

SB2286



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2286

Introduced 1/10/2018, by Sen. Dan McConchie

SYNOPSIS AS INTRODUCED:

235 ILCS 5/5-1

from Ch. 43, par. 115

Amends the Liquor Control Act of 1934. Provides that a craft distiller may make sales and deliveries to importing distributors and distributors and may make sales and deliveries of up to 25,000 gallons of spirits to retail licensees per year. Effective immediately.

LRB100 15372 RPS 30346 b

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 Section 5-1 as follows:

6 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

17 (d) Retailer's license,

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

19 (f) Railroad license,

20 (g) Boat license,

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

22 (i) Wine-maker's premises license,

23 (j) Airplane license,

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

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

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

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

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

26 Class 3. A Brewer may make sales and deliveries of beer to

1 importing distributors and distributors and may make sales as
2 authorized under subsection (e) of Section 6-4 of this Act.

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

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

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

21 Class 7. A second-class wine-maker's license shall allow
22 the manufacture of between 50,000 and 150,000 gallons of wine
23 per year, and the storage and sale of such wine to distributors
24 in this State and to persons without the State, as may be
25 permitted by law. A person who, prior to June 1, 2008 (the
26 effective date of Public Act 95-634), is a holder of a

1 second-class wine-maker's license and annually produces more
2 than 25,000 gallons of its own wine and who distributes its
3 wine to licensed retailers shall cease this practice on or
4 before July 1, 2008 in compliance with Public Act 95-634.

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

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

23 A craft distiller licensee may hold more than one craft
24 distiller's license. However, a craft distiller that holds more
25 than one craft distiller license shall not manufacture, in the
26 aggregate, more than 100,000 gallons of spirits by distillation

1 per year and shall not sell, in the aggregate, more than 2,500
2 gallons of such spirits to non-licensees in accordance with an
3 exemption approved by the State Commission pursuant to Section
4 6-4 of this Act.

5 A craft distiller may make sales and deliveries to
6 importing distributors and distributors and may make sales and
7 deliveries of up to 25,000 gallons of spirits to retail
8 licensees per year.

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

14 Class 10. A class 1 brewer license, which may only be
15 issued to a licensed brewer or licensed non-resident dealer,
16 shall allow the manufacture of up to 930,000 gallons of beer
17 per year provided that the class 1 brewer licensee does not
18 manufacture more than a combined 930,000 gallons of beer per
19 year and is not a member of or affiliated with, directly or
20 indirectly, a manufacturer that produces more than 930,000
21 gallons of beer per year or any other alcoholic liquor. A class
22 1 brewer licensee may make sales and deliveries to importing
23 distributors and distributors and to retail licensees in
24 accordance with the conditions set forth in paragraph (18) of
25 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 period. An applicant for the
7 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 and upon
11 request by the State Commission or the Department of Revenue,
12 file with the State Commission a statement detailing each
13 shipment made to an Illinois resident. The statement shall
14 include the name and address of the third-party provider filing
15 the statement, the time period covered by the statement, and
16 the following information:

- 17 (1) the name, address, and license number of the winery
18 shipper on whose behalf the shipment was made;
19 (2) the quantity of the products delivered; and
20 (3) the date and address of the shipment.

21 If the Department of Revenue or the State Commission requests a
22 statement under this paragraph, the third-party provider must
23 provide that statement no later than 30 days after the request
24 is made. Any books, records, supporting papers, and documents
25 containing information and data relating to a statement under
26 this paragraph shall be kept and preserved for a period of 3

1 years, unless their destruction sooner is authorized, in
2 writing, by the Director of Revenue, and shall be open and
3 available to inspection by the Director of Revenue or the State
4 Commission or any duly authorized officer, agent, or employee
5 of the State Commission or the Department of Revenue, at all
6 times during business hours of the day. Any person who violates
7 any provision of this paragraph or any rule of the State
8 Commission for the administration and enforcement of the
9 provisions of this paragraph is guilty of a Class C
10 misdemeanor. In case of a continuing violation, each day's
11 continuance thereof shall be a separate and distinct offense.

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

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

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

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

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

21 As used in this subsection, "third-party provider" means
22 any entity that provides fulfillment house services, including
23 warehousing, packaging, distribution, order processing, or
24 shipment of wine, but not the sale of wine, on behalf of a
25 licensed winery shipper.

26 (s) A craft distiller tasting permit license shall allow an

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

13 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
14 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
15 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.