

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 adding Sections 1-3.40, 1-3.41, and 6-6.3 as follows:

6 (235 ILCS 5/1-3.40 new)

7 Sec. 1-3.40. Manufacturer class license holder.

8 "Manufacturer class license holder" means any holder of a  
9 Manufacturer's license as provided in Section 5-1 of this Act.

10 The Manufacturer's licenses are: a Class 1. Distiller, a Class  
11 2. Rectifier, a Class 3. Brewer, a Class 4. First Class Wine  
12 Manufacturer, a Class 5. Second Class Wine Manufacturer, a  
13 Class 6. First Class Winemaker, a Class 7. Second Class  
14 Winemaker, a Class 8. Limited Wine Manufacturer, a Class 9.  
15 Craft Distiller, and a Class 10. Craft Brewer and any future  
16 Manufacturer's licenses established by law.

17 (235 ILCS 5/1-3.41 new)

18 Sec. 1-3.41. Non-alcoholic merchandise. "Non-alcoholic  
19 merchandise" means any good or commodity that contains less  
20 than 0.5 percent alcohol by volume. For purposes of this Act,  
21 "non-alcoholic merchandise" does not include trade fixtures,  
22 equipment, or furnishings that are used or intended for the

1 limited purpose of storing, servicing, displaying,  
2 advertising, furnishing, selling, or aiding in the sale of  
3 alcoholic liquors.

4 (235 ILCS 5/6-6.3 new)

5 Sec. 6-6.3. Non-alcoholic merchandise.

6 (a) Nothing in this Act shall authorize the Illinois Liquor  
7 Control Commission to regulate or exercise jurisdiction over  
8 any action, transaction, and business of manufacturers,  
9 distributors, or retailers engaged in any transaction  
10 involving the furnishing, selling, or offering for sale of  
11 non-alcoholic merchandise by manufacturers, distributors, or  
12 retailers, unless the transaction involves expressed or  
13 implied agreements or understandings prohibited by this Act.

14 (b) Non-alcoholic merchandise may be sold by a manufacturer  
15 class license holder, non-resident dealer, foreign importer,  
16 importing distributor, or distributor to a retail licensee if:

17 (1) the manufacturer class license holder,  
18 non-resident dealer, foreign importer, importing  
19 distributor, or distributor is also in business as a bona  
20 fide producer or vendor of other merchandise;

21 (2) the merchandise is sold at its fair market value;

22 (3) the non-alcoholic merchandise is not sold in  
23 combination with alcoholic liquor or conditioned on the  
24 sale of alcoholic liquor;

25 (4) the manufacturer class license holder's,

1 non-resident dealer's, foreign importer's, importing  
2 distributor's, or distributor's acquisition or production  
3 costs of the non-alcoholic merchandise appear on the  
4 manufacturer class license holder's, non-resident  
5 dealer's, foreign importer's, importing distributor's, or  
6 distributor's purchase invoices or other records;

7 (5) the individual selling prices of the non-alcoholic  
8 merchandise and alcoholic liquor sold in a single  
9 transaction can be determined from commercial documents  
10 covering the sales transaction if non-alcoholic  
11 merchandise is sold in the same transaction as alcoholic  
12 liquor; and

13 (6) the price is collected by the manufacturer class  
14 license holder, non-resident dealer, foreign importer, or  
15 distributor within 30 days of the date of the sale, unless  
16 other terms are established in writing between the parties.

17 (c) The State Commission may not prohibit the sale of  
18 non-alcoholic merchandise if it is sold in the manner in which  
19 the non-alcoholic merchandise is sold by a manufacturer or  
20 distributor that is not licensed by the State Commission;  
21 provided, however, that all invoices for non-alcoholic  
22 merchandise sold by a manufacturer class license holder,  
23 non-resident dealer, foreign importer, importing distributor,  
24 or distributor that is also in business as a bona fide producer  
25 or vendor of other merchandise must be in compliance with the  
26 books and records requirements of 11 Ill. Adm. Code 100.130. If

1 the non-alcoholic merchandise is sold on the same invoice as an  
2 alcoholic liquor product, the 30-day merchandising credit  
3 provisions of Section 6-5 of this Act shall apply to the entire  
4 transaction, including the non-alcoholic merchandise.

5 (d) Except as provided in subsection (f), a manufacturer  
6 class license holder, non-resident dealer, foreign importer,  
7 importing distributor, or distributor that is also in business  
8 as a bona fide producer or vendor of non-alcoholic merchandise  
9 shall not condition the sale of its alcoholic liquor on the  
10 sale of its non-alcoholic merchandise and shall not combine the  
11 sale of its alcoholic liquor with the sale of its non-alcoholic  
12 merchandise. A manufacturer class license holder, non-resident  
13 dealer, foreign importer, importing distributor, or  
14 distributor that is also in business as a bona fide producer or  
15 vendor of non-alcoholic merchandise may sell, market, and  
16 promote non-alcoholic merchandise in the same manner in which  
17 the non-alcoholic merchandise is sold, marketed, or promoted by  
18 a manufacturer or distributor not licensed by the State  
19 Commission.

20 (e) Notwithstanding the prohibited furnishing or providing  
21 of fixtures, equipment, and furnishings to retailers as  
22 contained in Section 6-6 of this Act, the act of a manufacturer  
23 class license holder, non-resident dealer, foreign importer,  
24 importing distributor, or distributor furnishing or providing  
25 retailers with fixtures, equipment, or furnishings for the  
26 limited purpose of storing, servicing, displaying,

1 advertising, furnishing, selling, or aiding in the sale of  
2 non-alcoholic merchandise is permitted, only to the extent  
3 allowed by this Section, and such fixtures, equipment, and  
4 furnishings shall not be used by the retail licensee to store,  
5 service, display, advertise, furnish, sell, or aid in the sale  
6 of alcoholic liquors. All such fixtures, equipment, or  
7 furnishings shall be identified by the retail licensee as being  
8 furnished by a manufacturer class license holder, non-resident  
9 dealer, foreign importer, importing distributor, or  
10 distributor licensed by the State Commission and, if purchased  
11 by the retail licensee and sold on the same invoice as  
12 alcoholic liquor products, the price must be collected by the  
13 manufacturer class license holder, non-resident dealer,  
14 foreign importer, importing distributor, or distributor  
15 selling the same within 30 days of the date of sale.

16 (f) Notwithstanding any provision of this Act to the  
17 contrary, a manufacturer class license holder, non-resident  
18 dealer, foreign importer, importing distributor, or  
19 distributor may package and distribute alcoholic liquor in  
20 combination with other non-alcoholic merchandise products if  
21 the alcoholic liquor and non-alcoholic merchandise was  
22 originally packaged together for ultimate sale to consumers by  
23 the manufacturer or agent of the manufacturer as originally  
24 packaged by the manufacturer or agent of the manufacturer for  
25 ultimate sale to consumers.

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.