



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1672

Introduced 2/15/2019, by Sen. Iris Y. Martinez

SYNOPSIS AS INTRODUCED:

235 ILCS 5/3-12	
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/5-3	from Ch. 43, par. 118
235 ILCS 5/6-4	from Ch. 43, par. 121

Amends the Liquor Control Act of 1934. Provides that a craft distiller license and a craft distiller tasting permit license shall allow the sale and offering for sale at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a licensed distributor or importing distributor. Provides that a craft distiller tasting permit license allows the licensee to sell and offer for sale at retail, but not for resale in any form, up to 5,000 gallons of transferred alcoholic liquor to the extent approved by the Illinois Liquor Control Commission. Provides that upon approval from the State Commission, a craft distiller tasting permit license shall allow the licensee to sell and offer for sale at (i) the craft distiller's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Provides that certain craft distillers may sell up to 10,000 gallons (instead of 2,500 gallons) of spirits to non-licensees. Creates a craft distiller warehouse permit. Provides that a craft distiller warehouse permit license may be issued to the holder of a craft distiller tasting permit license and shall allow the holder to store or warehouse up to 500,000 gallons of spirits manufactured by the holder of the permit. Establishes fees for a craft distiller warehouse permit. Makes other changes.

LRB101 07838 RPS 52892 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 3-12, 5-1, 5-3, and 6-4 as follows:

6 (235 ILCS 5/3-12)

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

8 (a) The State Commission shall have the following powers,
9 functions, and duties:

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

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

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

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

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

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

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

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

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

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

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

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

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

1 appropriate law enforcement officials.

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (13) (Blank).

20 (14) On or before April 30, 2008 and every 2 years
21 thereafter, the Commission shall present a written report
22 to the Governor and the General Assembly that shall be
23 based on a study of the impact of Public Act 95-634 on the
24 business of soliciting, selling, and shipping wine from
25 inside and outside of this State directly to residents of
26 this State. As part of its report, the Commission shall

1 provide all of the following information:

2 (A) The amount of State excise and sales tax
3 revenues generated.

4 (B) The amount of licensing fees received.

5 (C) The number of cases of wine shipped from inside
6 and outside of this State directly to residents of this
7 State.

8 (D) The number of alcohol compliance operations
9 conducted.

10 (E) The number of winery shipper's licenses
11 issued.

12 (F) The number of each of the following: reported
13 violations; cease and desist notices issued by the
14 Commission; notices of violations issued by the
15 Commission and to the Department of Revenue; and
16 notices and complaints of violations to law
17 enforcement officials, including, without limitation,
18 the Illinois Attorney General and the U.S. Department
19 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

20 (15) As a means to reduce the underage consumption of
21 alcoholic liquors, the Commission shall conduct alcohol
22 compliance operations to investigate whether businesses
23 that are soliciting, selling, and shipping wine from inside
24 or outside of this State directly to residents of this
25 State are licensed by this State or are selling or
26 attempting to sell wine to persons under 21 years of age in

1 violation of this Act.

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

9 (17) (A) A person licensed to make wine under the laws
10 of another state who has a winery shipper's license under
11 this Act and annually produces less than 25,000 gallons of
12 wine or a person who has a first-class or second-class wine
13 manufacturer's license, a first-class or second-class
14 wine-maker's license, or a limited wine manufacturer's
15 license under this Act and annually produces less than
16 25,000 gallons of wine may make application to the
17 Commission for a self-distribution exemption to allow the
18 sale of not more than 5,000 gallons of the exemption
19 holder's wine to retail licensees per year.

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

1 liquor and revenue laws of the United States, this State,
2 and any other state where it is licensed.

3 (C) The Commission shall approve the application for a
4 self-distribution exemption if such person: (1) is in
5 compliance with State revenue and liquor laws; (2) is not a
6 member of any affiliated group that produces more than
7 25,000 gallons of wine per annum or produces any other
8 alcoholic liquor; (3) will not annually produce for sale
9 more than 25,000 gallons of wine; and (4) will not annually
10 sell more than 5,000 gallons of its wine to retail
11 licensees.

12 (D) A self-distribution exemption holder shall
13 annually certify to the Commission its production of wine
14 in the previous 12 months and its anticipated production
15 and sales for the next 12 months. The Commission may fine,
16 suspend, or revoke a self-distribution exemption after a
17 hearing if it finds that the exemption holder has made a
18 material misrepresentation in its application, violated a
19 revenue or liquor law of Illinois, exceeded production of
20 25,000 gallons of wine in any calendar year, or become part
21 of an affiliated group producing more than 25,000 gallons
22 of wine or any other alcoholic liquor.

23 (E) Except in hearings for violations of this Act or
24 Public Act 95-634 or a bona fide investigation by duly
25 sworn law enforcement officials, the Commission, or its
26 agents, the Commission shall maintain the production and

1 sales information of a self-distribution exemption holder
2 as confidential and shall not release such information to
3 any person.

4 (F) The Commission shall issue regulations governing
5 self-distribution exemptions consistent with this Section
6 and this Act.

7 (G) Nothing in this paragraph ~~subsection~~ (17) shall
8 prohibit a self-distribution exemption holder from
9 entering into or simultaneously having a distribution
10 agreement with a licensed Illinois distributor.

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

23 (18)(A) A class 1 brewer licensee, who must also be
24 either a licensed brewer or licensed non-resident dealer
25 and annually manufacture less than 930,000 gallons of beer,
26 may make application to the State Commission for a

1 self-distribution exemption to allow the sale of not more
2 than 232,500 gallons of the exemption holder's beer per
3 year to retail licensees and to brewers, class 1 brewers,
4 and class 2 brewers that, pursuant to subsection (e) of
5 Section 6-4 of this Act, sell beer, cider, or both beer and
6 cider to non-licensees at their breweries.

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

17 (C) Any application submitted shall be posted on the
18 State Commission's website at least 45 days prior to action
19 by the State Commission. The State Commission shall approve
20 the application for a self-distribution exemption if the
21 class 1 brewer licensee: (1) is in compliance with the
22 State, revenue, and alcoholic beverage laws; (2) is not a
23 member of any affiliated group that manufactures more than
24 930,000 gallons of beer per annum or produces any other
25 alcoholic beverages; (3) shall not annually manufacture
26 for sale more than 930,000 gallons of beer; (4) shall not

1 annually sell more than 232,500 gallons of its beer to
2 retail licensees or to brewers, class 1 brewers, and class
3 2 brewers that, pursuant to subsection (e) of Section 6-4
4 of this Act, sell beer, cider, or both beer and cider to
5 non-licensees at their breweries; and (5) has relinquished
6 any brew pub license held by the licensee, including any
7 ownership interest it held in the licensed brew pub.

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

21 (E) The State Commission shall issue rules and
22 regulations governing self-distribution exemptions
23 consistent with this Act.

24 (F) Nothing in this paragraph (18) shall prohibit a
25 self-distribution exemption holder from entering into or
26 simultaneously having a distribution agreement with a

1 licensed Illinois importing distributor or a distributor.
2 If a self-distribution exemption holder enters into a
3 distribution agreement and has assigned distribution
4 rights to an importing distributor or distributor, then the
5 self-distribution exemption holder's distribution rights
6 in the assigned territories shall cease in a reasonable
7 time not to exceed 60 days.

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

16 (19) (A) A craft distiller licensee may make
17 application to the State Commission for a
18 self-distribution exemption to allow the sale of not more
19 than 2,500 gallons of the exemption holder's spirits to
20 retail licensees per year.

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

1 necessary to facilitate the marketing of its spirits; and
2 (5) that it will comply with the alcoholic beverage and
3 revenue laws of the United States, this State, and any
4 other state where it is licensed.

5 (C) Any application submitted shall be posted on the
6 State Commission's website at least 45 days prior to action
7 by the State Commission. The State Commission shall approve
8 the application for a self-distribution exemption if the
9 craft distiller licensee: (1) is in compliance with State,
10 revenue, and alcoholic beverage laws; (2) is not a member
11 of any affiliated group that produces more than 100,000
12 gallons of spirits per annum or produces any other
13 alcoholic liquor; (3) shall not annually manufacture for
14 sale more than 100,000 gallons of spirits; and (4) shall
15 not annually sell more than 2,500 gallons of its spirits to
16 retail licensees.

17 (D) A self-distribution exemption holder shall
18 annually certify to the State Commission its manufacture of
19 spirits during the previous 12 months and its anticipated
20 manufacture and sales of spirits for the next 12 months.
21 The State Commission may fine, suspend, or revoke a
22 self-distribution exemption after a hearing if it finds
23 that the exemption holder has made a material
24 misrepresentation in its application, violated a revenue
25 or alcoholic beverage law of Illinois, exceeded the
26 manufacture of 100,000 gallons of spirits in any calendar

1 year or became part of an affiliated group manufacturing
2 more than 100,000 gallons of spirits or any other alcoholic
3 beverage.

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

7 (F) Nothing in this paragraph (19) shall prohibit a
8 self-distribution exemption holder from entering into or
9 simultaneously having a distribution agreement with a
10 licensed Illinois importing distributor or a distributor.
11 If a self-distribution exemption holder enters into a
12 distribution agreement and has assigned distribution
13 rights to an importing distributor or distributor, then the
14 self-distribution exemption holder's distribution rights
15 in the assigned territories shall cease in a reasonable
16 time not to exceed 60 days.

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

25 (b) On or before April 30, 1999, the Commission shall
26 present a written report to the Governor and the General

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

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

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

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

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

16 (Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;
17 100-134, eff. 8-18-17; 100-201, eff. 8-18-17; 100-816, eff.
18 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff. 8-23-18;
19 revised 10-24-18.)

20 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

23 (a) Manufacturer's license - Class 1. Distiller, Class 2.
24 Rectifier, Class 3. Brewer, Class 4. First Class Wine
25 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.

1 First Class Winemaker, Class 7. Second Class Winemaker, Class
2 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
3 10. Class 1 Brewer, Class 11. Class 2 Brewer,

4 (b) Distributor's license,

5 (c) Importing Distributor's license,

6 (d) Retailer's license,

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

8 (f) Railroad license,

9 (g) Boat license,

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

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

12 (j) Airplane license,

13 (k) Foreign importer's license,

14 (l) Broker's license,

15 (m) Non-resident dealer's license,

16 (n) Brew Pub license,

17 (o) Auction liquor license,

18 (p) Caterer retailer license,

19 (q) Special use permit license,

20 (r) Winery shipper's license,

21 (s) Craft distiller tasting permit,

22 (t) Brewer warehouse permit,

23 (u) Craft distiller warehouse permit.

24 No person, firm, partnership, corporation, or other legal
25 business entity that is engaged in the manufacturing of wine
26 may concurrently obtain and hold a wine-maker's license and a

1 wine manufacturer's license.

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

6 Class 1. A Distiller may make sales and deliveries of
7 alcoholic liquor to distillers, rectifiers, importing
8 distributors, distributors and non-beverage users and to no
9 other licensees.

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

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

17 Class 4. A first class wine-manufacturer may make sales and
18 deliveries of up to 50,000 gallons of wine to manufacturers,
19 importing distributors and distributors, and to no other
20 licensees.

21 Class 5. A second class Wine manufacturer may make sales
22 and deliveries of more than 50,000 gallons of wine to
23 manufacturers, importing distributors and distributors and to
24 no other licensees.

25 Class 6. A first-class wine-maker's license shall allow the
26 manufacture of up to 50,000 gallons of wine per year, and the

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

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

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

23 Class 9. A craft distiller license shall allow the
24 manufacture of up to 100,000 gallons of spirits by distillation
25 per year and the storage of such spirits and shall allow the
26 sale and offering for sale at retail for use and consumption on

1 the premises specified in the license any form of alcoholic
2 liquor purchased from a licensed distributor or importing
3 distributor. If a craft distiller licensee, including a craft
4 distiller licensee who holds more than one craft distiller
5 license, is not affiliated with any other manufacturer of
6 spirits, then the craft distiller licensee may sell such
7 spirits to distributors in this State and up to 10,000 ~~2,500~~
8 gallons of such spirits to non-licensees to the extent
9 permitted by any exemption approved by the Commission pursuant
10 to Section 6-4 of this Act. A craft distiller license holder
11 may store such spirits at a non-contiguous licensed location,
12 but at no time shall a craft distiller license holder directly
13 or indirectly produce in the aggregate more than 100,000
14 gallons of spirits per year.

15 A craft distiller licensee may hold more than one craft
16 distiller's license. However, a craft distiller that holds more
17 than one craft distiller license shall not manufacture, in the
18 aggregate, more than 100,000 gallons of spirits by distillation
19 per year and shall not sell, in the aggregate, more than 10,000
20 ~~2,500~~ gallons of such spirits to non-licensees in accordance
21 with an exemption approved by the State Commission pursuant to
22 Section 6-4 of this Act.

23 Any craft distiller licensed under this Act who on July 28,
24 2010 (the effective date of Public Act 96-1367) was licensed as
25 a distiller and manufactured no more spirits than permitted by
26 this Section shall not be required to pay the initial licensing

1 fee.

2 Class 10. A class 1 brewer license, which may only be
3 issued to a licensed brewer or licensed non-resident dealer,
4 shall allow the manufacture of up to 930,000 gallons of beer
5 per year provided that the class 1 brewer licensee does not
6 manufacture more than a combined 930,000 gallons of beer per
7 year and is not a member of or affiliated with, directly or
8 indirectly, a manufacturer that produces more than 930,000
9 gallons of beer per year or any other alcoholic liquor. A class
10 1 brewer licensee may make sales and deliveries to importing
11 distributors and distributors and to retail licensees in
12 accordance with the conditions set forth in paragraph (18) of
13 subsection (a) of Section 3-12 of this Act. If the State
14 Commission provides prior approval, a class 1 brewer may
15 annually transfer up to 930,000 gallons of beer manufactured by
16 that class 1 brewer to the premises of a licensed class 1
17 brewer wholly owned and operated by the same licensee.

18 Class 11. A class 2 brewer license, which may only be
19 issued to a licensed brewer or licensed non-resident dealer,
20 shall allow the manufacture of up to 3,720,000 gallons of beer
21 per year provided that the class 2 brewer licensee does not
22 manufacture more than a combined 3,720,000 gallons of beer per
23 year and is not a member of or affiliated with, directly or
24 indirectly, a manufacturer that produces more than 3,720,000
25 gallons of beer per year or any other alcoholic liquor. A class
26 2 brewer licensee may make sales and deliveries to importing

1 distributors and distributors, but shall not make sales or
2 deliveries to any other licensee. If the State Commission
3 provides prior approval, a class 2 brewer licensee may annually
4 transfer up to 3,720,000 gallons of beer manufactured by that
5 class 2 brewer licensee to the premises of a licensed class 2
6 brewer wholly owned and operated by the same licensee.

7 A class 2 brewer may transfer beer to a brew pub wholly
8 owned and operated by the class 2 brewer subject to the
9 following limitations and restrictions: (i) the transfer shall
10 not annually exceed more than 31,000 gallons; (ii) the annual
11 amount transferred shall reduce the brew pub's annual permitted
12 production limit; (iii) all beer transferred shall be subject
13 to Article VIII of this Act; (iv) a written record shall be
14 maintained by the brewer and brew pub specifying the amount,
15 date of delivery, and receipt of the product by the brew pub;
16 and (v) the brew pub shall be located no farther than 80 miles
17 from the class 2 brewer's licensed location.

18 A class 2 brewer shall, prior to transferring beer to a
19 brew pub wholly owned by the class 2 brewer, furnish a written
20 notice to the State Commission of intent to transfer beer
21 setting forth the name and address of the brew pub and shall
22 annually submit to the State Commission a verified report
23 identifying the total gallons of beer transferred to the brew
24 pub wholly owned by the class 2 brewer.

25 (a-1) A manufacturer which is licensed in this State to
26 make sales or deliveries of alcoholic liquor to licensed

1 distributors or importing distributors and which enlists
2 agents, representatives, or individuals acting on its behalf
3 who contact licensed retailers on a regular and continual basis
4 in this State must register those agents, representatives, or
5 persons acting on its behalf with the State Commission.

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

23 (b) A distributor's license shall allow the wholesale
24 purchase and storage of alcoholic liquors and sale of alcoholic
25 liquors to licensees in this State and to persons without the
26 State, as may be permitted by law, and the sale of beer, cider,

1 or both beer and cider to brewers, class 1 brewers, and class 2
2 brewers that, pursuant to subsection (e) of Section 6-4 of this
3 Act, sell beer, cider, or both beer and cider to non-licensees
4 at their breweries. No person licensed as a distributor shall
5 be granted a non-resident dealer's license.

6 (c) An importing distributor's license may be issued to and
7 held by those only who are duly licensed distributors, upon the
8 filing of an application by a duly licensed distributor, with
9 the Commission and the Commission shall, without the payment of
10 any fee, immediately issue such importing distributor's
11 license to the applicant, which shall allow the importation of
12 alcoholic liquor by the licensee into this State from any point
13 in the United States outside this State, and the purchase of
14 alcoholic liquor in barrels, casks or other bulk containers and
15 the bottling of such alcoholic liquors before resale thereof,
16 but all bottles or containers so filled shall be sealed,
17 labeled, stamped and otherwise made to comply with all
18 provisions, rules and regulations governing manufacturers in
19 the preparation and bottling of alcoholic liquors. The
20 importing distributor's license shall permit such licensee to
21 purchase alcoholic liquor from Illinois licensed non-resident
22 dealers and foreign importers only. No person licensed as an
23 importing distributor shall be granted a non-resident dealer's
24 license.

25 (d) A retailer's license shall allow the licensee to sell
26 and offer for sale at retail, only in the premises specified in

1 the license, alcoholic liquor for use or consumption, but not
2 for resale in any form. Nothing in Public Act 95-634 shall
3 deny, limit, remove, or restrict the ability of a holder of a
4 retailer's license to transfer, deliver, or ship alcoholic
5 liquor to the purchaser for use or consumption subject to any
6 applicable local law or ordinance. Any retail license issued to
7 a manufacturer shall only permit the manufacturer to sell beer
8 at retail on the premises actually occupied by the
9 manufacturer. For the purpose of further describing the type of
10 business conducted at a retail licensed premises, a retailer's
11 licensee may be designated by the State Commission as (i) an on
12 premise consumption retailer, (ii) an off premise sale
13 retailer, or (iii) a combined on premise consumption and off
14 premise sale retailer.

15 Notwithstanding any other provision of this subsection
16 (d), a retail licensee may sell alcoholic liquors to a special
17 event retailer licensee for resale to the extent permitted
18 under subsection (e).

19 (e) A special event retailer's license (not-for-profit)
20 shall permit the licensee to purchase alcoholic liquors from an
21 Illinois licensed distributor (unless the licensee purchases
22 less than \$500 of alcoholic liquors for the special event, in
23 which case the licensee may purchase the alcoholic liquors from
24 a licensed retailer) and shall allow the licensee to sell and
25 offer for sale, at retail, alcoholic liquors for use or
26 consumption, but not for resale in any form and only at the

1 location and on the specific dates designated for the special
2 event in the license. An applicant for a special event retailer
3 license must (i) furnish with the application: (A) a resale
4 number issued under Section 2c of the Retailers' Occupation Tax
5 Act or evidence that the applicant is registered under Section
6 2a of the Retailers' Occupation Tax Act, (B) a current, valid
7 exemption identification number issued under Section 1g of the
8 Retailers' Occupation Tax Act, and a certification to the
9 Commission that the purchase of alcoholic liquors will be a
10 tax-exempt purchase, or (C) a statement that the applicant is
11 not registered under Section 2a of the Retailers' Occupation
12 Tax Act, does not hold a resale number under Section 2c of the
13 Retailers' Occupation Tax Act, and does not hold an exemption
14 number under Section 1g of the Retailers' Occupation Tax Act,
15 in which event the Commission shall set forth on the special
16 event retailer's license a statement to that effect; (ii)
17 submit with the application proof satisfactory to the State
18 Commission that the applicant will provide dram shop liability
19 insurance in the maximum limits; and (iii) show proof
20 satisfactory to the State Commission that the applicant has
21 obtained local authority approval.

22 Nothing in this Act prohibits an Illinois licensed
23 distributor from offering credit or a refund for unused,
24 salable alcoholic liquors to a holder of a special event
25 retailer's license or ~~from~~ the special event retailer's
26 licensee from accepting the credit or refund of alcoholic

1 liquors at the conclusion of the event specified in the
2 license.

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

24 (g) A boat license shall allow the sale of alcoholic liquor
25 in individual drinks, on any passenger boat regularly operated
26 as a common carrier on navigable waters in this State or on any

1 riverboat operated under the Riverboat Gambling Act, which boat
2 or riverboat maintains a public dining room or restaurant
3 thereon.

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

- 14 Class 1, not to exceed 500 gallons
- 15 Class 2, not to exceed 1,000 gallons
- 16 Class 3, not to exceed 5,000 gallons
- 17 Class 4, not to exceed 10,000 gallons
- 18 Class 5, not to exceed 50,000 gallons

19 (i) A wine-maker's premises license shall allow a licensee
20 that concurrently holds a first-class wine-maker's license to
21 sell and offer for sale at retail in the premises specified in
22 such license not more than 50,000 gallons of the first-class
23 wine-maker's wine that is made at the first-class wine-maker's
24 licensed premises per year for use or consumption, but not for
25 resale in any form. A wine-maker's premises license shall allow
26 a licensee who concurrently holds a second-class wine-maker's

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

21 (j) An airplane license shall permit the licensee to import
22 alcoholic liquors into this State from any point in the United
23 States outside this State and to store such alcoholic liquors
24 in this State; to make wholesale purchases of alcoholic liquors
25 directly from manufacturers, foreign importers, distributors
26 and importing distributors from within or outside this State;

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

15 (k) A foreign importer's license shall permit such licensee
16 to purchase alcoholic liquor from Illinois licensed
17 non-resident dealers only, and to import alcoholic liquor other
18 than in bulk from any point outside the United States and to
19 sell such alcoholic liquor to Illinois licensed importing
20 distributors and to no one else in Illinois; provided that (i)
21 the foreign importer registers with the State Commission every
22 brand of alcoholic liquor that it proposes to sell to Illinois
23 licensees during the license period, (ii) the foreign importer
24 complies with all of the provisions of Section 6-9 of this Act
25 with respect to registration of such Illinois licensees as may
26 be granted the right to sell such brands at wholesale, and

1 (iii) the foreign importer complies with the provisions of
2 Sections 6-5 and 6-6 of this Act to the same extent that these
3 provisions apply to manufacturers.

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

14 No holder of a retailer's license issued by the Illinois
15 Liquor Control Commission shall purchase or receive any
16 alcoholic liquor, the order for which was solicited or offered
17 for sale to such retailer by a broker unless the broker is the
18 holder of a valid broker's license.

19 The broker shall, upon the acceptance by a retailer of the
20 broker's solicitation of an order or offer to sell or supply or
21 deliver or have delivered alcoholic liquors, promptly forward
22 to the Illinois Liquor Control Commission a notification of
23 said transaction in such form as the Commission may by
24 regulations prescribe.

25 (ii) A broker's license shall be required of a person
26 within this State, other than a retail licensee, who, for a fee

1 or commission, promotes, solicits, or accepts orders for
2 alcoholic liquor, for use or consumption and not for resale, to
3 be shipped from this State and delivered to residents outside
4 of this State by an express company, common carrier, or
5 contract carrier. This Section does not apply to any person who
6 promotes, solicits, or accepts orders for wine as specifically
7 authorized in Section 6-29 of this Act.

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

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

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

21 (m) A non-resident dealer's license shall permit such
22 licensee to ship into and warehouse alcoholic liquor into this
23 State from any point outside of this State, and to sell such
24 alcoholic liquor to Illinois licensed foreign importers and
25 importing distributors and to no one else in this State;
26 provided that (i) said non-resident dealer shall register with

1 the Illinois Liquor Control Commission each and every brand of
2 alcoholic liquor which it proposes to sell to Illinois
3 licensees during the license period, (ii) it shall comply with
4 all of the provisions of Section 6-9 hereof with respect to
5 registration of such Illinois licensees as may be granted the
6 right to sell such brands at wholesale by duly filing such
7 registration statement, thereby authorizing the non-resident
8 dealer to proceed to sell such brands at wholesale, and (iii)
9 the non-resident dealer shall comply with the provisions of
10 Sections 6-5 and 6-6 of this Act to the same extent that these
11 provisions apply to manufacturers. No person licensed as a
12 non-resident dealer shall be granted a distributor's or
13 importing distributor's license.

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

1 of alcoholic liquor purchased from a licensed distributor or
2 importing distributor, and (vi) with the prior approval of the
3 Commission, annually transfer no more than 155,000 gallons of
4 beer manufactured on the premises to a licensed brew pub wholly
5 owned and operated by the same licensee.

6 A brew pub licensee shall not under any circumstance sell
7 or offer for sale beer manufactured by the brew pub licensee to
8 retail licensees.

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

20 Notwithstanding any other provision of this Act, a licensed
21 brewer, class 2 brewer, or non-resident dealer who before July
22 1, 2015 manufactured less than 3,720,000 gallons of beer per
23 year and held a brew pub license on or before July 1, 2015 may
24 (i) continue to qualify for and hold that brew pub license for
25 the licensed premises and (ii) manufacture more than 3,720,000
26 gallons of beer per year and continue to qualify for and hold

1 that brew pub license if that brewer, class 2 brewer, or
2 non-resident dealer does not simultaneously hold a class 1
3 brewer license and is not a member of or affiliated with,
4 directly or indirectly, a manufacturer that produces more than
5 3,720,000 gallons of beer per year or that produces any other
6 alcoholic liquor.

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

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

20 (q) A special use permit license shall allow an Illinois
21 licensed retailer to transfer a portion of its alcoholic liquor
22 inventory from its retail licensed premises to the premises
23 specified in the license hereby created, and to sell or offer
24 for sale at retail, only in the premises specified in the
25 license hereby created, the transferred alcoholic liquor for
26 use or consumption, but not for resale in any form. A special

1 use permit license may be granted for the following time
2 periods: one day or less; 2 or more days to a maximum of 15 days
3 per location in any 12-month period. An applicant for the
4 special use permit license must also submit with the
5 application proof satisfactory to the State Commission that the
6 applicant will provide dram shop liability insurance to the
7 maximum limits and have local authority approval.

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

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

23 Except for a common carrier, a third-party provider
24 shipping wine on behalf of a winery shipper's license holder is
25 the agent of the winery shipper's license holder and, as such,
26 a winery shipper's license holder is responsible for the acts

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

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

18 If the Department of Revenue or the State Commission requests a
19 statement under this paragraph, the third-party provider must
20 provide that statement no later than 30 days after the request
21 is made. Any books, records, supporting papers, and documents
22 containing information and data relating to a statement under
23 this paragraph shall be kept and preserved for a period of 3
24 years, unless their destruction sooner is authorized, in
25 writing, by the Director of Revenue, and shall be open and
26 available to inspection by the Director of Revenue or the State

1 Commission or any duly authorized officer, agent, or employee
2 of the State Commission or the Department of Revenue, at all
3 times during business hours of the day. Any person who violates
4 any provision of this paragraph or any rule of the State
5 Commission for the administration and enforcement of the
6 provisions of this paragraph is guilty of a Class C
7 misdemeanor. In case of a continuing violation, each day's
8 continuance thereof shall be a separate and distinct offense.

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

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

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

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

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

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

23 (s) A craft distiller tasting permit license shall allow an
24 Illinois licensed craft distiller (i) to transfer a portion of
25 its alcoholic liquor inventory from its craft distiller
26 licensed premises to the premises specified in the license

1 hereby created, (ii) and to conduct a sampling, only in the
2 premises specified in the license hereby created, of the
3 transferred alcoholic liquor in accordance with subsection (c)
4 of Section 6-31 of this Act, (iii) to sell and offer for sale
5 at retail, but not for resale in any form, up to 5,000 gallons
6 of the transferred alcoholic liquor to the extent permitted by
7 any exemption approved by the State Commission pursuant to
8 Section 6-4, and (iv) to sell and offer for sale at retail for
9 use and consumption on the premises specified in the license
10 any form of alcoholic liquor purchased from a licensed
11 distributor or importing distributor. Upon approval from the
12 State Commission, a craft distiller tasting permit license
13 shall allow the licensee to sell and offer for sale at (i) the
14 craft distiller's licensed premises and (ii) at up to 2
15 additional locations for use and consumption and not for
16 resale. The transferred alcoholic liquor may not be sold or
17 resold in any form. An applicant for the craft distiller
18 tasting permit license must also submit with the application
19 proof satisfactory to the State Commission that the applicant
20 will provide dram shop liability insurance to the maximum
21 limits and have local authority approval.

22 (t) A brewer warehouse permit may be issued to the holder
23 of a class 1 brewer license or a class 2 brewer license. If the
24 holder of the permit is a class 1 brewer licensee, the brewer
25 warehouse permit shall allow the holder to store or warehouse
26 up to 930,000 gallons of tax-determined beer manufactured by

1 the holder of the permit at the premises specified on the
2 permit. If the holder of the permit is a class 2 brewer
3 licensee, the brewer warehouse permit shall allow the holder to
4 store or warehouse up to 3,720,000 gallons of tax-determined
5 beer manufactured by the holder of the permit at the premises
6 specified on the permit. Sales to non-licensees are prohibited
7 at the premises specified in the brewer warehouse permit.

8 (u) A craft distiller warehouse permit may be issued to the
9 holder of a craft distiller tasting permit license. The craft
10 distiller warehouse permit shall allow the holder to store or
11 warehouse up to 500,000 gallons of spirits manufactured by the
12 holder of the permit at the premises specified on the permit.
13 Sales to non-licensees are prohibited at the premises specified
14 in the brewer warehouse permit.

15 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
16 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
17 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816,
18 eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18;
19 revised 10-2-18.)

20 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

21 Sec. 5-3. License fees. Except as otherwise provided
22 herein, at the time application is made to the State Commission
23 for a license of any class, the applicant shall pay to the
24 State Commission the fee hereinafter provided for the kind of
25 license applied for.

1 The fee for licenses issued by the State Commission shall
 2 be as follows:

	Online	Initial
	renewal	license
		or
		non-online
		renewal

8 For a manufacturer's license:

9	Class 1. Distiller	\$4,000	\$5,000
10	Class 2. Rectifier	4,000	5,000
11	Class 3. Brewer	1,200	1,500
12	Class 4. First-class Wine		
13	Manufacturer	750	900
14	Class 5. Second-class		
15	Wine Manufacturer.....	1,500	1,750
16	Class 6. First-class wine-maker	750	900
17	Class 7. Second-class wine-maker ..	1,500	1,750
18	Class 8. Limited Wine		
19	Manufacturer	250	350
20	Class 9. Craft Distiller	2,000	2,500
21	Class 10. Class 1 Brewer	50	75
22	Class 11. Class 2 Brewer	75	100
23	For a Brew Pub License	1,200	1,500
24	For a caterer retailer's license ..	350	500
25	For a foreign importer's license ..	25	25
26	For an importing distributor's		

1	license.....	25	25
2	For a distributor's license		
3	(11,250,000 gallons		
4	or over)	1,450	2,200
5	For a distributor's license		
6	(over 4,500,000 gallons, but		
7	under 11,250,000 gallons)	950	1,450
8	For a distributor's license		
9	(4,500,000 gallons or under) ..	300	450
10	For a non-resident dealer's license		
11	(500,000 gallons or over)	1,200	1,500
12	For a non-resident dealer's license		
13	(under 500,000 gallons)	250	350
14	For a wine-maker's premises		
15	license.....	250	500
16	For a winery shipper's license		
17	(under 250,000 gallons)	200	350
18	For a winery shipper's license		
19	(250,000 or over, but		
20	under 500,000 gallons)	750	1,000
21	For a winery shipper's license		
22	(500,000 gallons or over)	1,200	1,500
23	For a wine-maker's premises license,		
24	second location.....	500	1,000
25	For a wine-maker's premises license,		
26	third location	500	1,000

1	For a retailer's license	600	750
2	For a special event retailer's		
3	license, (not-for-profit).....	25	25
4	For a special use permit license,		
5	one day only	100	150
6	2 days or more	150	250
7	For a railroad license	100	150
8	For a boat license	500	1,000
9	For an airplane license, times the		
10	licensee's maximum number of		
11	aircraft in flight, serving		
12	liquor over the State at any		
13	given time, which either		
14	originate, terminate, or make		
15	an intermediate stop in		
16	the State	100	150
17	For a non-beverage user's license:		
18	Class 1	24	24
19	Class 2	60	60
20	Class 3	120	120
21	Class 4	240	240
22	Class 5	600	600
23	For a broker's license	750	1,000
24	For an auction liquor license	100	150
25	For a homebrewer special		
26	event permit	25	25

1	For a craft distiller		
2	tasting permit	25	25
3	For a BASSET trainer license	300	350
4	For a tasting representative		
5	license.....	200	300
6	For a brewer warehouse permit	25	25
7	<u>For a craft distiller</u>		
8	<u>warehouse permit</u>	<u>25</u>	<u>25</u>

9 Fees collected under this Section shall be paid into the
10 Dram Shop Fund. On and after July 1, 2003 and until June 30,
11 2016, of the funds received for a retailer's license, in
12 addition to the first \$175, an additional \$75 shall be paid
13 into the Dram Shop Fund, and \$250 shall be paid into the
14 General Revenue Fund. On and after June 30, 2016, one-half of
15 the funds received for a retailer's license shall be paid into
16 the Dram Shop Fund and one-half of the funds received for a
17 retailer's license shall be paid into the General Revenue Fund.
18 Beginning June 30, 1990 and on June 30 of each subsequent year
19 through June 29, 2003, any balance over \$5,000,000 remaining in
20 the Dram Shop Fund shall be credited to State liquor licensees
21 and applied against their fees for State liquor licenses for
22 the following year. The amount credited to each licensee shall
23 be a proportion of the balance in the Dram Fund that is the
24 same as the proportion of the license fee paid by the licensee
25 under this Section for the period in which the balance was
26 accumulated to the aggregate fees paid by all licensees during

1 that period.

2 No fee shall be paid for licenses issued by the State
3 Commission to the following non-beverage users:

4 (a) Hospitals, sanitariums, or clinics when their use
5 of alcoholic liquor is exclusively medicinal, mechanical
6 or scientific.

7 (b) Universities, colleges of learning or schools when
8 their use of alcoholic liquor is exclusively medicinal,
9 mechanical or scientific.

10 (c) Laboratories when their use is exclusively for the
11 purpose of scientific research.

12 (Source: P.A. 99-448, eff. 8-24-15; 99-902, eff. 8-26-16;
13 99-904, eff. 8-26-16; 100-201, eff. 8-18-17; 100-816, eff.
14 8-13-18.)

15 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

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

1 shareholder owning more than 5% of the outstanding shares of
2 such person be issued a distiller's license, a craft
3 distiller's license, or a wine manufacturer's license; and no
4 person or persons licensed as a distiller or craft distiller by
5 any licensing authority shall have any interest, directly or
6 indirectly, with such distributor or importing distributor.

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

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

24 (c) Provided, however, that in such instances where a
25 distributor's or importing distributor's license has been
26 issued to any distiller or wine manufacturer or to any

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

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

1 ending June 30, 1947, which license was owned in whole by such
2 distiller, or subsidiaries or affiliates of such distiller.

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

26 A manufacturer of beer that imports or transfers beer into

1 this State must comply with Sections 6-8 and 8-1 of this Act.

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

9 A person licensed as a craft distiller, including a person
10 who holds more than one craft distiller license, not affiliated
11 with any other person manufacturing spirits may be authorized
12 by the Commission to sell up to 10,000 ~~2,500~~ gallons of spirits
13 produced by the person to non-licensees for on or off-premises
14 consumption for the premises in which he or she actually
15 conducts business permitting only the retail sale of spirits
16 manufactured at such premises. Such sales shall be limited to
17 on-premises, in-person sales only, for lawful consumption on or
18 off premises, and such authorization shall be considered a
19 privilege granted by the craft distiller license. A craft
20 distiller licensed for retail sale shall secure liquor
21 liability insurance coverage in an amount at least equal to the
22 maximum liability amounts set forth in subsection (a) of
23 Section 6-21 of this Act.

24 A craft distiller license holder shall not deliver any
25 alcoholic liquor to any non-licensee off the licensed premises.
26 A craft distiller shall affirm in its annual craft distiller's

1 license application that it does not produce more than 100,000
2 gallons of distilled spirits annually and that the craft
3 distiller does not sell more than 10,000 ~~2,500~~ gallons of
4 spirits to non-licensees for on or off-premises consumption. In
5 the application, which shall be sworn under penalty of perjury,
6 the craft distiller shall state the volume of production and
7 sales for each year since the craft distiller's establishment.

8 (f) (Blank).

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

16 (h) The changes made to this Section by Public Act 99-47
17 shall not diminish or impair the rights of any person, whether
18 a distiller, wine manufacturer, agent, or affiliate thereof,
19 who requested in writing and submitted documentation to the
20 State Commission on or before February 18, 2015 to be approved
21 for a retail license pursuant to what has heretofore been
22 subsection (f); provided that, on or before that date, the
23 State Commission considered the intent of that person to apply
24 for the retail license under that subsection and, by recorded
25 vote, the State Commission approved a resolution indicating
26 that such a license application could be lawfully approved upon

1 that person duly filing a formal application for a retail
2 license and if that person, within 90 days of the State
3 Commission appearance and recorded vote, first filed an
4 application with the appropriate local commission, which
5 application was subsequently approved by the appropriate local
6 commission prior to consideration by the State Commission of
7 that person's application for a retail license. It is further
8 provided that the State Commission may approve the person's
9 application for a retail license or renewals of such license if
10 such person continues to diligently adhere to all
11 representations made in writing to the State Commission on or
12 before February 18, 2015, or thereafter, or in the affidavit
13 filed by that person with the State Commission to support the
14 issuance of a retail license and to abide by all applicable
15 laws and duly adopted rules.

16 (Source: P.A. 99-47, eff. 7-15-15; 99-448, eff. 8-24-15;
17 99-642, eff. 7-28-16; 99-902, eff. 8-26-16; 100-201, eff.
18 8-18-17; 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; revised
19 10-24-18.)