

SB2121



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2121

Introduced 2/14/2008, by Sen. Carole Pankau

SYNOPSIS AS INTRODUCED:

235 ILCS 5/5-1

from Ch. 43, par. 115

Amends the Liquor Control Act of 1934. Creates a self-distribution license. Provides that second-class wine-makers may purchase a self-distribution license that allows the licensee to produce up to 100,000 gallons of wine per year and self-distribute up to 25,000 gallons of wine per year. Creates a third-class wine-maker's license, which allows a licensee to produce up to 250,000 gallons of wine per year.

LRB095 17580 KBJ 43654 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 Section 5-1 as follows:

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

7 (Text of Section before amendment by P.A. 95-634)

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

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

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

17 (d) Retailer's license,

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

19 (f) Railroad license,

20 (g) Boat license,

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

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

23 (j) Airplane license,

- 1 (k) Foreign importer's license,
2 (l) Broker's license,
3 (m) Non-resident dealer's license,
4 (n) Brew Pub license,
5 (o) Auction liquor license,
6 (p) Caterer retailer license,
7 (q) Special use permit license, ~~and~~
8 (r) Self-distribution license.

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

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

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

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

25 Class 3. A Brewer may make sales and deliveries of beer to
26 importing distributors, distributors, and to non-licensees,

1 and to retailers provided the brewer obtains an importing
2 distributor's license or distributor's license in accordance
3 with the provisions of this Act.

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

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

12 Class 6. A first-class wine-maker's license shall allow the
13 manufacture of up to 50,000 gallons of wine per year, and the
14 storage and sale of such wine to distributors in the State and
15 to persons without the State, as may be permitted by law. A
16 first-class wine-maker's license shall allow the sale of no
17 more than 5,000 gallons of the licensee's wine to retailers.
18 The State Commission shall issue only one first-class
19 wine-maker's license to any person, firm, partnership,
20 corporation, or other legal business entity that is engaged in
21 the making of less than 50,000 gallons of wine annually that
22 applies for a first-class wine-maker's license. No subsidiary
23 or affiliate thereof, nor any officer, associate, member,
24 partner, representative, employee, agent, or shareholder may
25 be issued an additional wine-maker's license by the State
26 Commission.

1 Class 7. A second-class wine-maker's license shall allow
2 the manufacture of between 50,000 and 100,000 gallons of wine
3 per year, and the storage and sale of such wine to distributors
4 in this State and to persons without the State, as may be
5 permitted by law. A second-class wine-maker's license shall
6 allow the sale of no more than 10,000 gallons of the licensee's
7 wine directly to retailers. The State Commission shall issue
8 only one second-class wine-maker's license to any person, firm,
9 partnership, corporation, or other legal business entity that
10 is engaged in the making of less than 100,000 gallons of wine
11 annually that applies for a second-class wine-maker's license.
12 No subsidiary or affiliate thereof, or any officer, associate,
13 member, partner, representative, employee, agent, or
14 shareholder may be issued an additional wine-maker's license by
15 the State Commission. Notwithstanding any other provision of
16 this Act, a second-class wine-maker may purchase a
17 self-distribution license.

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 third-class wine-maker's license shall allow the
23 manufacture of up to 250,000 gallons of wine per year.

24 (a-1) A manufacturer which is licensed in this State to
25 make sales or deliveries of alcoholic liquor and which enlists
26 agents, representatives, or individuals acting on its behalf

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

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

19 (b) A distributor's license shall allow the wholesale
20 purchase and storage of alcoholic liquors and sale of alcoholic
21 liquors to licensees in this State and to persons without the
22 State, as may be permitted by law.

23 (c) An importing distributor's license may be issued to and
24 held by those only who are duly licensed distributors, upon the
25 filing of an application by a duly licensed distributor, with
26 the Commission and the Commission shall, without the payment of

1 any fee, immediately issue such importing distributor's
2 license to the applicant, which shall allow the importation of
3 alcoholic liquor by the licensee into this State from any point
4 in the United States outside this State, and the purchase of
5 alcoholic liquor in barrels, casks or other bulk containers and
6 the bottling of such alcoholic liquors before resale thereof,
7 but all bottles or containers so filled shall be sealed,
8 labeled, stamped and otherwise made to comply with all
9 provisions, rules and regulations governing manufacturers in
10 the preparation and bottling of alcoholic liquors. The
11 importing distributor's license shall permit such licensee to
12 purchase alcoholic liquor from Illinois licensed non-resident
13 dealers and foreign importers only.

14 (d) A retailer's license shall allow the licensee to sell
15 and offer for sale at retail, only in the premises specified in
16 the license, alcoholic liquor for use or consumption, but not
17 for resale in any form: Provided that any retail license issued
18 to a manufacturer shall only permit the manufacturer to sell
19 beer at retail on the premises actually occupied by the
20 manufacturer. For the purpose of further describing the type of
21 business conducted at a retail licensed premises, a retailer's
22 licensee may be designated by the State Commission as (i) an on
23 premise consumption retailer, (ii) an off premise sale
24 retailer, or (iii) a combined on premise consumption and off
25 premise sale retailer.

26 Notwithstanding any other provision of this subsection

1 (d), a retail licensee may sell alcoholic liquors to a special
2 event retailer licensee for resale to the extent permitted
3 under subsection (e).

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

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

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

1 each car in which such sales are made.

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

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

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

23 (i) A wine-maker's premises license shall allow a licensee
24 that concurrently holds a first-class wine-maker's license to
25 sell and offer for sale at retail in the premises specified in
26 such license not more than 50,000 gallons of the first-class

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

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

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

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

1 Illinois licensees as may be granted the right to sell such
2 brands at wholesale.

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

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

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

24 (ii) A broker's license shall be required of a person
25 within this State, other than a retail licensee, who, for a fee
26 or commission, promotes, solicits, or accepts orders for

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

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

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

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

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

1 alcoholic liquor which it proposes to sell to Illinois
2 licensees during the license period; and further provided that
3 it shall comply with all of the provisions of Section 6-9
4 hereof with respect to registration of such Illinois licensees
5 as may be granted the right to sell such brands at wholesale.

6 (n) A brew pub license shall allow the licensee to
7 manufacture beer only on the premises specified in the license,
8 to make sales of the beer manufactured on the premises to
9 importing distributors, distributors, and to non-licensees for
10 use and consumption, to store the beer upon the premises, and
11 to sell and offer for sale at retail from the licensed
12 premises, provided that a brew pub licensee shall not sell for
13 off-premises consumption more than 50,000 gallons per year.

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

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

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

15 (r) A self-distribution license shall allow a licensee to
16 produce up to 100,000 gallons of wine per year and
17 self-distribute up to 25,000 gallons of wine per year.

18 (Source: P.A. 95-331, eff. 8-21-07.)

19 (Text of Section after amendment by P.A. 95-634)

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

22 (a) Manufacturer's license - Class 1. Distiller, Class 2.
23 Rectifier, Class 3. Brewer, Class 4. First Class Wine
24 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
25 First Class Winemaker, Class 7. Second Class Winemaker, Class

1 8. Limited Wine Manufacturer, Class 9. Third Class Winemaker,

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, ~~u~~ -

19 (s) Self-distribution license.

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

24 (a) A manufacturer's license shall allow the manufacture,
25 importation in bulk, storage, distribution and sale of
26 alcoholic liquor to persons without the State, as may be

1 permitted by law and to licensees in this State as follows:

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

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

10 Class 3. A Brewer may make sales and deliveries of beer to
11 importing distributors, distributors, and to non-licensees,
12 and to retailers provided the brewer obtains an importing
13 distributor's license or distributor's license in accordance
14 with the provisions of this Act.

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

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

23 Class 6. A first-class wine-maker's license shall allow the
24 manufacture of up to 50,000 gallons of wine per year, and the
25 storage and sale of such wine to distributors in the State and
26 to persons without the State, as may be permitted by law. A

1 person who, prior to the effective date of this amendatory Act
2 of the 95th General Assembly, is a holder of a first-class
3 wine-maker's license and annually produces more than 25,000
4 gallons of its own wine and who distributes its wine to
5 licensed retailers shall cease this practice on or before July
6 1, 2008 in compliance with this amendatory Act of the 95th
7 General Assembly.

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 the effective date of
13 this amendatory Act of the 95th General Assembly, is a holder
14 of a second-class wine-maker's license and annually produces
15 more than 25,000 gallons of its own wine and who distributes
16 its wine to licensed retailers shall cease this practice on or
17 before July 1, 2008 in compliance with this amendatory Act of
18 the 95th General Assembly. Notwithstanding any other provision
19 of this Act, a second-class wine-maker may purchase a
20 self-distribution license.

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

25 Class 9. A third-class wine-maker's license shall allow the
26 manufacture of up to 250,000 gallons of wine per year.

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

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

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

26 (c) An importing distributor's license may be issued to and

1 held by those only who are duly licensed distributors, upon the
2 filing of an application by a duly licensed distributor, with
3 the Commission and the Commission shall, without the payment of
4 any fee, immediately issue such importing distributor's
5 license to the applicant, which shall allow the importation of
6 alcoholic liquor by the licensee into this State from any point
7 in the United States outside this State, and the purchase of
8 alcoholic liquor in barrels, casks or other bulk containers and
9 the bottling of such alcoholic liquors before resale thereof,
10 but all bottles or containers so filled shall be sealed,
11 labeled, stamped and otherwise made to comply with all
12 provisions, rules and regulations governing manufacturers in
13 the preparation and bottling of alcoholic liquors. The
14 importing distributor's license shall permit such licensee to
15 purchase alcoholic liquor from Illinois licensed non-resident
16 dealers and foreign importers only.

17 (d) A retailer's license shall allow the licensee to sell
18 and offer for sale at retail, only in the premises specified in
19 the license, alcoholic liquor for use or consumption, but not
20 for resale in any form. Nothing in this amendatory Act of the
21 95th General Assembly shall deny, limit, remove, or restrict
22 the ability of a holder of a retailer's license to transfer,
23 deliver, or ship alcoholic liquor to the purchaser for use or
24 consumption subject to any applicable local law or ordinance.
25 Any retail license issued to a manufacturer shall only permit
26 the manufacturer to sell beer at retail on the premises

1 actually occupied by the manufacturer. For the purpose of
2 further describing the type of business conducted at a retail
3 licensed premises, a retailer's licensee may be designated by
4 the State Commission as (i) an on premise consumption retailer,
5 (ii) an off premise sale retailer, or (iii) a combined on
6 premise consumption and off premise sale retailer.

7 Notwithstanding any other provision of this subsection
8 (d), a retail licensee may sell alcoholic liquors to a special
9 event retailer licensee for resale to the extent permitted
10 under subsection (e).

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

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

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

1 of this Act as applied to importing distributors. A railroad
 2 license shall also permit the licensee to sell or dispense
 3 alcoholic liquors on any club, buffet, lounge or dining car
 4 operated on an electric, gas or steam railway regularly
 5 operated by a common carrier in this State, but shall not
 6 permit the sale for resale of any alcoholic liquors to any
 7 licensee within this State. A license shall be obtained for
 8 each car in which such sales are made.

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

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

- 25 Class 1, not to exceed 500 gallons
- 26 Class 2, not to exceed 1,000 gallons

- 1 Class 3, not to exceed 5,000 gallons
- 2 Class 4, not to exceed 10,000 gallons
- 3 Class 5, not to exceed 50,000 gallons

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

1 require additional licensing per location as specified in
2 Section 5-3 of this Act. A wine-maker's premises licensee shall
3 secure liquor liability insurance coverage in an amount at
4 least equal to the maximum liability amounts set forth in
5 subsection (a) of Section 6-21 of this Act.

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

26 (k) A foreign importer's license shall permit such licensee

1 to purchase alcoholic liquor from Illinois licensed
2 non-resident dealers only, and to import alcoholic liquor other
3 than in bulk from any point outside the United States and to
4 sell such alcoholic liquor to Illinois licensed importing
5 distributors and to no one else in Illinois; provided that the
6 foreign importer registers with the State Commission every
7 brand of alcoholic liquor that it proposes to sell to Illinois
8 licensees during the license period and provided further that
9 the foreign importer complies with all of the provisions of
10 Section 6-9 of this Act with respect to registration of such
11 Illinois licensees as may be granted the right to sell such
12 brands at wholesale.

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

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

1 holder of a valid broker's license.

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

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

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

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

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

4 (m) A non-resident dealer's license shall permit such
5 licensee to ship into and warehouse alcoholic liquor into this
6 State from any point outside of this State, and to sell such
7 alcoholic liquor to Illinois licensed foreign importers and
8 importing distributors and to no one else in this State;
9 provided that said non-resident dealer shall register with the
10 Illinois Liquor Control Commission each and every brand of
11 alcoholic liquor which it proposes to sell to Illinois
12 licensees during the license period; and further provided that
13 it shall comply with all of the provisions of Section 6-9
14 hereof with respect to registration of such Illinois licensees
15 as may be granted the right to sell such brands at wholesale.

16 (n) A brew pub license shall allow the licensee to
17 manufacture beer only on the premises specified in the license,
18 to make sales of the beer manufactured on the premises to
19 importing distributors, distributors, and to non-licensees for
20 use and consumption, to store the beer upon the premises, and
21 to sell and offer for sale at retail from the licensed
22 premises, provided that a brew pub licensee shall not sell for
23 off-premises consumption more than 50,000 gallons per year.

24 (o) A caterer retailer license shall allow the holder to
25 serve alcoholic liquors as an incidental part of a food service
26 that serves prepared meals which excludes the serving of snacks

1 as the primary meal, either on or off-site whether licensed or
2 unlicensed.

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

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

25 (r) A winery shipper's license shall allow a person with a
26 first-class or second-class wine manufacturer's license, a

1 first-class or second-class wine-maker's license, or a limited
2 wine manufacturer's license or who is licensed to make wine
3 under the laws of another state to ship wine made by that
4 licensee directly to a resident of this State who is 21 years
5 of age or older for that resident's personal use and not for
6 resale. Prior to receiving a winery shipper's license, an
7 applicant for the license must provide the Commission with a
8 true copy of its current license in any state in which it is
9 licensed as a manufacturer of wine. An applicant for a winery
10 shipper's license must also complete an application form that
11 provides any other information the Commission deems necessary.
12 The application form shall include an acknowledgement
13 consenting to the jurisdiction of the Commission, the Illinois
14 Department of Revenue, and the courts of this State concerning
15 the enforcement of this Act and any related laws, rules, and
16 regulations, including authorizing the Department of Revenue
17 and the Commission to conduct audits for the purpose of
18 ensuring compliance with this amendatory Act.

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

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

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

18 (s) A self-distribution license shall allow a licensee to
19 produce up to 100,000 gallons of wine per year and
20 self-distribute up to 25,000 gallons of wine per year.

21 (Source: P.A. 95-331, eff. 8-21-07; 95-634, eff. 6-1-08.)