



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3428

Introduced 2/14/2020, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

235 ILCS 5/3-12

235 ILCS 5/5-1

from Ch. 43, par. 115

Amends the Liquor Control Act of 1934. In provisions concerning self-distribution exemptions for certain wine manufacturers, provides that those wine manufacturers may not be granted a self-distribution exemption if they are part of an affiliated group producing more than 25,000 gallons of wine, 930,000 gallons of beer, or 50,000 gallons of spirits (instead of 25,000 gallons of wine or any other liquor). Provides that a class 1 craft distiller may not be a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 50,000 gallons of spirits per year, 930,000 gallons of beer per year, or 25,000 gallons of wine per year (instead of 50,000 gallons of spirits per year or any other alcoholic liquor). Provides that a class 2 craft distiller may not be a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 50,000 gallons of spirits per year, 3,720,000 gallons of beer per year, or 25,000 gallons of wine per year (instead of 100,000 gallons of spirits per year or any other alcoholic liquor). Provides that a class 1 brewer may not be a member of or affiliated with a manufacturer that produces more than 930,000 gallons of beer per year, 50,000 gallons of spirits per year, or 25,000 gallons of wine per year (instead of 930,000 gallons of beer per year or any other alcoholic liquor). Provides that class 2 brewers may not be a member of or affiliated with a manufacturer that produces more than 3,720,000 gallons of beer per year, 100,000 gallons of spirits per year, or 25,000 gallons of wine per year (instead of 3,720,000 gallons of beer per year or any other alcoholic liquor). Makes related changes in provisions concerning brew pub licensees, distilling pub licensees, and self-distribution exemptions. Effective immediately.

LRB101 20405 RPS 69955 b

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 and 5-1 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 State Commission to inspect
16 private areas within the premises without reasonable
17 suspicion or a warrant during an inspection. "Private
18 areas" include, but are not limited to, safes, personal
19 property, and closed 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 conduct an
24 investigation. If, after conducting an investigation, the
25 State Commission is satisfied that the alleged conduct
26 occurred or is occurring, it may issue a cease and desist

1 notice as provided in this Act, impose civil penalties as
2 provided in this Act, notify the local liquor authority, or
3 file a complaint with the State's Attorney's Office of the
4 county where the incident occurred or the Attorney General.

5 (5.2) Upon receipt of a complaint or upon having
6 knowledge that any person is shipping alcoholic liquor into
7 this State from a point outside of this State if the
8 shipment is in violation of this Act, to conduct an
9 investigation. If, after conducting an investigation, the
10 State Commission is satisfied that the alleged conduct
11 occurred or is occurring, it may issue a cease and desist
12 notice as provided in this Act, impose civil penalties as
13 provided in this Act, notify the foreign jurisdiction, or
14 file a complaint with the State's Attorney's Office of the
15 county where the incident occurred or the Attorney General.

16 (5.3) To receive complaints from licensees, local
17 officials, law enforcement agencies, organizations, and
18 persons stating that any licensee has been or is violating
19 any provision of this Act or the rules and regulations
20 issued pursuant to this Act. Such complaints shall be in
21 writing, signed and sworn to by the person making the
22 complaint, and shall state with specificity the facts in
23 relation to the alleged violation. If the State Commission
24 has reasonable grounds to believe that the complaint
25 substantially alleges a violation of this Act or rules and
26 regulations adopted pursuant to this Act, it shall conduct

1 an investigation. If, after conducting an investigation,
2 the State Commission is satisfied that the alleged
3 violation did occur, it shall proceed with disciplinary
4 action against the licensee as provided in this Act.

5 (5.4) To make arrests and issue notices of civil
6 violations where necessary for the enforcement of this Act.

7 (5.5) To investigate any and all unlicensed activity.

8 (5.6) To impose civil penalties or fines to any person
9 who, without holding a valid license, engages in conduct
10 that requires a license pursuant to this Act, in an amount
11 not to exceed \$20,000 for each offense as determined by the
12 State Commission. A civil penalty shall be assessed by the
13 State Commission after a hearing is held in accordance with
14 the provisions set forth in this Act regarding the
15 provision of a hearing for the revocation or suspension of
16 a license.

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

23 (7) The State Commission shall establish uniform
24 systems of accounts to be kept by all retail licensees
25 having more than 4 employees, and for this purpose the
26 State Commission may classify all retail licensees having

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

22 (8) In the conduct of any hearing authorized to be held
23 by the State Commission, to appoint, at the commission's
24 discretion, hearing officers to conduct hearings involving
25 complex issues or issues that will require a protracted
26 period of time to resolve, to examine, or cause to be

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

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

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

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

26 (11) To develop industry educational programs related

1 to responsible serving and selling, particularly in the
2 areas of overserving consumers and illegal underage
3 purchasing and consumption of alcoholic beverages.

4 (11.1) To license persons providing education and
5 training to alcohol beverage sellers and servers for
6 mandatory and non-mandatory training under the Beverage
7 Alcohol Sellers and Servers Education and Training
8 (BASSET) programs and to develop and administer a public
9 awareness program in Illinois to reduce or eliminate the
10 illegal purchase and consumption of alcoholic beverage
11 products by persons under the age of 21. Application for a
12 license shall be made on forms provided by the State
13 Commission.

14 (12) To develop and maintain a repository of license
15 and regulatory information.

16 (13) (Blank).

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

25 (A) The amount of State excise and sales tax
26 revenues generated.

1 (B) The amount of licensing fees received.

2 (C) The number of cases of wine shipped from inside
3 and outside of this State directly to residents of this
4 State.

5 (D) The number of alcohol compliance operations
6 conducted.

7 (E) The number of winery shipper's licenses
8 issued.

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

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

25 (16) The State Commission shall, in addition to
26 notifying any appropriate law enforcement agency, submit

1 notices of complaints or violations of Sections 6-29 and
2 6-29.1 by persons who do not hold a winery shipper's
3 license under this Act to the Illinois Attorney General and
4 to the U.S. Department of Treasury's Alcohol and Tobacco
5 Tax and Trade Bureau.

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

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

26 (C) The State Commission shall approve the application

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

9 (D) A self-distribution exemption holder shall
10 annually certify to the State Commission its production of
11 wine in the previous 12 months and its anticipated
12 production and sales for the next 12 months. The State
13 Commission may fine, suspend, or revoke a
14 self-distribution exemption after a hearing if it finds
15 that the exemption holder has made a material
16 misrepresentation in its application, violated a revenue
17 or liquor law of Illinois, exceeded production of 25,000
18 gallons of wine in any calendar year, or become part of an
19 affiliated group producing more than 25,000 gallons of
20 wine, 930,000 gallons of beer, or 50,000 gallons of spirits
21 ~~or any other alcoholic liquor.~~

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

1 exemption holder as confidential and shall not release such
2 information to any person.

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

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

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

22 (18) (A) A class 1 brewer licensee, who must also be
23 either a licensed brewer or licensed non-resident dealer
24 and annually manufacture less than 930,000 gallons of beer,
25 may make application to the State Commission for a
26 self-distribution exemption to allow the sale of not more

1 than 232,500 gallons of the exemption holder's beer per
2 year to retail licensees and to brewers, class 1 brewers,
3 and class 2 brewers that, pursuant to subsection (e) of
4 Section 6-4 of this Act, sell beer, cider, or both beer and
5 cider to non-licensees at their breweries.

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

16 (C) Any application submitted shall be posted on the
17 State Commission's website at least 45 days prior to action
18 by the State Commission. The State Commission shall approve
19 the application for a self-distribution exemption if the
20 class 1 brewer licensee: (1) is in compliance with the
21 State, revenue, and alcoholic beverage laws; (2) is not a
22 member of any affiliated group that manufactures more than
23 930,000 gallons of beer per annum, 25,000 gallons of wine
24 per annum, or 50,000 gallons of spirits per annum ~~or~~
25 ~~produces any other alcoholic beverages~~; (3) shall not
26 annually manufacture for sale more than 930,000 gallons of

1 beer; (4) shall not annually sell more than 232,500 gallons
2 of its beer to retail licensees or to brewers, class 1
3 brewers, and class 2 brewers that, pursuant to subsection
4 (e) of Section 6-4 of this Act, sell beer, cider, or both
5 beer and cider to non-licensees at their breweries; and (5)
6 has relinquished any brew pub license held by the licensee,
7 including any ownership interest it held in the licensed
8 brew pub.

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

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

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

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

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

17 (19)(A) A class 1 craft distiller licensee or a
18 non-resident dealer who manufactures less than 50,000
19 gallons of distilled spirits per year may make application
20 to the State Commission for a self-distribution exemption
21 to allow the sale of not more than 5,000 gallons of the
22 exemption holder's spirits to retail licensees per year.

23 (B) In the application, which shall be sworn under
24 penalty of perjury, the class 1 craft distiller licensee or
25 non-resident dealer shall state (1) the date it was
26 established; (2) its volume of spirits manufactured and

1 sold for each year since its establishment; (3) its efforts
2 to establish distributor relationships; (4) that a
3 self-distribution exemption is necessary to facilitate the
4 marketing of its spirits; and (5) that it will comply with
5 the alcoholic beverage and revenue laws of the United
6 States, this State, and any other state where it is
7 licensed.

8 (C) Any application submitted shall be posted on the
9 State Commission's website at least 45 days prior to action
10 by the State Commission. The State Commission shall approve
11 the application for a self-distribution exemption if the
12 applicant: (1) is in compliance with State revenue and
13 alcoholic beverage laws; (2) is not a member of any
14 affiliated group that produces more than 50,000 gallons of
15 spirits per annum, 930,000 gallons of beer per annum, or
16 25,000 gallons of wine per annum ~~or produces any other~~
17 ~~alcoholic liquor~~; (3) does not annually manufacture for
18 sale more than 50,000 gallons of spirits; and (4) does not
19 annually sell more than 5,000 gallons of its spirits to
20 retail licensees.

21 (D) A self-distribution exemption holder shall
22 annually certify to the State Commission its manufacture of
23 spirits during the previous 12 months and its anticipated
24 manufacture and sales of spirits for the next 12 months.
25 The State Commission may fine, suspend, or revoke a
26 self-distribution exemption after a hearing if it finds

1 that the exemption holder has made a material
2 misrepresentation in its application, violated a revenue
3 or alcoholic beverage law of Illinois, exceeded the
4 manufacture of 50,000 gallons of spirits in any calendar
5 year, or has become part of an affiliated group
6 manufacturing more than 50,000 gallons of spirits or any
7 other alcoholic beverage.

8 (E) The State Commission shall adopt rules governing
9 self-distribution exemptions consistent with this Act.

10 (F) Nothing in this paragraph (19) shall prohibit a
11 self-distribution exemption holder from entering into or
12 simultaneously having a distribution agreement with a
13 licensed Illinois importing distributor or a distributor.

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

22 (b) On or before April 30, 1999, the Commission shall
23 present a written report to the Governor and the General
24 Assembly that shall be based on a study of the impact of Public
25 Act 90-739 on the business of soliciting, selling, and shipping
26 alcoholic liquor from outside of this State directly to

1 residents of this State.

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

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

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

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

13 (Source: P.A. 100-134, eff. 8-18-17; 100-201, eff. 8-18-17;
14 100-816, eff. 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff.
15 8-23-18; 101-37, eff. 7-3-19; 101-81, eff. 7-12-19; 101-482,
16 eff. 8-23-19; revised 9-20-19.)

17 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

1 Class 12. Class 1 Brewer, Class 13. Class 2 Brewer,

2 (b) Distributor's license,

3 (c) Importing Distributor's license,

4 (d) Retailer's license,

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

6 (f) Railroad license,

7 (g) Boat license,

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

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

10 (j) Airplane license,

11 (k) Foreign importer's license,

12 (l) Broker's license,

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

14 (n) Brew Pub license,

15 (o) Auction liquor license,

16 (p) Caterer retailer license,

17 (q) Special use permit license,

18 (r) Winery shipper's license,

19 (s) Craft distiller tasting permit,

20 (t) Brewer warehouse permit,

21 (u) Distilling pub license,

22 (v) Craft distiller warehouse permit.

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

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

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

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

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

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

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

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

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

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

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

22 Class 9. A craft distiller license, which may only be held
23 by a class 1 craft distiller licensee or class 2 craft
24 distiller licensee but not held by both a class 1 craft
25 distiller licensee and a class 2 craft distiller licensee,
26 shall grant all rights conveyed by either: (i) a class 1 craft

1 distiller license if the craft distiller holds a class 1 craft
2 distiller license; or (ii) a class 2 craft distiller licensee
3 if the craft distiller holds a class 2 craft distiller license.

4 Class 10. A class 1 craft distiller license, which may only
5 be issued to a licensed craft distiller or licensed
6 non-resident dealer, shall allow the manufacture of up to
7 50,000 gallons of spirits per year provided that the class 1
8 craft distiller licensee does not manufacture more than a
9 combined 50,000 gallons of spirits per year and is not a member
10 of or affiliated with, directly or indirectly, a manufacturer
11 that produces more than 50,000 gallons of spirits per year, 930,000 gallons of beer per year, or 25,000 gallons of wine per
12 year ~~or any other alcoholic liquor~~. A class 1 craft distiller
13 licensee may make sales and deliveries to importing
14 distributors and distributors and to retail licensees in
15 accordance with the conditions set forth in paragraph (19) of
16 subsection (a) of Section 3-12 of this Act. However, the
17 aggregate amount of spirits sold to non-licensees and sold or
18 delivered to retail licensees may not exceed 5,000 gallons per
19 year.
20

21 A class 1 craft distiller licensee may sell up to 5,000
22 gallons of such spirits to non-licensees to the extent
23 permitted by any exemption approved by the State Commission
24 pursuant to Section 6-4 of this Act. A class 1 craft distiller
25 license holder may store such spirits at a non-contiguous
26 licensed location, but at no time shall a class 1 craft

1 distiller license holder directly or indirectly produce in the
2 aggregate more than 50,000 gallons of spirits per year.

3 A class 1 craft distiller licensee may hold more than one
4 class 1 craft distiller's license. However, a class 1 craft
5 distiller that holds more than one class 1 craft distiller
6 license shall not manufacture, in the aggregate, more than
7 50,000 gallons of spirits by distillation per year and shall
8 not sell, in the aggregate, more than 5,000 gallons of such
9 spirits to non-licensees in accordance with an exemption
10 approved by the State Commission pursuant to Section 6-4 of
11 this Act.

12 Class 11. A class 2 craft distiller license, which may only
13 be issued to a licensed craft distiller or licensed
14 non-resident dealer, shall allow the manufacture of up to
15 100,000 gallons of spirits per year provided that the class 2
16 craft distiller licensee does not manufacture more than a
17 combined 100,000 gallons of spirits per year and is not a
18 member of or affiliated with, directly or indirectly, a
19 manufacturer that produces more than 100,000 gallons of spirits
20 per year, 3,720,000 gallons of beer per year, or 25,000 gallons
21 of wine per year ~~or any other alcoholic liquor~~. A class 2 craft
22 distiller licensee may make sales and deliveries to importing
23 distributors and distributors, but shall not make sales or
24 deliveries to any other licensee. If the State Commission
25 provides prior approval, a class 2 craft distiller licensee may
26 annually transfer up to 100,000 gallons of spirits manufactured

1 by that class 2 craft distiller licensee to the premises of a
2 licensed class 2 craft distiller wholly owned and operated by
3 the same licensee. A class 2 craft distiller may transfer
4 spirits to a distilling pub wholly owned and operated by the
5 class 2 craft distiller subject to the following limitations
6 and restrictions: (i) the transfer shall not annually exceed
7 more than 5,000 gallons; (ii) the annual amount transferred
8 shall reduce the distilling pub's annual permitted production
9 limit; (iii) all spirits transferred shall be subject to
10 Article VIII of this Act; (iv) a written record shall be
11 maintained by the distiller and distilling pub specifying the
12 amount, date of delivery, and receipt of the product by the
13 distilling pub; and (v) the distilling pub shall be located no
14 farther than 80 miles from the class 2 craft distiller's
15 licensed location.

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

24 A class 2 craft distiller license holder may store such
25 spirits at a non-contiguous licensed location, but at no time
26 shall a class 2 craft distiller license holder directly or

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

3 Class 12. A class 1 brewer license, which may only be
4 issued to a licensed brewer or licensed non-resident dealer,
5 shall allow the manufacture of up to 930,000 gallons of beer
6 per year provided that the class 1 brewer licensee does not
7 manufacture more than a combined 930,000 gallons of beer per
8 year and is not a member of or affiliated with, directly or
9 indirectly, a manufacturer that produces more than 930,000
10 gallons of beer per year, 50,000 gallons of spirits per year,
11 or 25,000 gallons of wine per year ~~or any other alcoholic~~
12 ~~liquor~~. A class 1 brewer licensee may make sales and deliveries
13 to importing distributors and distributors and to retail
14 licensees in accordance with the conditions set forth in
15 paragraph (18) of subsection (a) of Section 3-12 of this Act.
16 If the State Commission provides prior approval, a class 1
17 brewer may annually transfer up to 930,000 gallons of beer
18 manufactured by that class 1 brewer to the premises of a
19 licensed class 1 brewer wholly owned and operated by the same
20 licensee.

21 Class 13. A class 2 brewer license, which may only be
22 issued to a licensed brewer or licensed non-resident dealer,
23 shall allow the manufacture of up to 3,720,000 gallons of beer
24 per year provided that the class 2 brewer licensee does not
25 manufacture more than a combined 3,720,000 gallons of beer per
26 year and is not a member of or affiliated with, directly or

1 indirectly, a manufacturer that produces more than 3,720,000
2 gallons of beer per year, 100,000 gallons of spirits per year,
3 or 25,000 gallons of wine per year ~~or any other alcoholic~~
4 ~~liquor~~. A class 2 brewer licensee may make sales and deliveries
5 to importing distributors and distributors, but shall not make
6 sales or deliveries to any other licensee. If the State
7 Commission provides prior approval, a class 2 brewer licensee
8 may annually transfer up to 3,720,000 gallons of beer
9 manufactured by that class 2 brewer licensee to the premises of
10 a licensed class 2 brewer wholly owned and operated by the same
11 licensee.

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

23 A class 2 brewer shall, prior to transferring beer to a
24 brew pub wholly owned by the class 2 brewer, furnish a written
25 notice to the State Commission of intent to transfer beer
26 setting forth the name and address of the brew pub and shall

1 annually submit to the State Commission a verified report
2 identifying the total gallons of beer transferred to the brew
3 pub wholly owned by the class 2 brewer.

4 (a-1) A manufacturer which is licensed in this State to
5 make sales or deliveries of alcoholic liquor to licensed
6 distributors or importing distributors and which enlists
7 agents, representatives, or individuals acting on its behalf
8 who contact licensed retailers on a regular and continual basis
9 in this State must register those agents, representatives, or
10 persons acting on its behalf with the State Commission.

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

1 Commission's website.

2 (b) A distributor's license shall allow (i) the wholesale
3 purchase and storage of alcoholic liquors and sale of alcoholic
4 liquors to licensees in this State and to persons without the
5 State, as may be permitted by law; (ii) the sale of beer,
6 cider, or both beer and cider to brewers, class 1 brewers, and
7 class 2 brewers that, pursuant to subsection (e) of Section 6-4
8 of this Act, sell beer, cider, or both beer and cider to
9 non-licensees at their breweries; and (iii) the sale of
10 vermouth to class 1 craft distillers and class 2 craft
11 distillers that, pursuant to subsection (e) of Section 6-4 of
12 this Act, sell spirits, vermouth, or both spirits and vermouth
13 to non-licensees at their distilleries. No person licensed as a
14 distributor shall be granted a non-resident dealer's license.

15 (c) An importing distributor's license may be issued to and
16 held by those only who are duly licensed distributors, upon the
17 filing of an application by a duly licensed distributor, with
18 the Commission and the Commission shall, without the payment of
19 any fee, immediately issue such importing distributor's
20 license to the applicant, which shall allow the importation of
21 alcoholic liquor by the licensee into this State from any point
22 in the United States outside this State, and the purchase of
23 alcoholic liquor in barrels, casks or other bulk containers and
24 the bottling of such alcoholic liquors before resale thereof,
25 but all bottles or containers so filled shall be sealed,
26 labeled, stamped and otherwise made to comply with all

1 provisions, rules and regulations governing manufacturers in
2 the preparation and bottling of alcoholic liquors. The
3 importing distributor's license shall permit such licensee to
4 purchase alcoholic liquor from Illinois licensed non-resident
5 dealers and foreign importers only. No person licensed as an
6 importing distributor shall be granted a non-resident dealer's
7 license.

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

24 Notwithstanding any other provision of this subsection
25 (d), a retail licensee may sell alcoholic liquors to a special
26 event retailer licensee for resale to the extent permitted

1 under subsection (e).

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

1 Commission that the applicant will provide dram shop liability
2 insurance in the maximum limits; and (iii) show proof
3 satisfactory to the State Commission that the applicant has
4 obtained local authority approval.

5 Nothing in this Act prohibits an Illinois licensed
6 distributor from offering credit or a refund for unused,
7 salable alcoholic liquors to a holder of a special event
8 retailer's license or the special event retailer's licensee
9 from accepting the credit or refund of alcoholic liquors at the
10 conclusion of the event specified in the license.

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

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

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

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

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

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

1 least equal to the maximum liability amounts set forth in
2 subsection (a) of Section 6-21 of this Act.

3 (j) An airplane 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 an airplane; and provided further, that
13 airplane licensees exercising the above powers shall be subject
14 to all provisions of Article VIII of this Act as applied to
15 importing distributors. An airplane licensee shall also permit
16 the sale or dispensing of alcoholic liquors on any passenger
17 airplane regularly operated by a common carrier in this State,
18 but shall not permit the sale for resale of any alcoholic
19 liquors to any licensee within this State. A single airplane
20 license shall be required of an airline company if liquor
21 service is provided on board aircraft in this State. The annual
22 fee for such license shall be as determined in Section 5-3.

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

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

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

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

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

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

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

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

26 Any agent, representative, or person subject to

1 registration pursuant to subsection (a-1) of this Section shall
2 not be eligible to receive a broker's license.

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

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

1 premises that is wholly owned and operated by the same licensee
2 to importing distributors, distributors, and to non-licensees
3 for use and consumption, (iii) store the beer upon the
4 premises, (iv) sell and offer for sale at retail from the
5 licensed premises for off-premises consumption no more than
6 155,000 gallons per year so long as such sales are only made
7 in-person, (v) sell and offer for sale at retail for use and
8 consumption on the premises specified in the license any form
9 of alcoholic liquor purchased from a licensed distributor or
10 importing distributor, (vi) with the prior approval of the
11 Commission, annually transfer no more than 155,000 gallons of
12 beer manufactured on the premises to a licensed brew pub wholly
13 owned and operated by the same licensee, and (vii)
14 notwithstanding item (i) of this subsection, brew pubs wholly
15 owned and operated by the same licensee may combine each
16 location's production limit of 155,000 gallons of beer per year
17 and allocate the aggregate total between the wholly owned,
18 operated, and licensed locations.

19 A brew pub licensee shall not under any circumstance sell
20 or offer for sale beer manufactured by the brew pub licensee to
21 retail licensees.

22 A person who holds a class 2 brewer license may
23 simultaneously hold a brew pub license if the class 2 brewer
24 (i) does not, under any circumstance, sell or offer for sale
25 beer manufactured by the class 2 brewer to retail licensees;
26 (ii) does not hold more than 3 brew pub licenses in this State;

1 (iii) does not manufacture more than a combined 3,720,000
2 gallons of beer per year, including the beer manufactured at
3 the brew pub; and (iv) 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 any other alcoholic
6 liquor.

7 Notwithstanding any other provision of this Act, a licensed
8 brewer, class 2 brewer, or non-resident dealer who before July
9 1, 2015 manufactured less than 3,720,000 gallons of beer per
10 year and held a brew pub license on or before July 1, 2015 may
11 (i) continue to qualify for and hold that brew pub license for
12 the licensed premises and (ii) manufacture more than 3,720,000
13 gallons of beer per year and continue to qualify for and hold
14 that brew pub license if that brewer, class 2 brewer, or
15 non-resident dealer does not simultaneously hold a class 1
16 brewer license and 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, 100,000 gallons of spirits
19 per year, or 25,000 gallons of wine per year ~~or that produces~~
20 ~~any other alcoholic liquor.~~

21 (o) A caterer retailer license shall allow the holder to
22 serve alcoholic liquors as an incidental part of a food service
23 that serves prepared meals which excludes the serving of snacks
24 as the primary meal, either on or off-site whether licensed or
25 unlicensed. A caterer retailer license shall allow the holder,
26 a distributor, or an importing distributor to transfer any

1 inventory to and from the holder's retail premises and shall
2 allow the holder to purchase alcoholic liquor from a
3 distributor or importing distributor to be delivered directly
4 to an off-site event.

5 Nothing in this Act prohibits a distributor or importing
6 distributor from offering credit or a refund for unused,
7 salable beer to a holder of a caterer retailer license or a
8 caterer retailer licensee from accepting a credit or refund for
9 unused, salable beer, in the event an act of God is the sole
10 reason an off-site event is cancelled and if: (i) the holder of
11 a caterer retailer license has not transferred alcoholic liquor
12 from its caterer retailer premises to an off-site location;
13 (ii) the distributor or importing distributor offers the credit
14 or refund for the unused, salable beer that it delivered to the
15 off-site premises and not for any unused, salable beer that the
16 distributor or importing distributor delivered to the caterer
17 retailer's premises; and (iii) the unused, salable beer would
18 likely spoil if transferred to the caterer retailer's premises.
19 A caterer retailer license shall allow the holder to transfer
20 any inventory from any off-site location to its caterer
21 retailer premises at the conclusion of an off-site event or
22 engage a distributor or importing distributor to transfer any
23 inventory from any off-site location to its caterer retailer
24 premises at the conclusion of an off-site event, provided that
25 the distributor or importing distributor issues bona fide
26 charges to the caterer retailer licensee for fuel, labor, and

1 delivery and the distributor or importing distributor collects
2 payment from the caterer retailer licensee prior to the
3 distributor or importing distributor transferring inventory to
4 the caterer retailer premises.

5 For purposes of this subsection (o), an "act of God" means
6 an unforeseeable event, such as a rain or snow storm, hail, a
7 flood, or a similar event, that is the sole cause of the
8 cancellation of an off-site, outdoor event.

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

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

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

8 A special use permit license shall allow the holder to
9 transfer any inventory from the holder's special use premises
10 to its retail premises at the conclusion of the special use
11 event or engage a distributor or importing distributor to
12 transfer any inventory from the holder's special use premises
13 to its retail premises at the conclusion of an off-site event,
14 provided that the distributor or importing distributor issues
15 bona fide charges to the special use permit licensee for fuel,
16 labor, and delivery and the distributor or importing
17 distributor collects payment from the retail licensee prior to
18 the distributor or importing distributor transferring
19 inventory to the retail premises.

20 Nothing in this Act prohibits a distributor or importing
21 distributor from offering credit or a refund for unused,
22 salable beer to a special use permit licensee or a special use
23 permit licensee from accepting a credit or refund for unused,
24 salable beer at the conclusion of the event specified in the
25 license if: (i) the holder of the special use permit license
26 has not transferred alcoholic liquor from its retail licensed

1 premises to the premises specified in the special use permit
2 license; (ii) the distributor or importing distributor offers
3 the credit or refund for the unused, salable beer that it
4 delivered to the premises specified in the special use permit
5 license and not for any unused, salable beer that the
6 distributor or importing distributor delivered to the
7 retailer's premises; and (iii) the unused, salable beer would
8 likely spoil if transferred to the retailer premises.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (s) A craft distiller tasting permit license shall allow an
25 Illinois licensed class 1 craft distiller or class 2 craft
26 distiller to transfer a portion of its alcoholic liquor

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

12 (t) A brewer warehouse permit may be issued to the holder
13 of a class 1 brewer license or a class 2 brewer license. If the
14 holder of the permit is a class 1 brewer licensee, the brewer
15 warehouse permit shall allow the holder to store or warehouse
16 up to 930,000 gallons of tax-determined beer manufactured by
17 the holder of the permit at the premises specified on the
18 permit. If the holder of the permit is a class 2 brewer
19 licensee, the brewer warehouse permit shall allow the holder to
20 store or warehouse up to 3,720,000 gallons of tax-determined
21 beer manufactured by the holder of the permit at the premises
22 specified on the permit. Sales to non-licensees are prohibited
23 at the premises specified in the brewer warehouse permit.

24 (u) A distilling pub license shall allow the licensee to
25 only (i) manufacture up to 5,000 gallons of spirits per year
26 only on the premises specified in the license, (ii) make sales

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

17 A distilling pub licensee shall not under any circumstance
18 sell or offer for sale spirits manufactured by the distilling
19 pub licensee to retail licensees.

20 A person who holds a class 2 craft distiller license may
21 simultaneously hold a distilling pub license if the class 2
22 craft distiller (i) does not, under any circumstance, sell or
23 offer for sale spirits manufactured by the class 2 craft
24 distiller to retail licensees; (ii) does not hold more than 3
25 distilling pub licenses in this State; (iii) does not
26 manufacture more than a combined 100,000 gallons of spirits per

1 year, including the spirits manufactured at the distilling pub;
2 and (iv) is not a member of or affiliated with, directly or
3 indirectly, a manufacturer that produces more than 100,000
4 gallons of spirits per year, 3,720,000 gallons of beer per
5 year, or 25,000 gallons of wine per year ~~or any other alcoholic~~
6 ~~liquor.~~

7 (v) A craft distiller warehouse permit may be issued to the
8 holder of a class 1 craft distiller or class 2 craft distiller
9 license. The craft distiller warehouse permit shall allow the
10 holder to store or warehouse up to 500,000 gallons of spirits
11 manufactured by the holder of the permit at the premises
12 specified on the permit. Sales to non-licensees are prohibited
13 at the premises specified in the craft distiller warehouse
14 permit.

15 (Source: P.A. 100-17, eff. 6-30-17; 100-201, eff. 8-18-17;
16 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff.
17 8-23-18; 101-16, eff. 6-14-19; 101-31, eff. 6-28-19; 101-81,
18 eff. 7-12-19; 101-482, eff. 8-23-19; 101-517, eff. 8-23-19;
19 101-615, eff. 12-20-19.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.