

**SB1288**



**100TH GENERAL ASSEMBLY**

**State of Illinois**

**2017 and 2018**

**SB1288**

Introduced 2/9/2017, by Sen. Dan McConchie

**SYNOPSIS AS INTRODUCED:**

235 ILCS 5/5-1

from Ch. 43, par. 115

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

LRB100 09603 RPS 19771 b

**A BILL FOR**

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Section 5-1 as follows:

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

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

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

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

17 (d) Retailer's license,

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

19 (f) Railroad license,

20 (g) Boat license,

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

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

23 (j) Airplane license,

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

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

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

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

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

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

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

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

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

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

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

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

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

9 Class 9. A craft distiller license shall allow the  
10 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~  
11 gallons of spirits by distillation per year and the storage of  
12 such spirits. If a craft distiller licensee, including a craft  
13 distiller licensee who holds more than one craft distiller  
14 license, is not affiliated with any other manufacturer of  
15 spirits, then the craft distiller licensee may sell such  
16 spirits to distributors in this State and up to 2,500 gallons  
17 of such spirits to non-licensees to the extent permitted by any  
18 exemption approved by the Commission pursuant to Section 6-4 of  
19 this Act. A craft distiller license holder may store such  
20 spirits at a non-contiguous licensed location, but at no time  
21 shall a craft distiller license holder directly or indirectly  
22 produce in the aggregate more than 100,000 gallons of spirits  
23 per year.

24 A craft distiller licensee may hold more than one craft  
25 distiller's license. However, a craft distiller that holds more  
26 than one craft distiller license shall not manufacture, in the

1 aggregate, more than 100,000 gallons of spirits by distillation  
2 per year and shall not sell, in the aggregate, more than 2,500  
3 gallons of such spirits to non-licensees in accordance with an  
4 exemption approved by the State Commission pursuant to Section  
5 6-4 of this Act.

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

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

15 Class 10. A class 1 brewer license, which may only be  
16 issued to a licensed brewer or licensed non-resident dealer,  
17 shall allow the manufacture of up to 930,000 gallons of beer  
18 per year provided that the class 1 brewer licensee does not  
19 manufacture more than a combined 930,000 gallons of beer per  
20 year and is not a member of or affiliated with, directly or  
21 indirectly, a manufacturer that produces more than 930,000  
22 gallons of beer per year or any other alcoholic liquor. A class  
23 1 brewer licensee may make sales and deliveries to importing  
24 distributors and distributors and to retail licensees in  
25 accordance with the conditions set forth in paragraph (18) of  
26 subsection (a) of Section 3-12 of this Act.

1           Class 11. A class 2 brewer license, which may only be  
2 issued to a licensed brewer or licensed non-resident dealer,  
3 shall allow the manufacture of up to 3,720,000 gallons of beer  
4 per year provided that the class 2 brewer licensee does not  
5 manufacture more than a combined 3,720,000 gallons of beer per  
6 year and is not a member of or affiliated with, directly or  
7 indirectly, a manufacturer that produces more than 3,720,000  
8 gallons of beer per year or any other alcoholic liquor. A class  
9 2 brewer licensee may make sales and deliveries to importing  
10 distributors and distributors, but shall not make sales or  
11 deliveries to any other licensee. If the State Commission  
12 provides prior approval, a class 2 brewer licensee may annually  
13 transfer up to 3,720,000 gallons of beer manufactured by that  
14 class 2 brewer licensee to the premises of a licensed class 2  
15 brewer wholly owned and operated by the same licensee.

16           (a-1) A manufacturer which is licensed in this State to  
17 make sales or deliveries of alcoholic liquor to licensed  
18 distributors or importing distributors and which enlists  
19 agents, representatives, or individuals acting on its behalf  
20 who contact licensed retailers on a regular and continual basis  
21 in this State must register those agents, representatives, or  
22 persons acting on its behalf with the State Commission.

23           Registration of agents, representatives, or persons acting  
24 on behalf of a manufacturer is fulfilled by submitting a form  
25 to the Commission. The form shall be developed by the  
26 Commission and shall include the name and address of the

1 applicant, the name and address of the manufacturer he or she  
2 represents, the territory or areas assigned to sell to or  
3 discuss pricing terms of alcoholic liquor, and any other  
4 questions deemed appropriate and necessary. All statements in  
5 the forms required to be made by law or by rule shall be deemed  
6 material, and any person who knowingly misstates any material  
7 fact under oath in an application is guilty of a Class B  
8 misdemeanor. Fraud, misrepresentation, false statements,  
9 misleading statements, evasions, or suppression of material  
10 facts in the securing of a registration are grounds for  
11 suspension or revocation of the registration. The State  
12 Commission shall post a list of registered agents on the  
13 Commission's website.

14 (b) A distributor's license shall allow the wholesale  
15 purchase and storage of alcoholic liquors and sale of alcoholic  
16 liquors to licensees in this State and to persons without the  
17 State, as may be permitted by law. No person licensed as a  
18 distributor shall be granted a non-resident dealer's license.

19 (c) An importing distributor's license may be issued to and  
20 held by those only who are duly licensed distributors, upon the  
21 filing of an application by a duly licensed distributor, with  
22 the Commission and the Commission shall, without the payment of  
23 any fee, immediately issue such importing distributor's  
24 license to the applicant, which shall allow the importation of  
25 alcoholic liquor by the licensee into this State from any point  
26 in the United States outside this State, and the purchase of



1 alcoholic liquor in barrels, casks or other bulk containers and  
2 the bottling of such alcoholic liquors before resale thereof,  
3 but all bottles or containers so filled shall be sealed,  
4 labeled, stamped and otherwise made to comply with all  
5 provisions, rules and regulations governing manufacturers in  
6 the preparation and bottling of alcoholic liquors. The  
7 importing distributor's license shall permit such licensee to  
8 purchase alcoholic liquor from Illinois licensed non-resident  
9 dealers and foreign importers only. No person licensed as an  
10 importing distributor shall be granted a non-resident dealer's  
11 license.

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

1 premise sale retailer.

2 Notwithstanding any other provision of this subsection  
3 (d), a retail licensee may sell alcoholic liquors to a special  
4 event retailer licensee for resale to the extent permitted  
5 under subsection (e).

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

1 number under Section 1g of the Retailers' Occupation Tax Act,  
2 in which event the Commission shall set forth on the special  
3 event retailer's license a statement to that effect; (ii)  
4 submit with the application proof satisfactory to the State  
5 Commission that the applicant will provide dram shop liability  
6 insurance in the maximum limits; and (iii) show proof  
7 satisfactory to the State Commission that the applicant has  
8 obtained local authority approval.

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

1 permit the sale for resale of any alcoholic liquors to any  
2 licensee within this State. A license shall be obtained for  
3 each car in which such sales are made.

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

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

- 20 Class 1, not to exceed ..... 500 gallons
- 21 Class 2, not to exceed ..... 1,000 gallons
- 22 Class 3, not to exceed ..... 5,000 gallons
- 23 Class 4, not to exceed ..... 10,000 gallons
- 24 Class 5, not to exceed ..... 50,000 gallons

25 (i) A wine-maker's premises license shall allow a licensee  
26 that concurrently holds a first-class wine-maker's license to

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

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

21           (k) A foreign importer's license shall permit such licensee  
22 to purchase alcoholic liquor from Illinois licensed  
23 non-resident dealers only, and to import alcoholic liquor other  
24 than in bulk from any point outside the United States and to  
25 sell such alcoholic liquor to Illinois licensed importing  
26 distributors and to no one else in Illinois; provided that (i)

1 the foreign importer registers with the State Commission every  
2 brand of alcoholic liquor that it proposes to sell to Illinois  
3 licensees during the license period, (ii) the foreign importer  
4 complies with all of the provisions of Section 6-9 of this Act  
5 with respect to registration of such Illinois licensees as may  
6 be granted the right to sell such brands at wholesale, and  
7 (iii) the foreign importer complies with the provisions of  
8 Sections 6-5 and 6-6 of this Act to the same extent that these  
9 provisions apply to manufacturers.

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

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

25 The broker shall, upon the acceptance by a retailer of the  
26 broker's solicitation of an order or offer to sell or supply or

1 deliver or have delivered alcoholic liquors, promptly forward  
2 to the Illinois Liquor Control Commission a notification of  
3 said transaction in such form as the Commission may by  
4 regulations prescribe.

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

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

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

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



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

18           (n) A brew pub license shall allow the licensee to only (i)  
19 manufacture up to 155,000 gallons of beer per year only on the  
20 premises specified in the license, (ii) make sales of the beer  
21 manufactured on the premises or, with the approval of the  
22 Commission, beer manufactured on another brew pub licensed  
23 premises that is wholly owned and operated by the same licensee  
24 to importing distributors, distributors, and to non-licensees  
25 for use and consumption, (iii) store the beer upon the  
26 premises, (iv) sell and offer for sale at retail from the

1 licensed premises for off-premises consumption no more than  
2 155,000 gallons per year so long as such sales are only made  
3 in-person, (v) sell and offer for sale at retail for use and  
4 consumption on the premises specified in the license any form  
5 of alcoholic liquor purchased from a licensed distributor or  
6 importing distributor, and (vi) with the prior approval of the  
7 Commission, annually transfer no more than 155,000 gallons of  
8 beer manufactured on the premises to a licensed brew pub wholly  
9 owned and operated by the same licensee.

10 A brew pub licensee shall not under any circumstance sell  
11 or offer for sale beer manufactured by the brew pub licensee to  
12 retail licensees.

13 A person who holds a class 2 brewer license may  
14 simultaneously hold a brew pub license if the class 2 brewer  
15 (i) does not, under any circumstance, sell or offer for sale  
16 beer manufactured by the class 2 brewer to retail licensees;  
17 (ii) does not hold more than 3 brew pub licenses in this State;  
18 (iii) does not manufacture more than a combined 3,720,000  
19 gallons of beer per year, including the beer manufactured at  
20 the brew pub; and (iv) is not a member of or affiliated with,  
21 directly or indirectly, a manufacturer that produces more than  
22 3,720,000 gallons of beer per year or any other alcoholic  
23 liquor.

24 Notwithstanding any other provision of this Act, a licensed  
25 brewer, class 2 brewer, or non-resident dealer who before July  
26 1, 2015 manufactured less than 3,720,000 gallons of beer per

1 year and held a brew pub license on or before July 1, 2015 may  
2 (i) continue to qualify for and hold that brew pub license for  
3 the licensed premises and (ii) manufacture more than 3,720,000  
4 gallons of beer per year and continue to qualify for and hold  
5 that brew pub license if that brewer, class 2 brewer, or  
6 non-resident dealer does not simultaneously hold a class 1  
7 brewer license and is not a member of or affiliated with,  
8 directly or indirectly, a manufacturer that produces more than  
9 3,720,000 gallons of beer per year or that produces any other  
10 alcoholic liquor.

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

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

24 (q) A special use permit license shall allow an Illinois  
25 licensed retailer to transfer a portion of its alcoholic liquor  
26 inventory from its retail licensed premises to the premises

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

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

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

1           Except for a common carrier, a third-party provider  
2 shipping wine on behalf of a winery shipper's license holder is  
3 the agent of the winery shipper's license holder and, as such,  
4 a winery shipper's license holder is responsible for the acts  
5 and omissions of the third-party provider acting on behalf of  
6 the license holder. A third-party provider, except for a common  
7 carrier, that engages in shipping wine into Illinois on behalf  
8 of a winery shipper's license holder shall consent to the  
9 jurisdiction of the State Commission and the State. Any  
10 third-party, except for a common carrier, holding such an  
11 appointment shall, by February 1 of each calendar year, file  
12 with the State Commission a statement detailing each shipment  
13 made to an Illinois resident. The State Commission shall adopt  
14 rules as soon as practicable to implement the requirements of  
15 Public Act 99-904 ~~this amendatory Act of the 99th General~~  
16 ~~Assembly~~ and shall adopt rules prohibiting any such third-party  
17 appointment of a third-party provider, except for a common  
18 carrier, that has been deemed by the State Commission to have  
19 violated the provisions of this Act with regard to any winery  
20 shipper licensee.

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

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

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

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

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

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

10 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;  
11 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.  
12 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,  
13 eff. 1-1-17; revised 9-15-16.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.