 kept. The commission may also prescribe the forms of
8 accounts to be kept by all retail licensees having more
9 than 4 employees, including but not limited to accounts of
10 earnings and expenses and any distribution, payment, or
11 other distribution of earnings or assets, and any other
12 forms, records and memoranda which in the judgment of the
13 commission may be necessary or appropriate to carry out any
14 of the provisions of this Act, including but not limited to
15 such forms, records and memoranda as will readily and
16 accurately disclose at all times the beneficial ownership
17 of such retail licensed business. The accounts, forms,
18 records and memoranda shall be available at all reasonable
19 times for inspection by authorized representatives of the
20 State commission or by any local liquor control
21 commissioner or his or her authorized representative. The
22 commission, may, from time to time, alter, amend or repeal,
23 in whole or in part, any uniform system of accounts, or the
24 form and manner of keeping accounts.

25 (8) In the conduct of any hearing authorized to be held
26 by the commission, to appoint, at the commission's

1 discretion, hearing officers to conduct hearings involving
2 complex issues or issues that will require a protracted
3 period of time to resolve, to examine, or cause to be
4 examined, under oath, any licensee, and to examine or cause
5 to be examined the books and records of such licensee; to
6 hear testimony and take proof material for its information
7 in the discharge of its duties hereunder; to administer or
8 cause to be administered oaths; for any such purpose to
9 issue subpoena or subpoenas to require the attendance of
10 witnesses and the production of books, which shall be
11 effective in any part of this State, and to adopt rules to
12 implement its powers under this paragraph (8).

13 Any Circuit Court may by order duly entered, require
14 the attendance of witnesses and the production of relevant
15 books subpoenaed by the State commission and the court may
16 compel obedience to its order by proceedings for contempt.

17 (9) To investigate the administration of laws in
18 relation to alcoholic liquors in this and other states and
19 any foreign countries, and to recommend from time to time
20 to the Governor and through him or her to the legislature
21 of this State, such amendments to this Act, if any, as it
22 may think desirable and as will serve to further the
23 general broad purposes contained in Section 1-2 hereof.

24 (10) To adopt such rules and regulations consistent
25 with the provisions of this Act which shall be necessary
26 for the control, sale or disposition of alcoholic liquor

1 damaged as a result of an accident, wreck, flood, fire or
2 other similar occurrence.

3 (11) To develop industry educational programs related
4 to responsible serving and selling, particularly in the
5 areas of overserving consumers and illegal underage
6 purchasing and consumption of alcoholic beverages.

7 (11.1) To license persons providing education and
8 training to alcohol beverage sellers and servers for
9 mandatory and non-mandatory training under the Beverage
10 Alcohol Sellers and Servers Education and Training
11 (BASSET) programs and to develop and administer a public
12 awareness program in Illinois to reduce or eliminate the
13 illegal purchase and consumption of alcoholic beverage
14 products by persons under the age of 21. Application for a
15 license shall be made on forms provided by the State
16 Commission.

17 (12) To develop and maintain a repository of license
18 and regulatory information.

19 (13) On or before January 15, 1994, the Commission
20 shall issue a written report to the Governor and General
21 Assembly that is to be based on a comprehensive study of
22 the impact on and implications for the State of Illinois of
23 Section 1926 of the federal ADAMHA Reorganization Act of
24 1992 (Public Law 102-321). This study shall address the
25 extent to which Illinois currently complies with the
26 provisions of P.L. 102-321 and the rules promulgated

1 pursuant thereto.

2 As part of its report, the Commission shall provide the
3 following essential information:

4 (i) the number of retail distributors of tobacco
5 products, by type and geographic area, in the State;

6 (ii) the number of reported citations and
7 successful convictions, categorized by type and
8 location of retail distributor, for violation of the
9 Prevention of Tobacco Use by Minors and Sale and
10 Distribution of Tobacco Products Act and the Smokeless
11 Tobacco Limitation Act;

12 (iii) the extent and nature of organized
13 educational and governmental activities that are
14 intended to promote, encourage or otherwise secure
15 compliance with any Illinois laws that prohibit the
16 sale or distribution of tobacco products to minors; and

17 (iv) the level of access and availability of
18 tobacco products to individuals under the age of 18.

19 To obtain the data necessary to comply with the
20 provisions of P.L. 102-321 and the requirements of this
21 report, the Commission shall conduct random, unannounced
22 inspections of a geographically and scientifically
23 representative sample of the State's retail tobacco
24 distributors.

25 The Commission shall consult with the Department of
26 Public Health, the Department of Human Services, the

1 Illinois State Police and any other executive branch
2 agency, and private organizations that may have
3 information relevant to this report.

4 The Commission may contract with the Food and Drug
5 Administration of the U.S. Department of Health and Human
6 Services to conduct unannounced investigations of Illinois
7 tobacco vendors to determine compliance with federal laws
8 relating to the illegal sale of cigarettes and smokeless
9 tobacco products to persons under the age of 18.

10 (14) On or before April 30, 2008 and every 2 years
11 thereafter, the Commission shall present a written report
12 to the Governor and the General Assembly that shall be
13 based on a study of the impact of Public Act 95-634 on the
14 business of soliciting, selling, and shipping wine from
15 inside and outside of this State directly to residents of
16 this State. As part of its report, the Commission shall
17 provide all of the following information:

18 (A) The amount of State excise and sales tax
19 revenues generated.

20 (B) The amount of licensing fees received.

21 (C) The number of cases of wine shipped from inside
22 and outside of this State directly to residents of this
23 State.

24 (D) The number of alcohol compliance operations
25 conducted.

26 (E) The number of winery shipper's licenses

1 issued.

2 (F) The number of each of the following: reported
3 violations; cease and desist notices issued by the
4 Commission; notices of violations issued by the
5 Commission and to the Department of Revenue; and
6 notices and complaints of violations to law
7 enforcement officials, including, without limitation,
8 the Illinois Attorney General and the U.S. Department
9 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

10 (15) As a means to reduce the underage consumption of
11 alcoholic liquors, the Commission shall conduct alcohol
12 compliance operations to investigate whether businesses
13 that are soliciting, selling, and shipping wine from inside
14 or outside of this State directly to residents of this
15 State are licensed by this State or are selling or
16 attempting to sell wine to persons under 21 years of age in
17 violation of this Act.

18 (16) The Commission shall, in addition to notifying any
19 appropriate law enforcement agency, submit notices of
20 complaints or violations of Sections 6-29 and 6-29.1 by
21 persons who do not hold a winery shipper's license under
22 this Act to the Illinois Attorney General and to the U.S.
23 Department of Treasury's Alcohol and Tobacco Tax and Trade
24 Bureau.

25 (17) (A) A person licensed to make wine under the laws
26 of another state who has a winery shipper's license under

1 this Act and annually produces less than 25,000 gallons of
2 wine or a person who has a first-class or second-class wine
3 manufacturer's license, a first-class or second-class
4 wine-maker's license, or a limited wine manufacturer's
5 license under this Act and annually produces less than
6 25,000 gallons of wine may make application to the
7 Commission for a self-distribution exemption to allow the
8 sale of not more than 5,000 gallons of the exemption
9 holder's wine to retail licensees per year.

10 (B) In the application, which shall be sworn under
11 penalty of perjury, such person shall state (1) the date it
12 was established; (2) its volume of production and sales for
13 each year since its establishment; (3) its efforts to
14 establish distributor relationships; (4) that a
15 self-distribution exemption is necessary to facilitate the
16 marketing of its wine; and (5) that it will comply with the
17 liquor and revenue laws of the United States, this State,
18 and any other state where it is licensed.

19 (C) The Commission shall approve the application for a
20 self-distribution exemption if such person: (1) is in
21 compliance with State revenue and liquor laws; (2) is not a
22 member of any affiliated group that produces more than
23 25,000 gallons of wine per annum or produces any other
24 alcoholic liquor; (3) will not annually produce for sale
25 more than 25,000 gallons of wine; and (4) will not annually
26 sell more than 5,000 gallons of its wine to retail

1 licensees.

2 (D) A self-distribution exemption holder shall
3 annually certify to the Commission its production of wine
4 in the previous 12 months and its anticipated production
5 and sales for the next 12 months. The Commission may fine,
6 suspend, or revoke a self-distribution exemption after a
7 hearing if it finds that the exemption holder has made a
8 material misrepresentation in its application, violated a
9 revenue or liquor law of Illinois, exceeded production of
10 25,000 gallons of wine in any calendar year, or become part
11 of an affiliated group producing more than 25,000 gallons
12 of wine or any other alcoholic liquor.

13 (E) Except in hearings for violations of this Act or
14 Public Act 95-634 or a bona fide investigation by duly
15 sworn law enforcement officials, the Commission, or its
16 agents, the Commission shall maintain the production and
17 sales information of a self-distribution exemption holder
18 as confidential and shall not release such information to
19 any person.

20 (F) The Commission shall issue regulations governing
21 self-distribution exemptions consistent with this Section
22 and this Act.

23 (G) Nothing in this subsection (17) shall prohibit a
24 self-distribution exemption holder from entering into or
25 simultaneously having a distribution agreement with a
26 licensed Illinois distributor.

1 (H) It is the intent of this subsection (17) to promote
2 and continue orderly markets. The General Assembly finds
3 that in order to preserve Illinois' regulatory
4 distribution system it is necessary to create an exception
5 for smaller makers of wine as their wines are frequently
6 adjusted in varietals, mixes, vintages, and taste to find
7 and create market niches sometimes too small for
8 distributor or importing distributor business strategies.
9 Limited self-distribution rights will afford and allow
10 smaller makers of wine access to the marketplace in order
11 to develop a customer base without impairing the integrity
12 of the 3-tier system.

13 (18)(A) A class 1 brewer licensee, who must also be
14 either a licensed brewer or licensed non-resident dealer
15 and annually manufacture less than 930,000 gallons of beer,
16 may make application to the State Commission for a
17 self-distribution exemption to allow the sale of not more
18 than 232,500 gallons of the exemption holder's beer to
19 retail licensees per year.

20 (B) In the application, which shall be sworn under
21 penalty of perjury, the class 1 brewer licensee shall state
22 (1) the date it was established; (2) its volume of beer
23 manufactured and sold for each year since its
24 establishment; (3) its efforts to establish distributor
25 relationships; (4) that a self-distribution exemption is
26 necessary to facilitate the marketing of its beer; and (5)

1 that it will comply with the alcoholic beverage and revenue
2 laws of the United States, this State, and any other state
3 where it is licensed.

4 (C) Any application submitted shall be posted on the
5 State Commission's website at least 45 days prior to action
6 by the State Commission. The State Commission shall approve
7 the application for a self-distribution exemption if the
8 class 1 brewer licensee: (1) is in compliance with the
9 State, revenue, and alcoholic beverage laws; (2) is not a
10 member of any affiliated group that manufactures more than
11 930,000 gallons of beer per annum or produces any other
12 alcoholic beverages; (3) shall not annually manufacture
13 for sale more than 930,000 gallons of beer; (4) shall not
14 annually sell more than 232,500 gallons of its beer to
15 retail licensees; and (5) has relinquished any brew pub
16 license held by the licensee, including any ownership
17 interest it held in the licensed brew pub.

18 (D) A self-distribution exemption holder shall
19 annually certify to the State Commission its manufacture of
20 beer during the previous 12 months and its anticipated
21 manufacture and sales of beer for the next 12 months. The
22 State Commission may fine, suspend, or revoke a
23 self-distribution exemption after a hearing if it finds
24 that the exemption holder has made a material
25 misrepresentation in its application, violated a revenue
26 or alcoholic beverage law of Illinois, exceeded the

1 manufacture of 930,000 gallons of beer in any calendar year
2 or became part of an affiliated group manufacturing more
3 than 930,000 gallons of beer or any other alcoholic
4 beverage.

5 (E) The State Commission shall issue rules and
6 regulations governing self-distribution exemptions
7 consistent with this Act.

8 (F) Nothing in this paragraph (18) shall prohibit a
9 self-distribution exemption holder from entering into or
10 simultaneously having a distribution agreement with a
11 licensed Illinois importing distributor or a distributor.
12 If a self-distribution exemption holder enters into a
13 distribution agreement and has assigned distribution
14 rights to an importing distributor or distributor, then the
15 self-distribution exemption holder's distribution rights
16 in the assigned territories shall cease in a reasonable
17 time not to exceed 60 days.

18 (G) It is the intent of this paragraph (18) to promote
19 and continue orderly markets. The General Assembly finds
20 that in order to preserve Illinois' regulatory
21 distribution system, it is necessary to create an exception
22 for smaller manufacturers in order to afford and allow such
23 smaller manufacturers of beer access to the marketplace in
24 order to develop a customer base without impairing the
25 integrity of the 3-tier system.

26 (b) On or before April 30, 1999, the Commission shall

1 present a written report to the Governor and the General
2 Assembly that shall be based on a study of the impact of Public
3 Act 90-739 on the business of soliciting, selling, and shipping
4 alcoholic liquor from outside of this State directly to
5 residents of this State.

6 As part of its report, the Commission shall provide the
7 following information:

8 (i) the amount of State excise and sales tax revenues
9 generated as a result of Public Act 90-739;

10 (ii) the amount of licensing fees received as a result
11 of Public Act 90-739;

12 (iii) the number of reported violations, the number of
13 cease and desist notices issued by the Commission, the
14 number of notices of violations issued to the Department of
15 Revenue, and the number of notices and complaints of
16 violations to law enforcement officials.

17 (Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;
18 100-134, eff. 8-18-17; 100-201, eff. 8-18-17.)

19 (235 ILCS 5/3-20 new)

20 Sec. 3-20. State Commission; separation from the
21 Department of Revenue.

22 (a) Executive Order No. 2003-9 is hereby superseded by this
23 amendatory Act of the 100th General Assembly to the extent that
24 Executive Order No. 2003-9 transferred clerks, management and
25 staff support, employees, and other resources from the State

1 Commission to the Department of Revenue.

2 (b) To the extent that Executive Order No. 2003-9
3 transferred personnel and the Executive Director to the
4 Department of Revenue from the State Commission, those
5 personnel and the Executive Director shall be transferred to
6 the State Commission. The status and rights of such employees
7 under the Personnel Code shall not be affected by the transfer.
8 The status and rights of the employees and the State of
9 Illinois and its agencies under the Personnel Code, the
10 Illinois Public Labor Relations Act, and applicable collective
11 bargaining agreements or under any pension, retirement, or
12 annuity plan shall not be affected by this amendatory Act of
13 the 100th General Assembly. To the extent that an employee
14 performs duties for the State Commission and the Department of
15 Revenue itself or any other division or agency within the
16 Department of Revenue, that employee shall be transferred at
17 the Governor's discretion.

18 (c) All books, records, papers, documents, property (real
19 and personal), contracts, causes of action, and pending
20 business pertaining to the powers, duties, rights, and
21 responsibilities transferred by this amendatory Act of the
22 100th General Assembly from the Department of Revenue to the
23 State Commission, including, but not limited to, material in
24 electronic or magnetic format and necessary computer hardware
25 and software, shall be transferred to the State Commission.

26 (d) All unexpended appropriations and balances and other

1 funds available for use by the Department of Revenue to operate
2 the State Commission shall be transferred for use by the State
3 Commission. Unexpended balances so transferred shall be
4 expended only for the purpose for which the appropriations were
5 originally made.

6 (e) The powers, duties, rights, and responsibilities
7 transferred from the Department of Revenue by this amendatory
8 Act of the 100th General Assembly shall be vested in and shall
9 be exercised by the State Commission.

10 (f) Whenever reports or notices are now required to be made
11 or given or papers or documents furnished or served by any
12 person to or upon the Department of Revenue in connection with
13 any of the powers, duties, rights, and responsibilities
14 transferred by this amendatory Act of the 100th General
15 Assembly, the same shall be made, given, furnished, or served
16 in the same manner to or upon the State Commission.

17 (g) Any rules of the Department of Revenue that relate to
18 the functions transferred from the State Commission to the
19 Department of Revenue by Executive Order No. 2003-9 that are in
20 full force on the effective date of this amendatory Act of the
21 100th General Assembly shall become the rules of the State
22 Commission. This amendatory Act of the 100th General Assembly
23 does not affect the legality of any such rules in the Illinois
24 Administrative Code.

25 Any proposed rules filed with the Secretary of State by the
26 Department of Revenue that are pending in the rulemaking

1 process on the effective date of this amendatory Act of the
2 100th General Assembly and pertain to the functions transferred
3 from the State Commission to the Department of Revenue by
4 Executive Order No. 2003-9 shall be deemed to have been filed
5 by the State Commission. As soon as practicable hereafter, the
6 State Commission shall revise and clarify the rules transferred
7 to it under this amendatory Act of the 100th General Assembly
8 to reflect the reorganization of powers, duties, rights, and
9 responsibilities affected by this amendatory Act of the 100th
10 General Assembly, using the procedures for recodification of
11 rules available under the Illinois Administrative Procedure
12 Act, except that existing title, part, and section numbering
13 for the affected rules may be retained.

14 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

15 Sec. 5-1. Licenses issued by the Illinois Liquor Control
16 Commission shall be of the following classes:

17 (a) Manufacturer's license - Class 1. Distiller, Class 2.
18 Rectifier, Class 3. Brewer, Class 4. First Class Wine
19 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
20 First Class Winemaker, Class 7. Second Class Winemaker, Class
21 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
22 10. Class 1 Brewer, Class 11. Class 2 Brewer,

23 (b) Distributor's license,

24 (c) Importing Distributor's license,

25 (d) Retailer's license,

- 1 (e) Special Event Retailer's license (not-for-profit),
- 2 (f) Railroad license,
- 3 (g) Boat license,
- 4 (h) Non-Beverage User's license,
- 5 (i) Wine-maker's premises license,
- 6 (j) Airplane license,
- 7 (k) Foreign importer's license,
- 8 (l) Broker's license,
- 9 (m) Non-resident dealer's license,
- 10 (n) Brew Pub license,
- 11 (o) Auction liquor license,
- 12 (p) Caterer retailer license,
- 13 (q) Special use permit license,
- 14 (r) Winery shipper's license,
- 15 (s) Craft distiller tasting permit.

16 No person, firm, partnership, corporation, or other legal
17 business entity that is engaged in the manufacturing of wine
18 may concurrently obtain and hold a wine-maker's license and a
19 wine manufacturer's license.

20 (a) A manufacturer's license shall allow the manufacture,
21 importation in bulk, storage, distribution and sale of
22 alcoholic liquor to persons without the State, as may be
23 permitted by law and to licensees in this State as follows:

24 Class 1. A Distiller may make sales and deliveries of
25 alcoholic liquor to distillers, rectifiers, importing
26 distributors, distributors and non-beverage users and to no

1 other licensees.

2 Class 2. A Rectifier, who is not a distiller, as defined
3 herein, may make sales and deliveries of alcoholic liquor to
4 rectifiers, importing distributors, distributors, retailers
5 and non-beverage users and to no other licensees.

6 Class 3. A Brewer may make sales and deliveries of beer to
7 importing distributors and distributors and may make sales as
8 authorized under subsection (e) of Section 6-4 of this Act.

9 Class 4. A first class wine-manufacturer may make sales and
10 deliveries of up to 50,000 gallons of wine to manufacturers,
11 importing distributors and distributors, and to no other
12 licensees.

13 Class 5. A second class Wine manufacturer may make sales
14 and deliveries of more than 50,000 gallons of wine to
15 manufacturers, importing distributors and distributors and to
16 no other licensees.

17 Class 6. A first-class wine-maker's license shall allow the
18 manufacture of up to 50,000 gallons of wine per year, and the
19 storage and sale of such wine to distributors in the State and
20 to persons without the State, as may be permitted by law. A
21 person who, prior to June 1, 2008 (the effective date of Public
22 Act 95-634), is a holder of a first-class wine-maker's license
23 and annually produces more than 25,000 gallons of its own wine
24 and who distributes its wine to licensed retailers shall cease
25 this practice on or before July 1, 2008 in compliance with
26 Public Act 95-634.

1 Class 7. A second-class wine-maker's license shall allow
2 the manufacture of between 50,000 and 150,000 gallons of wine
3 per year, and the storage and sale of such wine to distributors
4 in this State and to persons without the State, as may be
5 permitted by law. A person who, prior to June 1, 2008 (the
6 effective date of Public Act 95-634), is a holder of a
7 second-class wine-maker's license and annually produces more
8 than 25,000 gallons of its own wine and who distributes its
9 wine to licensed retailers shall cease this practice on or
10 before July 1, 2008 in compliance with Public Act 95-634.

11 Class 8. A limited wine-manufacturer may make sales and
12 deliveries not to exceed 40,000 gallons of wine per year to
13 distributors, and to non-licensees in accordance with the
14 provisions of this Act.

15 Class 9. A craft distiller license shall allow the
16 manufacture of up to 100,000 gallons of spirits by distillation
17 per year and the storage of such spirits. If a craft distiller
18 licensee, including a craft distiller licensee who holds more
19 than one craft distiller license, is not affiliated with any
20 other manufacturer of spirits, then the craft distiller
21 licensee may sell such spirits to distributors in this State
22 and up to 2,500 gallons of such spirits to non-licensees to the
23 extent permitted by any exemption approved by the Commission
24 pursuant to Section 6-4 of this Act. A craft distiller license
25 holder may store such spirits at a non-contiguous licensed
26 location, but at no time shall a craft distiller license holder

1 directly or indirectly produce in the aggregate more than
2 100,000 gallons of spirits per year.

3 A craft distiller licensee may hold more than one craft
4 distiller's license. However, a craft distiller that holds more
5 than one craft distiller license shall not manufacture, in the
6 aggregate, more than 100,000 gallons of spirits by distillation
7 per year and shall not sell, in the aggregate, more than 2,500
8 gallons of such spirits to non-licensees in accordance with an
9 exemption approved by the State Commission pursuant to Section
10 6-4 of this Act.

11 Any craft distiller licensed under this Act who on July 28,
12 2010 (the effective date of Public Act 96-1367) was licensed as
13 a distiller and manufactured no more spirits than permitted by
14 this Section shall not be required to pay the initial licensing
15 fee.

16 Class 10. A class 1 brewer license, which may only be
17 issued to a licensed brewer or licensed non-resident dealer,
18 shall allow the manufacture of up to 930,000 gallons of beer
19 per year provided that the class 1 brewer licensee does not
20 manufacture more than a combined 930,000 gallons of beer per
21 year and is not a member of or affiliated with, directly or
22 indirectly, a manufacturer that produces more than 930,000
23 gallons of beer per year or any other alcoholic liquor. A class
24 1 brewer licensee may make sales and deliveries to importing
25 distributors and distributors and to retail licensees in
26 accordance with the conditions set forth in paragraph (18) of

1 subsection (a) of Section 3-12 of this Act.

2 Class 11. A class 2 brewer license, which may only be
3 issued to a licensed brewer or licensed non-resident dealer,
4 shall allow the manufacture of up to 3,720,000 gallons of beer
5 per year provided that the class 2 brewer licensee does not
6 manufacture more than a combined 3,720,000 gallons of beer per
7 year and is not a member of or affiliated with, directly or
8 indirectly, a manufacturer that produces more than 3,720,000
9 gallons of beer per year or any other alcoholic liquor. A class
10 2 brewer licensee may make sales and deliveries to importing
11 distributors and distributors, but shall not make sales or
12 deliveries to any other licensee. If the State Commission
13 provides prior approval, a class 2 brewer licensee may annually
14 transfer up to 3,720,000 gallons of beer manufactured by that
15 class 2 brewer licensee to the premises of a licensed class 2
16 brewer wholly owned and operated by the same licensee.

17 (a-1) A manufacturer which is licensed in this State to
18 make sales or deliveries of alcoholic liquor to licensed
19 distributors or importing distributors and which enlists
20 agents, representatives, or individuals acting on its behalf
21 who contact licensed retailers on a regular and continual basis
22 in this State must register those agents, representatives, or
23 persons acting on its behalf with the State Commission.

24 Registration of agents, representatives, or persons acting
25 on behalf of a manufacturer is fulfilled by submitting a form
26 to the Commission. The form shall be developed by the

1 Commission and shall include the name and address of the
2 applicant, the name and address of the manufacturer he or she
3 represents, the territory or areas assigned to sell to or
4 discuss pricing terms of alcoholic liquor, and any other
5 questions deemed appropriate and necessary. All statements in
6 the forms required to be made by law or by rule shall be deemed
7 material, and any person who knowingly misstates any material
8 fact under oath in an application is guilty of a Class B
9 misdemeanor. Fraud, misrepresentation, false statements,
10 misleading statements, evasions, or suppression of material
11 facts in the securing of a registration are grounds for
12 suspension or revocation of the registration. The State
13 Commission shall post a list of registered agents on the
14 Commission's website.

15 (b) A distributor's license shall allow the wholesale
16 purchase and storage of alcoholic liquors and sale of alcoholic
17 liquors to licensees in this State and to persons without the
18 State, as may be permitted by law. No person licensed as a
19 distributor shall be granted a non-resident dealer's license.

20 (c) An importing distributor's license may be issued to and
21 held by those only who are duly licensed distributors, upon the
22 filing of an application by a duly licensed distributor, with
23 the Commission and the Commission shall, without the payment of
24 any fee, immediately issue such importing distributor's
25 license to the applicant, which shall allow the importation of
26 alcoholic liquor by the licensee into this State from any point

1 in the United States outside this State, and the purchase of
2 alcoholic liquor in barrels, casks or other bulk containers and
3 the bottling of such alcoholic liquors before resale thereof,
4 but all bottles or containers so filled shall be sealed,
5 labeled, stamped and otherwise made to comply with all
6 provisions, rules and regulations governing manufacturers in
7 the preparation and bottling of alcoholic liquors. The
8 importing distributor's license shall permit such licensee to
9 purchase alcoholic liquor from Illinois licensed non-resident
10 dealers and foreign importers only. No person licensed as an
11 importing distributor shall be granted a non-resident dealer's
12 license.

13 (d) A retailer's license shall allow the licensee to sell
14 and offer for sale at retail, only in the premises specified in
15 the license, alcoholic liquor for use or consumption, but not
16 for resale in any form. Nothing in Public Act 95-634 shall
17 deny, limit, remove, or restrict the ability of a holder of a
18 retailer's license to transfer, deliver, or ship alcoholic
19 liquor to the purchaser for use or consumption subject to any
20 applicable local law or ordinance. Any retail license issued to
21 a manufacturer shall only permit the manufacturer to sell beer
22 at retail on the premises actually occupied by the
23 manufacturer. For the purpose of further describing the type of
24 business conducted at a retail licensed premises, a retailer's
25 licensee may be designated by the State Commission as (i) an on
26 premise consumption retailer, (ii) an off premise sale

1 retailer, or (iii) a combined on premise consumption and off
2 premise sale retailer.

3 Notwithstanding any other provision of this subsection
4 (d), a retail licensee may sell alcoholic liquors to a special
5 event retailer licensee for resale to the extent permitted
6 under subsection (e).

7 (e) A special event retailer's license (not-for-profit)
8 shall permit the licensee to purchase alcoholic liquors from an
9 Illinois licensed distributor (unless the licensee purchases
10 less than \$500 of alcoholic liquors for the special event, in
11 which case the licensee may purchase the alcoholic liquors from
12 a licensed retailer) and shall allow the licensee to sell and
13 offer for sale, at retail, alcoholic liquors for use or
14 consumption, but not for resale in any form and only at the
15 location and on the specific dates designated for the special
16 event in the license. An applicant for a special event retailer
17 license must (i) furnish with the application: (A) a resale
18 number issued under Section 2c of the Retailers' Occupation Tax
19 Act or evidence that the applicant is registered under Section
20 2a of the Retailers' Occupation Tax Act, (B) a current, valid
21 exemption identification number issued under Section 1g of the
22 Retailers' Occupation Tax Act, and a certification to the
23 Commission that the purchase of alcoholic liquors will be a
24 tax-exempt purchase, or (C) a statement that the applicant is
25 not registered under Section 2a of the Retailers' Occupation
26 Tax Act, does not hold a resale number under Section 2c of the

1 Retailers' Occupation Tax Act, and does not hold an exemption
2 number under Section 1g of the Retailers' Occupation Tax Act,
3 in which event the Commission shall set forth on the special
4 event retailer's license a statement to that effect; (ii)
5 submit with the application proof satisfactory to the State
6 Commission that the applicant will provide dram shop liability
7 insurance in the maximum limits; and (iii) show proof
8 satisfactory to the State Commission that the applicant has
9 obtained local authority approval.

10 (f) A railroad license shall permit the licensee to import
11 alcoholic liquors into this State from any point in the United
12 States outside this State and to store such alcoholic liquors
13 in this State; to make wholesale purchases of alcoholic liquors
14 directly from manufacturers, foreign importers, distributors
15 and importing distributors from within or outside this State;
16 and to store such alcoholic liquors in this State; provided
17 that the above powers may be exercised only in connection with
18 the importation, purchase or storage of alcoholic liquors to be
19 sold or dispensed on a club, buffet, lounge or dining car
20 operated on an electric, gas or steam railway in this State;
21 and provided further, that railroad licensees exercising the
22 above powers shall be subject to all provisions of Article VIII
23 of this Act as applied to importing distributors. A railroad
24 license shall also permit the licensee to sell or dispense
25 alcoholic liquors on any club, buffet, lounge or dining car
26 operated on an electric, gas or steam railway regularly

1 operated by a common carrier in this State, but shall not
 2 permit the sale for resale of any alcoholic liquors to any
 3 licensee within this State. A license shall be obtained for
 4 each car in which such sales are made.

5 (g) A boat license shall allow the sale of alcoholic liquor
 6 in individual drinks, on any passenger boat regularly operated
 7 as a common carrier on navigable waters in this State or on any
 8 riverboat operated under the Riverboat Gambling Act, which boat
 9 or riverboat maintains a public dining room or restaurant
 10 thereon.

11 (h) A non-beverage user's license shall allow the licensee
 12 to purchase alcoholic liquor from a licensed manufacturer or
 13 importing distributor, without the imposition of any tax upon
 14 the business of such licensed manufacturer or importing
 15 distributor as to such alcoholic liquor to be used by such
 16 licensee solely for the non-beverage purposes set forth in
 17 subsection (a) of Section 8-1 of this Act, and such licenses
 18 shall be divided and classified and shall permit the purchase,
 19 possession and use of limited and stated quantities of
 20 alcoholic liquor as follows:

- 21 Class 1, not to exceed 500 gallons
- 22 Class 2, not to exceed 1,000 gallons
- 23 Class 3, not to exceed 5,000 gallons
- 24 Class 4, not to exceed 10,000 gallons
- 25 Class 5, not to exceed 50,000 gallons

26 (i) A wine-maker's premises license shall allow a licensee

1 that concurrently holds a first-class wine-maker's license to
2 sell and offer for sale at retail in the premises specified in
3 such license not more than 50,000 gallons of the first-class
4 wine-maker's wine that is made at the first-class wine-maker's
5 licensed premises per year for use or consumption, but not for
6 resale in any form. A wine-maker's premises license shall allow
7 a licensee who concurrently holds a second-class wine-maker's
8 license to sell and offer for sale at retail in the premises
9 specified in such license up to 100,000 gallons of the
10 second-class wine-maker's wine that is made at the second-class
11 wine-maker's licensed premises per year for use or consumption
12 but not for resale in any form. A wine-maker's premises license
13 shall allow a licensee that concurrently holds a first-class
14 wine-maker's license or a second-class wine-maker's license to
15 sell and offer for sale at retail at the premises specified in
16 the wine-maker's premises license, for use or consumption but
17 not for resale in any form, any beer, wine, and spirits
18 purchased from a licensed distributor. Upon approval from the
19 State Commission, a wine-maker's premises license shall allow
20 the licensee to sell and offer for sale at (i) the wine-maker's
21 licensed premises and (ii) at up to 2 additional locations for
22 use and consumption and not for resale. Each location shall
23 require additional licensing per location as specified in
24 Section 5-3 of this Act. A wine-maker's premises licensee shall
25 secure liquor liability insurance coverage in an amount at
26 least equal to the maximum liability amounts set forth in

1 subsection (a) of Section 6-21 of this Act.

2 (j) An airplane license shall permit the licensee to import
3 alcoholic liquors into this State from any point in the United
4 States outside this State and to store such alcoholic liquors
5 in this State; to make wholesale purchases of alcoholic liquors
6 directly from manufacturers, foreign importers, distributors
7 and importing distributors from within or outside this State;
8 and to store such alcoholic liquors in this State; provided
9 that the above powers may be exercised only in connection with
10 the importation, purchase or storage of alcoholic liquors to be
11 sold or dispensed on an airplane; and provided further, that
12 airplane licensees exercising the above powers shall be subject
13 to all provisions of Article VIII of this Act as applied to
14 importing distributors. An airplane licensee shall also permit
15 the sale or dispensing of alcoholic liquors on any passenger
16 airplane regularly operated by a common carrier in this State,
17 but shall not permit the sale for resale of any alcoholic
18 liquors to any licensee within this State. A single airplane
19 license shall be required of an airline company if liquor
20 service is provided on board aircraft in this State. The annual
21 fee for such license shall be as determined in Section 5-3.

22 (k) A foreign importer's license shall permit such licensee
23 to purchase alcoholic liquor from Illinois licensed
24 non-resident dealers only, and to import alcoholic liquor other
25 than in bulk from any point outside the United States and to
26 sell such alcoholic liquor to Illinois licensed importing

1 distributors and to no one else in Illinois; provided that (i)
2 the foreign importer registers with the State Commission every
3 brand of alcoholic liquor that it proposes to sell to Illinois
4 licensees during the license period, (ii) the foreign importer
5 complies with all of the provisions of Section 6-9 of this Act
6 with respect to registration of such Illinois licensees as may
7 be granted the right to sell such brands at wholesale, and
8 (iii) the foreign importer complies with the provisions of
9 Sections 6-5 and 6-6 of this Act to the same extent that these
10 provisions apply to manufacturers.

11 (1) (i) A broker's license shall be required of all persons
12 who solicit orders for, offer to sell or offer to supply
13 alcoholic liquor to retailers in the State of Illinois, or who
14 offer to retailers to ship or cause to be shipped or to make
15 contact with distillers, rectifiers, brewers or manufacturers
16 or any other party within or without the State of Illinois in
17 order that alcoholic liquors be shipped to a distributor,
18 importing distributor or foreign importer, whether such
19 solicitation or offer is consummated within or without the
20 State of Illinois.

21 No holder of a retailer's license issued by the Illinois
22 Liquor Control Commission shall purchase or receive any
23 alcoholic liquor, the order for which was solicited or offered
24 for sale to such retailer by a broker unless the broker is the
25 holder of a valid broker's license.

26 The broker shall, upon the acceptance by a retailer of the

1 broker's solicitation of an order or offer to sell or supply or
2 deliver or have delivered alcoholic liquors, promptly forward
3 to the Illinois Liquor Control Commission a notification of
4 said transaction in such form as the Commission may by
5 regulations prescribe.

6 (ii) A broker's license shall be required of a person
7 within this State, other than a retail licensee, who, for a fee
8 or commission, promotes, solicits, or accepts orders for
9 alcoholic liquor, for use or consumption and not for resale, to
10 be shipped from this State and delivered to residents outside
11 of this State by an express company, common carrier, or
12 contract carrier. This Section does not apply to any person who
13 promotes, solicits, or accepts orders for wine as specifically
14 authorized in Section 6-29 of this Act.

15 A broker's license under this subsection (1) shall not
16 entitle the holder to buy or sell any alcoholic liquors for his
17 own account or to take or deliver title to such alcoholic
18 liquors.

19 This subsection (1) shall not apply to distributors,
20 employees of distributors, or employees of a manufacturer who
21 has registered the trademark, brand or name of the alcoholic
22 liquor pursuant to Section 6-9 of this Act, and who regularly
23 sells such alcoholic liquor in the State of Illinois only to
24 its registrants thereunder.

25 Any agent, representative, or person subject to
26 registration pursuant to subsection (a-1) of this Section shall

1 not be eligible to receive a broker's license.

2 (m) A non-resident dealer's license shall permit such
3 licensee to ship into and warehouse alcoholic liquor into this
4 State from any point outside of this State, and to sell such
5 alcoholic liquor to Illinois licensed foreign importers and
6 importing distributors and to no one else in this State;
7 provided that (i) said non-resident dealer shall register with
8 the Illinois Liquor Control Commission each and every brand of
9 alcoholic liquor which it proposes to sell to Illinois
10 licensees during the license period, (ii) it shall comply with
11 all of the provisions of Section 6-9 hereof with respect to
12 registration of such Illinois licensees as may be granted the
13 right to sell such brands at wholesale by duly filing such
14 registration statement, thereby authorizing the non-resident
15 dealer to proceed to sell such brands at wholesale, and (iii)
16 the non-resident dealer shall comply with the provisions of
17 Sections 6-5 and 6-6 of this Act to the same extent that these
18 provisions apply to manufacturers. No person licensed as a
19 non-resident dealer shall be granted a distributor's or
20 importing distributor's license.

21 (n) A brew pub license shall allow the licensee to only (i)
22 manufacture up to 155,000 gallons of beer per year only on the
23 premises specified in the license, (ii) make sales of the beer
24 manufactured on the premises or, with the approval of the
25 Commission, beer manufactured on another brew pub licensed
26 premises that is wholly owned and operated by the same licensee

1 to importing distributors, distributors, and to non-licensees
2 for use and consumption, (iii) store the beer upon the
3 premises, (iv) sell and offer for sale at retail from the
4 licensed premises for off-premises consumption no more than
5 155,000 gallons per year so long as such sales are only made
6 in-person, (v) sell and offer for sale at retail for use and
7 consumption on the premises specified in the license any form
8 of alcoholic liquor purchased from a licensed distributor or
9 importing distributor, and (vi) with the prior approval of the
10 Commission, annually transfer no more than 155,000 gallons of
11 beer manufactured on the premises to a licensed brew pub wholly
12 owned and operated by the same licensee.

13 A brew pub licensee shall not under any circumstance sell
14 or offer for sale beer manufactured by the brew pub licensee to
15 retail licensees.

16 A person who holds a class 2 brewer license may
17 simultaneously hold a brew pub license if the class 2 brewer
18 (i) does not, under any circumstance, sell or offer for sale
19 beer manufactured by the class 2 brewer to retail licensees;
20 (ii) does not hold more than 3 brew pub licenses in this State;
21 (iii) does not manufacture more than a combined 3,720,000
22 gallons of beer per year, including the beer manufactured at
23 the brew pub; and (iv) is not a member of or affiliated with,
24 directly or indirectly, a manufacturer that produces more than
25 3,720,000 gallons of beer per year or any other alcoholic
26 liquor.

1 Notwithstanding any other provision of this Act, a licensed
2 brewer, class 2 brewer, or non-resident dealer who before July
3 1, 2015 manufactured less than 3,720,000 gallons of beer per
4 year and held a brew pub license on or before July 1, 2015 may
5 (i) continue to qualify for and hold that brew pub license for
6 the licensed premises and (ii) manufacture more than 3,720,000
7 gallons of beer per year and continue to qualify for and hold
8 that brew pub license if that brewer, class 2 brewer, or
9 non-resident dealer does not simultaneously hold a class 1
10 brewer license and is not a member of or affiliated with,
11 directly or indirectly, a manufacturer that produces more than
12 3,720,000 gallons of beer per year or that produces any other
13 alcoholic liquor.

14 (o) A caterer retailer license shall allow the holder to
15 serve alcoholic liquors as an incidental part of a food service
16 that serves prepared meals which excludes the serving of snacks
17 as the primary meal, either on or off-site whether licensed or
18 unlicensed.

19 (p) An auction liquor license shall allow the licensee to
20 sell and offer for sale at auction wine and spirits for use or
21 consumption, or for resale by an Illinois liquor licensee in
22 accordance with provisions of this Act. An auction liquor
23 license will be issued to a person and it will permit the
24 auction liquor licensee to hold the auction anywhere in the
25 State. An auction liquor license must be obtained for each
26 auction at least 14 days in advance of the auction date.

1 (q) A special use permit license shall allow an Illinois
2 licensed retailer to transfer a portion of its alcoholic liquor
3 inventory from its retail licensed premises to the premises
4 specified in the license hereby created, and to sell or offer
5 for sale at retail, only in the premises specified in the
6 license hereby created, the transferred alcoholic liquor for
7 use or consumption, but not for resale in any form. A special
8 use permit license may be granted for the following time
9 periods: one day or less; 2 or more days to a maximum of 15 days
10 per location in any 12-month period. An applicant for the
11 special use permit license must also submit with the
12 application proof satisfactory to the State Commission that the
13 applicant will provide dram shop liability insurance to the
14 maximum limits and have local authority approval.

15 (r) A winery shipper's license shall allow a person with a
16 first-class or second-class wine manufacturer's license, a
17 first-class or second-class wine-maker's license, or a limited
18 wine manufacturer's license or who is licensed to make wine
19 under the laws of another state to ship wine made by that
20 licensee directly to a resident of this State who is 21 years
21 of age or older for that resident's personal use and not for
22 resale. Prior to receiving a winery shipper's license, an
23 applicant for the license must provide the Commission with a
24 true copy of its current license in any state in which it is
25 licensed as a manufacturer of wine. An applicant for a winery
26 shipper's license must also complete an application form that

1 provides any other information the Commission deems necessary.
2 The application form shall include all addresses from which the
3 applicant for a winery shipper's license intends to ship wine,
4 including the name and address of any third party, except for a
5 common carrier, authorized to ship wine on behalf of the
6 manufacturer. The application form shall include an
7 acknowledgement consenting to the jurisdiction of the
8 Commission, the Illinois Department of Revenue, and the courts
9 of this State concerning the enforcement of this Act and any
10 related laws, rules, and regulations, including authorizing
11 the Department of Revenue and the Commission to conduct audits
12 for the purpose of ensuring compliance with Public Act 95-634,
13 and an acknowledgement that the wine manufacturer is in
14 compliance with Section 6-2 of this Act. Any third party,
15 except for a common carrier, authorized to ship wine on behalf
16 of a first-class or second-class wine manufacturer's licensee,
17 a first-class or second-class wine-maker's licensee, a limited
18 wine manufacturer's licensee, or a person who is licensed to
19 make wine under the laws of another state shall also be
20 disclosed by the winery shipper's licensee, and a copy of the
21 written appointment of the third-party wine provider, except
22 for a common carrier, to the wine manufacturer shall be filed
23 with the State Commission as a supplement to the winery
24 shipper's license application or any renewal thereof. The
25 winery shipper's license holder shall affirm under penalty of
26 perjury, as part of the winery shipper's license application or

1 renewal, that he or she only ships wine, either directly or
2 indirectly through a third-party provider, from the licensee's
3 own production.

4 Except for a common carrier, a third-party provider
5 shipping wine on behalf of a winery shipper's license holder is
6 the agent of the winery shipper's license holder and, as such,
7 a winery shipper's license holder is responsible for the acts
8 and omissions of the third-party provider acting on behalf of
9 the license holder. A third-party provider, except for a common
10 carrier, that engages in shipping wine into Illinois on behalf
11 of a winery shipper's license holder shall consent to the
12 jurisdiction of the State Commission and the State. Any
13 third-party, except for a common carrier, holding such an
14 appointment shall, by February 1 of each calendar year and upon
15 request by the State Commission or the Department of Revenue,
16 file with the State Commission a statement detailing each
17 shipment made to an Illinois resident. The statement shall
18 include the name and address of the third-party provider filing
19 the statement, the time period covered by the statement, and
20 the following information:

21 (1) the name, address, and license number of the winery
22 shipper on whose behalf the shipment was made;

23 (2) the quantity of the products delivered; and

24 (3) the date and address of the shipment.

25 If the Department of Revenue or the State Commission requests a
26 statement under this paragraph, the third-party provider must

1 provide that statement no later than 30 days after the request
2 is made. Any books, records, supporting papers, and documents
3 containing information and data relating to a statement under
4 this paragraph shall be kept and preserved for a period of 3
5 years, unless their destruction sooner is authorized, in
6 writing, by the Director of Revenue, and shall be open and
7 available to inspection by the Director of Revenue or the State
8 Commission or any duly authorized officer, agent, or employee
9 of the State Commission or the Department of Revenue, at all
10 times during business hours of the day. Any person who violates
11 any provision of this paragraph or any rule of the State
12 Commission for the administration and enforcement of the
13 provisions of this paragraph is guilty of a Class C
14 misdemeanor. In case of a continuing violation, each day's
15 continuance thereof shall be a separate and distinct offense.

16 The State Commission shall adopt rules as soon as
17 practicable to implement the requirements of Public Act 99-904
18 and shall adopt rules prohibiting any such third-party
19 appointment of a third-party provider, except for a common
20 carrier, that has been deemed by the State Commission to have
21 violated the provisions of this Act with regard to any winery
22 shipper licensee.

23 A winery shipper licensee must pay to the Department of
24 Revenue the State liquor gallonage tax under Section 8-1 for
25 all wine that is sold by the licensee and shipped to a person
26 in this State. For the purposes of Section 8-1, a winery

1 shipper licensee shall be taxed in the same manner as a
2 manufacturer of wine. A licensee who is not otherwise required
3 to register under the Retailers' Occupation Tax Act must
4 register under the Use Tax Act to collect and remit use tax to
5 the Department of Revenue for all gallons of wine that are sold
6 by the licensee and shipped to persons in this State. If a
7 licensee fails to remit the tax imposed under this Act in
8 accordance with the provisions of Article VIII of this Act, the
9 winery shipper's license shall be revoked in accordance with
10 the provisions of Article VII of this Act. If a licensee fails
11 to properly register and remit tax under the Use Tax Act or the
12 Retailers' Occupation Tax Act for all wine that is sold by the
13 winery shipper and shipped to persons in this State, the winery
14 shipper's license shall be revoked in accordance with the
15 provisions of Article VII of this Act.

16 A winery shipper licensee must collect, maintain, and
17 submit to the Commission on a semi-annual basis the total
18 number of cases per resident of wine shipped to residents of
19 this State. A winery shipper licensed under this subsection (r)
20 must comply with the requirements of Section 6-29 of this Act.

21 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
22 Section 3-12, the State Commission may receive, respond to, and
23 investigate any complaint and impose any of the remedies
24 specified in paragraph (1) of subsection (a) of Section 3-12.

25 As used in this subsection, "third-party provider" means
26 any entity that provides fulfillment house services, including

1 warehousing, packaging, distribution, order processing, or
2 shipment of wine, but not the sale of wine, on behalf of a
3 licensed winery shipper.

4 (s) A craft distiller tasting permit license shall allow an
5 Illinois licensed craft distiller to transfer a portion of its
6 alcoholic liquor inventory from its craft distiller licensed
7 premises to the premises specified in the license hereby
8 created and to conduct a sampling, only in the premises
9 specified in the license hereby created, of the transferred
10 alcoholic liquor in accordance with subsection (c) of Section
11 6-31 of this Act. The transferred alcoholic liquor may not be
12 sold or resold in any form. An applicant for the craft
13 distiller tasting permit license must also submit with the
14 application proof satisfactory to the State Commission that the
15 applicant will provide dram shop liability insurance to the
16 maximum limits and have local authority approval.

17 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
18 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
19 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17.)

20 (235 ILCS 5/8-5) (from Ch. 43, par. 163a)

21 Sec. 8-5. As soon as practicable after any return is filed
22 but not before 90 days after the return is filed, or any
23 amendments to that return, whichever is later, the Department
24 shall examine such return or amended return and shall correct
25 such return according to its best judgment and information,

1 which return so corrected by the Department shall be prima
2 facie correct and shall be prima facie evidence of the
3 correctness of the amount of tax due, as shown therein. Instead
4 of requiring the licensee to file an amended return, the
5 Department may simply notify the licensee of the correction or
6 corrections it has made. Proof of such correction by the
7 Department, or of the determination of the amount of tax due as
8 provided in Sections 8-4 and 8-10, may be made at any hearing
9 before the Department or in any legal proceeding by a
10 reproduced copy of the Department's record relating thereto in
11 the name of the Department under the certificate of the
12 Director of Revenue. Such reproduced copy shall, without
13 further proof, be admitted into evidence before the Department
14 or in any legal proceeding and shall be prima facie proof of
15 the correctness of the amount of tax due, as shown therein. If
16 the return so corrected by the Department discloses the sale or
17 use, by a licensed manufacturer or importing distributor, of
18 alcoholic liquors as to which the tax provided for in this
19 Article should have been paid, but has not been paid, in excess
20 of the alcoholic liquors reported as being taxable by the
21 licensee, and as to which the proper tax was paid the
22 Department shall notify the licensee that it shall issue the
23 taxpayer a notice of tax liability for the amount of tax
24 claimed by the Department to be due, together with penalties at
25 the rates prescribed by Sections 3-3, 3-5 and 3-6 of the
26 Uniform Penalty and Interest Act, which amount of tax shall be

1 equivalent to the amount of tax which, at the prescribed rate
2 per gallon, should have been paid with respect to the alcoholic
3 liquors disposed of in excess of those reported as being
4 taxable. In a case where no return has been filed, the
5 Department shall determine the amount of tax due according to
6 its best judgment and information and shall issue the taxpayer
7 a notice of tax liability for the amount of tax claimed by the
8 Department to be due as herein provided together with penalties
9 at the rates prescribed by Sections 3-3, 3-5 and 3-6 of the
10 Uniform Penalty and Interest Act. If, in administering the
11 provisions of this Act, a comparison of a licensee's return or
12 returns with the books, records and physical inventories of
13 such licensee discloses a deficiency which cannot be allocated
14 by the Department to a particular month or months, the
15 Department shall issue the taxpayer a notice of tax liability
16 for the amount of tax claimed by the Department to be due for a
17 given period, but without any obligation upon the Department to
18 allocate such deficiency to any particular month or months,
19 together with penalties at the rates prescribed by Sections
20 3-3, 3-5 and 3-6 of the Uniform Penalty and Interest Act, which
21 amount of tax shall be equivalent to the amount of tax which,
22 at the prescribed rate per gallon, should have been paid with
23 respect to the alcoholic liquors disposed of in excess of those
24 reported being taxable, with the tax thereon having been paid
25 under which circumstances the aforesaid notice of tax liability
26 shall be prima facie correct and shall be prima facie evidence

1 of the correctness of the amount of tax due as shown therein;
2 and proof of such correctness may be made in accordance with,
3 and the admissibility of a reproduced copy of such notice of
4 the Department's notice of tax liability shall be governed by,
5 all the provisions of this Act applicable to corrected returns.

6 If the licensee dies or becomes a person under legal
7 disability at any time before the Department issues its notice
8 of tax liability, such notice shall be issued to the
9 administrator, executor or other legal representative, as
10 such, of the deceased or licensee who is under legal
11 disability.

12 If such licensee or legal representative, within 60 days
13 after such notice of tax liability, files a protest to such
14 notice of tax liability and requests a hearing thereon, the
15 Department shall give at least 7 days' notice to such licensee
16 or legal representative, as the case may be, of the time and
17 place fixed for such hearing and shall hold a hearing in
18 conformity with the provisions of this Act, and pursuant
19 thereto shall issue a final assessment to such licensee or
20 legal representative for the amount found to be due as a result
21 of such hearing.

22 If a protest to the notice of tax liability and a request
23 for a hearing thereon is not filed within 60 days after such
24 notice of tax liability, such notice of tax liability shall
25 become final without the necessity of a final assessment being
26 issued and shall be deemed to be a final assessment.

1 In case of failure to pay the tax, or any portion thereof,
2 or any penalty provided for herein, when due, the Department
3 may recover the amount of such tax, or portion thereof, or
4 penalty in a civil action; or if the licensee dies or becomes a
5 person under legal disability, by filing a claim therefor
6 against his or her estate; provided that no such claim shall be
7 filed against the estate of any deceased or of the licensee who
8 is under legal disability for any tax or penalty or portion
9 thereof except in the manner prescribed and within the time
10 limited by the Probate Act of 1975, as amended.

11 The collection of any such tax and penalty, or either, by
12 any means provided for herein, shall not be a bar to any
13 prosecution under this Act.

14 In addition to any other penalty provided for in this
15 Article, any licensee who fails to pay any tax within the time
16 required by this Article shall be subject to assessment of
17 penalties and interest at rates set forth in the Uniform
18 Penalty and Interest Act.

19 (Source: P.A. 87-205; 87-879.)

20 Section 99. Effective date. This Act takes effect July 1,
21 2019, except that this Section and changes to Sections 3-12 and
22 5-1 of the Liquor Control Act of 1934 take effect upon becoming
23 law.