

# HB3662



## 100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3662

by Rep. Tim Butler

### SYNOPSIS AS INTRODUCED:

235 ILCS 5/1-3.38

235 ILCS 5/3-12

235 ILCS 5/5-1

235 ILCS 5/6-4

from Ch. 43, par. 115

from Ch. 43, par. 121

Amends the Liquor Control Act of 1934. Authorizes a Class 1 brewer to manufacture cider and mead. Makes conforming changes.

LRB100 10925 RPS 21162 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Liquor Control Act of 1934 is amended by  
5 changing Sections 1-3.38, 3-12, 5-1, and 6-4 as follows:

6 (235 ILCS 5/1-3.38)

7 Sec. 1-3.38. Class 1 brewer. "Class 1 brewer" means a  
8 person who is a holder of a brewer license or non-resident  
9 dealer license who manufactures up to 930,000 gallons of beer,  
10 cider, mead, or any combination thereof per year and who may  
11 make sales and deliveries to importing distributors and  
12 distributors and to retail licensees in accordance with the  
13 conditions set forth in paragraph (18) of subsection (a) of  
14 Section 3-12 of this Act.

15 (Source: P.A. 98-401, eff. 8-16-13; 99-448, eff. 8-24-15.)

16 (235 ILCS 5/3-12)

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

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

20 (1) To receive applications and to issue licenses to  
21 manufacturers, foreign importers, importing distributors,  
22 distributors, non-resident dealers, on premise consumption

1       retailers, off premise sale retailers, special event  
2       retailer licensees, special use permit licenses, auction  
3       liquor licenses, brew pubs, caterer retailers,  
4       non-beverage users, railroads, including owners and  
5       lessees of sleeping, dining and cafe cars, airplanes,  
6       boats, brokers, and wine maker's premises licensees in  
7       accordance with the provisions of this Act, and to suspend  
8       or revoke such licenses upon the State commission's  
9       determination, upon notice after hearing, that a licensee  
10      has violated any provision of this Act or any rule or  
11      regulation issued pursuant thereto and in effect for 30  
12      days prior to such violation. Except in the case of an  
13      action taken pursuant to a violation of Section 6-3, 6-5,  
14      or 6-9, any action by the State Commission to suspend or  
15      revoke a licensee's license may be limited to the license  
16      for the specific premises where the violation occurred.

17             In lieu of suspending or revoking a license, the  
18      commission may impose a fine, upon the State commission's  
19      determination and notice after hearing, that a licensee has  
20      violated any provision of this Act or any rule or  
21      regulation issued pursuant thereto and in effect for 30  
22      days prior to such violation.

23             For the purpose of this paragraph (1), when determining  
24      multiple violations for the sale of alcohol to a person  
25      under the age of 21, a second or subsequent violation for  
26      the sale of alcohol to a person under the age of 21 shall

1           only be considered if it was committed within 5 years after  
2           the date when a prior violation for the sale of alcohol to  
3           a person under the age of 21 was committed.

4           The fine imposed under this paragraph may not exceed  
5           \$500 for each violation. Each day that the activity, which  
6           gave rise to the original fine, continues is a separate  
7           violation. The maximum fine that may be levied against any  
8           licensee, for the period of the license, shall not exceed  
9           \$20,000. The maximum penalty that may be imposed on a  
10          licensee for selling a bottle of alcoholic liquor with a  
11          foreign object in it or serving from a bottle of alcoholic  
12          liquor with a foreign object in it shall be the destruction  
13          of that bottle of alcoholic liquor for the first 10 bottles  
14          so sold or served from by the licensee. For the eleventh  
15          bottle of alcoholic liquor and for each third bottle  
16          thereafter sold or served from by the licensee with a  
17          foreign object in it, the maximum penalty that may be  
18          imposed on the licensee is the destruction of the bottle of  
19          alcoholic liquor and a fine of up to \$50.

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

1 regulations to all licensees affected thereby.

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

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

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

19 (5.1) Upon receipt of a complaint or upon having  
20 knowledge that any person is engaged in business as a  
21 manufacturer, importing distributor, distributor, or  
22 retailer without a license or valid license, to notify the  
23 local liquor authority, file a complaint with the State's  
24 Attorney's Office of the county where the incident  
25 occurred, or initiate an investigation with the  
26 appropriate law enforcement officials.

1           (5.2) To issue a cease and desist notice to persons  
2 shipping alcoholic liquor into this State from a point  
3 outside of this State if the shipment is in violation of  
4 this Act.

5           (5.3) To receive complaints from licensees, local  
6 officials, law enforcement agencies, organizations, and  
7 persons stating that any licensee has been or is violating  
8 any provision of this Act or the rules and regulations  
9 issued pursuant to this Act. Such complaints shall be in  
10 writing, signed and sworn to by the person making the  
11 complaint, and shall state with specificity the facts in  
12 relation to the alleged violation. If the Commission has  
13 reasonable grounds to believe that the complaint  
14 substantially alleges a violation of this Act or rules and  
15 regulations adopted pursuant to this Act, it shall conduct  
16 an investigation. If, after conducting an investigation,  
17 the Commission is satisfied that the alleged violation did  
18 occur, it shall proceed with disciplinary action against  
19 the licensee as provided in this Act.

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

26           (7) The commission shall establish uniform systems of

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

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

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

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

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

23 (10) To adopt such rules and regulations consistent  
24 with the provisions of this Act which shall be necessary  
25 for the control, sale or disposition of alcoholic liquor  
26 damaged as a result of an accident, wreck, flood, fire or



1 other similar occurrence.

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

6 (11.1) To license persons providing education and  
7 training to alcohol beverage sellers and servers for  
8 mandatory and non-mandatory training under the Beverage  
9 Alcohol Sellers and Servers Education and Training  
10 (BASSET) programs and to develop and administer a public  
11 awareness program in Illinois to reduce or eliminate the  
12 illegal purchase and consumption of alcoholic beverage  
13 products by persons under the age of 21. Application for a  
14 license shall be made on forms provided by the State  
15 Commission.

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

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

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

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

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

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

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

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

24           The Commission shall consult with the Department of  
25 Public Health, the Department of Human Services, the  
26 Illinois State Police and any other executive branch

1 agency, and private organizations that may have  
2 information relevant to this report.

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

9 (14) On or before April 30, 2008 and every 2 years  
10 thereafter, the Commission shall present a written report  
11 to the Governor and the General Assembly that shall be  
12 based on a study of the impact of Public Act 95-634 ~~this~~  
13 ~~amendatory Act of the 95th General Assembly~~ on the business  
14 of soliciting, selling, and shipping wine from inside and  
15 outside of this State directly to residents of this State.  
16 As part of its report, the Commission shall provide all of  
17 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 ~~amendatory~~ Act to the Illinois Attorney General and to  
23 the U.S. Department of Treasury's Alcohol and Tobacco Tax  
24 and Trade 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 ~~amendatory~~ Act and annually produces less than 25,000  
2       gallons of wine or a person who has a first-class or  
3       second-class wine manufacturer's license, a first-class or  
4       second-class wine-maker's license, or a limited wine  
5       manufacturer's license under this Act and annually  
6       produces less than 25,000 gallons of wine may make  
7       application to the Commission for a self-distribution  
8       exemption to allow the sale of not more than 5,000 gallons  
9       of the exemption holder's wine to retail licensees per  
10      year.

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

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

1           annually produce for sale more than 25,000 gallons of  
2           wine; and (4) will not annually sell more than 5,000  
3           gallons of its wine to retail licensees.

4           (D) A self-distribution exemption holder shall  
5           annually certify to the Commission its production of  
6           wine in the previous 12 months and its anticipated  
7           production and sales for the next 12 months. The  
8           Commission may fine, suspend, or revoke a  
9           self-distribution exemption after a hearing if it  
10          finds that the exemption holder has made a material  
11          misrepresentation in its application, violated a  
12          revenue or liquor law of Illinois, exceeded production  
13          of 25,000 gallons of wine in any calendar year, or  
14          become part of an affiliated group producing more than  
15          25,000 gallons of wine or any other alcoholic liquor.

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

23          (F) The Commission shall issue regulations  
24          governing self-distribution exemptions consistent with  
25          this Section and this Act.

26          (G) Nothing in this subsection (17) shall prohibit

1 a self-distribution exemption holder from entering  
2 into or simultaneously having a distribution agreement  
3 with a licensed Illinois distributor.

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

17 (18) (A) A class 1 brewer licensee, who must also be  
18 either a licensed brewer or licensed non-resident dealer  
19 and annually manufacture less than 930,000 gallons of beer,  
20 cider, mead, or any combination thereof, may make  
21 application to the State Commission for a  
22 self-distribution exemption to allow the sale of not more  
23 than 232,500 gallons of the exemption holder's beer, cider,  
24 mead, or any combination thereof to retail licensees per  
25 year.

26 (B) In the application, which shall be sworn under

1 penalty of perjury, the class 1 brewer licensee shall  
2 state (1) the date it was established; (2) its volume  
3 of beer, cider, or mead manufactured and sold for each  
4 year since its establishment; (3) its efforts to  
5 establish distributor relationships; (4) that a  
6 self-distribution exemption is necessary to facilitate  
7 the marketing of its beer, cider, or mead; and (5) that  
8 it will comply with the alcoholic beverage and revenue  
9 laws of the United States, this State, and any other  
10 state where it is licensed.

11 (C) Any application submitted shall be posted on  
12 the State Commission's website at least 45 days prior  
13 to action by the State Commission. The State Commission  
14 shall approve the application for a self-distribution  
15 exemption if the class 1 brewer licensee: (1) is in  
16 compliance with the State, revenue, and alcoholic  
17 beverage laws; (2) is not a member of any affiliated  
18 group that manufactures ~~manufacturers~~ more than  
19 930,000 gallons of beer, cider, mead, or any  
20 combination thereof per annum or produces any other  
21 alcoholic beverages; (3) shall not annually  
22 manufacture for sale more than 930,000 gallons of beer,   
23 cider, mead, or any combination thereof; (4) shall not  
24 annually sell more than 232,500 gallons of its beer,   
25 cider, mead, or any combination thereof to retail  
26 licensees; and (5) has relinquished any brew pub



1 license held by the licensee, including any ownership  
2 interest it held in the licensed brew pub.

3 (D) A self-distribution exemption holder shall  
4 annually certify to the State Commission its  
5 manufacture of beer during the previous 12 months and  
6 its anticipated manufacture and sales of beer for the  
7 next 12 months. The State Commission may fine, suspend,  
8 or revoke a self-distribution exemption after a  
9 hearing if it finds that the exemption holder has made  
10 a material misrepresentation in its application,  
11 violated a revenue or alcoholic beverage law of  
12 Illinois, exceeded the manufacture of 930,000 gallons  
13 of beer, cider, mead, or any combination thereof in any  
14 calendar year or became part of an affiliated group  
15 manufacturing more than 930,000 gallons of beer, cider,  
16 cider, mead, or any combination thereof or any other  
17 alcoholic beverage.

18 (E) The State Commission shall issue rules and  
19 regulations governing self-distribution exemptions  
20 consistent with this Act.

21 (F) Nothing in this paragraph (18) shall prohibit a  
22 self-distribution exemption holder from entering into  
23 or simultaneously having a distribution agreement with  
24 a licensed Illinois importing distributor or a  
25 distributor. If a self-distribution exemption holder  
26 enters into a distribution agreement and has assigned

1 distribution rights to an importing distributor or  
2 distributor, then the self-distribution exemption  
3 holder's distribution rights in the assigned  
4 territories shall cease in a reasonable time not to  
5 exceed 60 days.

6 (G) It is the intent of this paragraph (18) to  
7 promote and continue orderly markets. The General  
8 Assembly finds that in order to preserve Illinois'  
9 regulatory distribution system, it is necessary to  
10 create an exception for smaller manufacturers in order  
11 to afford and allow such smaller manufacturers of beer  
12 access to the marketplace in order to develop a  
13 customer base without impairing the integrity of the  
14 3-tier system.

15 (b) On or before April 30, 1999, the Commission shall  
16 present a written report to the Governor and the General  
17 Assembly that shall be based on a study of the impact of Public  
18 Act 90-739 ~~this amendatory Act of 1998~~ on the business of  
19 soliciting, selling, and shipping alcoholic liquor from  
20 outside of this State directly to residents of this State.

21 As part of its report, the Commission shall provide the  
22 following information:

23 (i) the amount of State excise and sales tax revenues  
24 generated as a result of Public Act 90-739 ~~this amendatory~~  
25 ~~Act of 1998~~;

26 (ii) the amount of licensing fees received as a result

1 of Public Act 90-739 ~~this amendatory Act of 1998~~;

2 (iii) the number of reported violations, the number of  
3 cease and desist notices issued by the Commission, the  
4 number of notices of violations issued to the Department of  
5 Revenue, and the number of notices and complaints of  
6 violations to law enforcement officials.

7 (Source: P.A. 98-401, eff. 8-16-13; 98-939, eff. 7-1-15;  
8 98-941, eff. 1-1-15; 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;  
9 revised 9-13-16.)

10 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

19 (b) Distributor's license,

20 (c) Importing Distributor's license,

21 (d) Retailer's license,

22 (e) Special Event Retailer's license (not-for-profit),

23 (f) Railroad license,

24 (g) Boat license,

25 (h) Non-Beverage User's license,

- 1 (i) Wine-maker's premises license,
- 2 (j) Airplane license,
- 3 (k) Foreign importer's license,
- 4 (l) Broker's license,
- 5 (m) Non-resident dealer's license,
- 6 (n) Brew Pub license,
- 7 (o) Auction liquor license,
- 8 (p) Caterer retailer license,
- 9 (q) Special use permit license,
- 10 (r) Winery shipper's license,
- 11 (s) Craft distiller tasting permit.

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

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

20 Class 1. A Distiller may make sales and deliveries of  
21 alcoholic liquor to distillers, rectifiers, importing  
22 distributors, distributors and non-beverage users and to no  
23 other licensees.

24 Class 2. A Rectifier, who is not a distiller, as defined  
25 herein, may make sales and deliveries of alcoholic liquor to  
26 rectifiers, importing distributors, distributors, retailers

1 and non-beverage users and to no other licensees.

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

5 Class 4. A first class wine-manufacturer may make sales and  
6 deliveries of up to 50,000 gallons of wine to manufacturers,  
7 importing distributors and distributors, and to no other  
8 licensees.

9 Class 5. A second class Wine manufacturer may make sales  
10 and deliveries of more than 50,000 gallons of wine to  
11 manufacturers, importing distributors and distributors and to  
12 no other licensees.

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

23 Class 7. A second-class wine-maker's license shall allow  
24 the manufacture of between 50,000 and 150,000 gallons of wine  
25 per year, and the storage and sale of such wine to distributors  
26 in this State and to persons without the State, as may be

1 permitted by law. A person who, prior to June 1, 2008 (the  
2 effective date of Public Act 95-634), is a holder of a  
3 second-class wine-maker's license and annually produces more  
4 than 25,000 gallons of its own wine and who distributes its  
5 wine to licensed retailers shall cease this practice on or  
6 before July 1, 2008 in compliance with Public Act 95-634.

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

11 Class 9. A craft distiller license shall allow the  
12 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~  
13 gallons of spirits by distillation per year and the storage of  
14 such spirits. If a craft distiller licensee, including a craft  
15 distiller licensee who holds more than one craft distiller  
16 license, is not affiliated with any other manufacturer of  
17 spirits, then the craft distiller licensee may sell such  
18 spirits to distributors in this State and up to 2,500 gallons  
19 of such spirits to non-licensees to the extent permitted by any  
20 exemption approved by the Commission pursuant to Section 6-4 of  
21 this Act. A craft distiller license holder may store such  
22 spirits at a non-contiguous licensed location, but at no time  
23 shall a craft distiller license holder directly or indirectly  
24 produce in the aggregate more than 100,000 gallons of spirits  
25 per year.

26 A craft distiller licensee may hold more than one craft

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

8 Any craft distiller licensed under this Act who on July 28,  
9 2010 (the effective date of Public Act 96-1367) was licensed as  
10 a distiller and manufactured no more spirits than permitted by  
11 this Section shall not be required to pay the initial licensing  
12 fee.

13 Class 10. A class 1 brewer license, which may only be  
14 issued to a licensed brewer or licensed non-resident dealer,  
15 shall allow the manufacture of up to 930,000 gallons of beer,  
16 cider, mead, or any combination thereof per year provided that  
17 the class 1 brewer licensee does not manufacture more than a  
18 combined 930,000 gallons of beer, cider, or mead per year and  
19 is not a member of or affiliated with, directly or indirectly,  
20 a manufacturer that produces more than 930,000 gallons of beer,  
21 cider, mead, or any combination thereof per year or any other  
22 alcoholic liquor. A class 1 brewer licensee may make sales and  
23 deliveries to importing distributors and distributors and to  
24 retail licensees in accordance with the conditions set forth in  
25 paragraph (18) of subsection (a) of Section 3-12 of this Act.

26 Class 11. A class 2 brewer license, which may only be

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

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

22 Registration of agents, representatives, or persons acting  
23 on behalf of a manufacturer is fulfilled by submitting a form  
24 to the Commission. The form shall be developed by the  
25 Commission and shall include the name and address of the  
26 applicant, the name and address of the manufacturer he or she



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

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

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

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

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

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

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

1 in which event the Commission shall set forth on the special  
2 event retailer's license a statement to that effect; (ii)  
3 submit with the application proof satisfactory to the State  
4 Commission that the applicant will provide dram shop liability  
5 insurance in the maximum limits; and (iii) show proof  
6 satisfactory to the State Commission that the applicant has  
7 obtained local authority approval.

8 (f) A railroad license shall permit the licensee to import  
9 alcoholic liquors into this State from any point in the United  
10 States outside this State and to store such alcoholic liquors  
11 in this State; to make wholesale purchases of alcoholic liquors  
12 directly from manufacturers, foreign importers, distributors  
13 and importing distributors from within or outside this State;  
14 and to store such alcoholic liquors in this State; provided  
15 that the above powers may be exercised only in connection with  
16 the importation, purchase or storage of alcoholic liquors to be  
17 sold or dispensed on a club, buffet, lounge or dining car  
18 operated on an electric, gas or steam railway in this State;  
19 and provided further, that railroad licensees exercising the  
20 above powers shall be subject to all provisions of Article VIII  
21 of this Act as applied to importing distributors. A railroad  
22 license shall also permit the licensee to sell or dispense  
23 alcoholic liquors on any club, buffet, lounge or dining car  
24 operated on an electric, gas or steam railway regularly  
25 operated by a common carrier in this State, but shall not  
26 permit the sale for resale of any alcoholic liquors to any

1 licensee within this State. A license shall be obtained for  
2 each car in which such sales are made.

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

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

- 19 Class 1, not to exceed ..... 500 gallons
- 20 Class 2, not to exceed ..... 1,000 gallons
- 21 Class 3, not to exceed ..... 5,000 gallons
- 22 Class 4, not to exceed ..... 10,000 gallons
- 23 Class 5, not to exceed ..... 50,000 gallons

24 (i) A wine-maker's premises license shall allow a licensee  
25 that concurrently holds a first-class wine-maker's license to  
26 sell and offer for sale at retail in the premises specified in

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

26 (j) An airplane license shall permit the licensee to import

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

20 (k) A foreign importer's license shall permit such licensee  
21 to purchase alcoholic liquor from Illinois licensed  
22 non-resident dealers only, and to import alcoholic liquor other  
23 than in bulk from any point outside the United States and to  
24 sell such alcoholic liquor to Illinois licensed importing  
25 distributors and to no one else in Illinois; provided that (i)  
26 the foreign importer registers with the State Commission every

1 brand of alcoholic liquor that it proposes to sell to Illinois  
2 licensees during the license period, (ii) the foreign importer  
3 complies with all of the provisions of Section 6-9 of this Act  
4 with respect to registration of such Illinois licensees as may  
5 be granted the right to sell such brands at wholesale, and  
6 (iii) the foreign importer complies with the provisions of  
7 Sections 6-5 and 6-6 of this Act to the same extent that these  
8 provisions apply to manufacturers.

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

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

24 The broker shall, upon the acceptance by a retailer of the  
25 broker's solicitation of an order or offer to sell or supply or  
26 deliver or have delivered alcoholic liquors, promptly forward



1 to the Illinois Liquor Control Commission a notification of  
2 said transaction in such form as the Commission may by  
3 regulations prescribe.

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

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

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

23 Any agent, representative, or person subject to  
24 registration pursuant to subsection (a-1) of this Section shall  
25 not be eligible to receive a broker's license.

26 (m) A non-resident dealer's license shall permit such

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

17 (n) A brew pub license shall allow the licensee to only (i)  
18 manufacture up to 155,000 gallons of beer per year only on the  
19 premises specified in the license, (ii) make sales of the beer  
20 manufactured on the premises or, with the approval of the  
21 Commission, beer manufactured on another brew pub licensed  
22 premises that is wholly owned and operated by the same licensee  
23 to importing distributors, distributors, and to non-licensees  
24 for use and consumption, (iii) store the beer upon the  
25 premises, (iv) sell and offer for sale at retail from the  
26 licensed premises for off-premises consumption no more than

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

9 A brew pub licensee shall not under any circumstance sell  
10 or offer for sale beer manufactured by the brew pub licensee to  
11 retail licensees.

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

23 Notwithstanding any other provision of this Act, a licensed  
24 brewer, class 2 brewer, or non-resident dealer who before July  
25 1, 2015 manufactured less than 3,720,000 gallons of beer per  
26 year and held a brew pub license on or before July 1, 2015 may

1 (i) continue to qualify for and hold that brew pub license for  
2 the licensed premises and (ii) manufacture more than 3,720,000  
3 gallons of beer per year and continue to qualify for and hold  
4 that brew pub license if that brewer, class 2 brewer, or  
5 non-resident dealer does not simultaneously hold a class 1  
6 brewer license and is not a member of or affiliated with,  
7 directly or indirectly, a manufacturer that produces more than  
8 3,720,000 gallons of beer per year or that produces any other  
9 alcoholic liquor.

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

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

23 (q) A special use permit license shall allow an Illinois  
24 licensed retailer to transfer a portion of its alcoholic liquor  
25 inventory from its retail licensed premises to the premises  
26 specified in the license hereby created, and to sell or offer

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

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

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

26 Except for a common carrier, a third-party provider

1 shipping wine on behalf of a winery shipper's license holder is  
2 the agent of the winery shipper's license holder and, as such,  
3 a winery shipper's license holder is responsible for the acts  
4 and omissions of the third-party provider acting on behalf of  
5 the license holder. A third-party provider, except for a common  
6 carrier, that engages in shipping wine into Illinois on behalf  
7 of a winery shipper's license holder shall consent to the  
8 jurisdiction of the State Commission and the State. Any  
9 third-party, except for a common carrier, holding such an  
10 appointment shall, by February 1 of each calendar year, file  
11 with the State Commission a statement detailing each shipment  
12 made to an Illinois resident. The State Commission shall adopt  
13 rules as soon as practicable to implement the requirements of  
14 Public Act 99-904 ~~this amendatory Act of the 99th General~~  
15 ~~Assembly~~ and shall adopt rules prohibiting any such third-party  
16 appointment of a third-party provider, except for a common  
17 carrier, that has been deemed by the State Commission to have  
18 violated the provisions of this Act with regard to any winery  
19 shipper licensee.

20 A winery shipper licensee must pay to the Department of  
21 Revenue the State liquor gallonage tax under Section 8-1 for  
22 all wine that is sold by the licensee and shipped to a person  
23 in this State. For the purposes of Section 8-1, a winery  
24 shipper licensee shall be taxed in the same manner as a  
25 manufacturer of wine. A licensee who is not otherwise required  
26 to register under the Retailers' Occupation Tax Act must

1 register under the Use Tax Act to collect and remit use tax to  
2 the Department of Revenue for all gallons of wine that are sold  
3 by the licensee and shipped to persons in this State. If a  
4 licensee fails to remit the tax imposed under this Act in  
5 accordance with the provisions of Article VIII of this Act, the  
6 winery shipper's license shall be revoked in accordance with  
7 the provisions of Article VII of this Act. If a licensee fails  
8 to properly register and remit tax under the Use Tax Act or the  
9 Retailers' Occupation Tax Act for all wine that is sold by the  
10 winery shipper and shipped to persons in this State, the winery  
11 shipper's license shall be revoked in accordance with the  
12 provisions of Article VII of this Act.

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

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

22 (s) A craft distiller tasting permit license shall allow an  
23 Illinois licensed craft distiller to transfer a portion of its  
24 alcoholic liquor inventory from its craft distiller licensed  
25 premises to the premises specified in the license hereby  
26 created and to conduct a sampling, only in the premises



1 specified in the license hereby created, of the transferred  
2 alcoholic liquor in accordance with subsection (c) of Section  
3 6-31 of this Act. The transferred alcoholic liquor may not be  
4 sold or resold in any form. An applicant for the craft  
5 distiller tasting permit license must also submit with the  
6 application proof satisfactory to the State Commission that the  
7 applicant will provide dram shop liability insurance to the  
8 maximum limits and have local authority approval.

9 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;  
10 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.  
11 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,  
12 eff. 1-1-17; revised 9-15-16.)

13 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

14 Sec. 6-4. (a) No person licensed by any licensing authority  
15 as a distiller, or a wine manufacturer, or any subsidiary or  
16 affiliate thereof, or any officer, associate, member, partner,  
17 representative, employee, agent or shareholder owning more  
18 than 5% of the outstanding shares of such person shall be  
19 issued an importing distributor's or distributor's license,  
20 nor shall any person licensed by any licensing authority as an  
21 importing distributor, distributor or retailer, or any  
22 subsidiary or affiliate thereof, or any officer or associate,  
23 member, partner, representative, employee, agent or  
24 shareholder owning more than 5% of the outstanding shares of  
25 such person be issued a distiller's license, a craft

1 distiller's license, or a wine manufacturer's license; and no  
2 person or persons licensed as a distiller or craft distiller by  
3 any licensing authority shall have any interest, directly or  
4 indirectly, with such distributor or importing distributor.

5 However, an importing distributor or distributor, which on  
6 January 1, 1985 is owned by a brewer, or any subsidiary or  
7 affiliate thereof or any officer, associate, member, partner,  
8 representative, employee, agent or shareholder owning more  
9 than 5% of the outstanding shares of the importing distributor  
10 or distributor referred to in this paragraph, may own or  
11 acquire an ownership interest of more than 5% of the  
12 outstanding shares of a wine manufacturer and be issued a wine  
13 manufacturer's license by any licensing authority.

14 (b) The foregoing provisions shall not apply to any person  
15 licensed by any licensing authority as a distiller or wine  
16 manufacturer, or to any subsidiary or affiliate of any  
17 distiller or wine manufacturer who shall have been heretofore  
18 licensed by the State Commission as either an importing  
19 distributor or distributor during the annual licensing period  
20 expiring June 30, 1947, and shall actually have made sales  
21 regularly to retailers.

22 (c) Provided, however, that in such instances where a  
23 distributor's or importing distributor's license has been  
24 issued to any distiller or wine manufacturer or to any  
25 subsidiary or affiliate of any distiller or wine manufacturer  
26 who has, during the licensing period ending June 30, 1947, sold

1 or distributed as such licensed distributor or importing  
2 distributor alcoholic liquors and wines to retailers, such  
3 distiller or wine manufacturer or any subsidiary or affiliate  
4 of any distiller or wine manufacturer holding such  
5 distributor's or importing distributor's license may continue  
6 to sell or distribute to retailers such alcoholic liquors and  
7 wines which are manufactured, distilled, processed or marketed  
8 by distillers and wine manufacturers whose products it sold or  
9 distributed to retailers during the whole or any part of its  
10 licensing periods; and such additional brands and additional  
11 products may be added to the line of such distributor or  
12 importing distributor, provided, that such brands and such  
13 products were not sold or distributed by any distributor or  
14 importing distributor licensed by the State Commission during  
15 the licensing period ending June 30, 1947, but can not sell or  
16 distribute to retailers any other alcoholic liquors or wines.

17 (d) It shall be unlawful for any distiller licensed  
18 anywhere to have any stock ownership or interest in any  
19 distributor's or importing distributor's license wherein any  
20 other person has an interest therein who is not a distiller and  
21 does not own more than 5% of any stock in any distillery.  
22 Nothing herein contained shall apply to such distillers or  
23 their subsidiaries or affiliates, who had a distributor's or  
24 importing distributor's license during the licensing period  
25 ending June 30, 1947, which license was owned in whole by such  
26 distiller, or subsidiaries or affiliates of such distiller.

1 (e) Any person licensed as a brewer, ~~class 1 brewer,~~ or  
2 class 2 brewer shall be permitted to sell on the licensed  
3 premises to non-licensees for on or off-premises consumption  
4 for the premises in which he or she actually conducts such  
5 business beer manufactured by the brewer, ~~class 1 brewer,~~ or  
6 class 2 brewer. Any person licensed as a class 1 brewer shall  
7 be permitted to sell on the licensed premises to non-licensees  
8 for on or off-premises consumption for the premises in which he  
9 or she actually conducts such business beer, cider, or mead  
10 manufactured by the class 1 brewer. Such sales shall be limited  
11 to on-premises, in-person sales only, for lawful consumption on  
12 or off premises. Such authorization shall be considered a  
13 privilege granted by the brewer license and, other than a  
14 manufacturer of beer as stated above, no manufacturer or  
15 distributor or importing distributor, excluding airplane  
16 licensees exercising powers provided in paragraph (i) of  
17 Section 5-1 of this Act, or any subsidiary or affiliate  
18 thereof, or any officer, associate, member, partner,  
19 representative, employee or agent, or shareholder shall be  
20 issued a retailer's license, nor shall any person having a  
21 retailer's license, excluding airplane licensees exercising  
22 powers provided in paragraph (i) of Section 5-1 of this Act, or  
23 any subsidiary or affiliate thereof, or any officer, associate,  
24 member, partner, representative or agent, or shareholder be  
25 issued a manufacturer's license or importing distributor's  
26 license.

1           A person who holds a ~~class 1 or~~ class 2 brewer license and  
2 is authorized by this Section to sell beer to non-licensees  
3 shall not sell beer to non-licensees from more than 3 total  
4 brewer or commonly owned brew pub licensed locations in this  
5 State. The ~~class 1 or~~ class 2 brewer shall designate to the  
6 State Commission the brewer or brew pub locations from which it  
7 will sell beer to non-licensees.

8           A person who holds a class 1 brewer license and is  
9 authorized by this Section to sell beer, cider, or mead to  
10 non-licensees shall not sell beer, cider, or mead to  
11 non-licensees from more than 3 total brewer or commonly owned  
12 brew pub licensed locations in this State. The class 1 brewer  
13 shall designate to the State Commission the brewer or brew pub  
14 locations from which it will sell beer, cider, or mead to  
15 non-licensees.

16           A person licensed as a craft distiller, including a person  
17 who holds more than one craft distiller license, not affiliated  
18 with any other person manufacturing spirits may be authorized  
19 by the Commission to sell up to 2,500 gallons of spirits  
20 produced by the person to non-licensees for on or off-premises  
21 consumption for the premises in which he or she actually  
22 conducts business permitting only the retail sale of spirits  
23 manufactured at such premises. Such sales shall be limited to  
24 on-premises, in-person sales only, for lawful consumption on or  
25 off premises, and such authorization shall be considered a  
26 privilege granted by the craft distiller license. A craft

1 distiller licensed for retail sale shall secure liquor  
2 liability insurance coverage in an amount at least equal to the  
3 maximum liability amounts set forth in subsection (a) of  
4 Section 6-21 of this Act.

5 A craft distiller license holder shall not deliver any  
6 alcoholic liquor to any non-licensee off the licensed premises.  
7 A craft distiller shall affirm in its annual craft distiller's  
8 license application that it does not produce more than 100,000  
9 gallons of distilled spirits annually and that the craft  
10 distiller does not sell more than 2,500 gallons of spirits to  
11 non-licensees for on or off-premises consumption. In the  
12 application, which shall be sworn under penalty of perjury, the  
13 craft distiller shall state the volume of production and sales  
14 for each year since the craft distiller's establishment.

15 (f) (Blank).

16 (g) Notwithstanding any of the foregoing prohibitions, a  
17 limited wine manufacturer may sell at retail at its  
18 manufacturing site for on or off premises consumption and may  
19 sell to distributors. A limited wine manufacturer licensee  
20 shall secure liquor liability insurance coverage in an amount  
21 at least equal to the maximum liability amounts set forth in  
22 subsection (a) of Section 6-21 of this Act.

23 (h) The changes made to this Section by Public Act 99-47  
24 shall not diminish or impair the rights of any person, whether  
25 a distiller, wine manufacturer, agent, or affiliate thereof,  
26 who requested in writing and submitted documentation to the

1 State Commission on or before February 18, 2015 to be approved  
2 for a retail license pursuant to what has heretofore been  
3 subsection (f); provided that, on or before that date, the  
4 State Commission considered the intent of that person to apply  
5 for the retail license under that subsection and, by recorded  
6 vote, the State Commission approved a resolution indicating  
7 that such a license application could be lawfully approved upon  
8 that person duly filing a formal application for a retail  
9 license and if that person, within 90 days of the State  
10 Commission appearance and recorded vote, first filed an  
11 application with the appropriate local commission, which  
12 application was subsequently approved by the appropriate local  
13 commission prior to consideration by the State Commission of  
14 that person's application for a retail license. It is further  
15 provided that the State Commission may approve the person's  
16 application for a retail license or renewals of such license if  
17 such person continues to diligently adhere to all  
18 representations made in writing to the State Commission on or  
19 before February 18, 2015, or thereafter, or in the affidavit  
20 filed by that person with the State Commission to support the  
21 issuance of a retail license and to abide by all applicable  
22 laws and duly adopted rules.

23 (Source: P.A. 99-47, eff. 7-15-15; 99-448, eff. 8-24-15;  
24 99-642, eff. 7-28-16; 99-902, eff. 8-26-16; revised 10-25-16.)