



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1190

Introduced 2/6/2019, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

235 ILCS 5/3-12	
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/11-1	from Ch. 43, par. 193

Amends the Liquor Control Act of 1934. Provides that a craft distiller may make sales and deliveries of up to 2,500 gallons of spirits to retail licensees per year. Provides that the aggregate amount of spirits sold to non-licensees and sold or delivered to retail licensees may not exceed 2,500 gallons. Provides that a craft distiller or a non-resident dealer who manufactures less than 100,000 gallons of distilled spirits per year may make application to the Illinois Liquor Control Commission for a self-distribution exemption. Provides requirements that a craft distiller or non-resident dealer who manufactures less than 100,000 gallons of distilled spirits per year must meet to be granted a self-distribution exemption. Provides that if any provision of the Act, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unconstitutional, the remaining provisions shall be construed in accordance with the intent of the General Assembly to further limit rather than expand commerce in alcoholic liquor. Makes other changes. Effective immediately.

LRB101 05289 RPS 50303 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-12, 5-1, and 11-1 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 Commission to inspect private
16 areas within the premises without reasonable suspicion or a
17 warrant during an inspection. "Private areas" include, but
18 are not limited to, safes, personal property, and closed
19 desks.

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

1 appropriate law enforcement officials.

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (13) (Blank).

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

1 provide all of the following information:

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

4 (B) The amount of licensing fees received.

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

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

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

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

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

1 violation of this Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (19) (A) A craft distiller or a non-resident dealer who
17 manufactures less than 100,000 gallons of distilled
18 spirits per year may make application to the State
19 Commission for a self-distribution exemption to allow the
20 sale of not more than 2,500 gallons of the exemption
21 holder's distilled spirits to retail licensees per year.

22 (B) In the application, which shall be sworn under
23 penalty of perjury, the applicant shall state: (1) the date
24 it was established; (2) its volume of production and sales
25 for each year since its establishment; (3) its efforts to
26 establish distributor relationships; (4) that a

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

6 (C) The State Commission shall approve the application
7 for a self-distribution exemption if the applicant: (1) is
8 in compliance with State revenue and liquor laws; (2) is
9 not affiliated with any other manufacturer; and (3) will
10 not annually sell more than 2,500 gallons of its distilled
11 spirits to retail licensees and non-licensees.

12 (D) A self-distribution exemption holder shall
13 annually certify to the State Commission its production of
14 distilled spirits in the previous 12 months and its
15 anticipated production and sales for the next 12 months.
16 The State Commission may fine a self-distribution
17 exemption holder or suspend or revoke a self-distribution
18 exemption after a hearing if it finds that the
19 self-distribution exemption holder has made a material
20 misrepresentation in its application, violated a revenue
21 or liquor law of Illinois, exceeded production of 100,000
22 gallons of distilled spirits in any calendar year, or
23 become part of an affiliated group producing any alcoholic
24 liquor.

25 (E) Except in hearings for violations of this Act or a
26 bona fide investigation by duly sworn law enforcement

1 officials, the State Commission, or its agents, the State
2 Commission shall maintain the production and sales
3 information of a self-distribution exemption holder as
4 confidential and shall not release such information to any
5 person.

6 (F) The State Commission shall adopt rules governing
7 self-distribution exemptions consistent with this Act.

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

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

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

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

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

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

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

12 (Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;
13 100-134, eff. 8-18-17; 100-201, eff. 8-18-17; 100-816, eff.
14 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff. 8-23-18;
15 revised 10-24-18.)

16 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

25 (b) Distributor's license,

- 1 (c) Importing Distributor's license,
- 2 (d) Retailer's license,
- 3 (e) Special Event Retailer's license (not-for-profit),
- 4 (f) Railroad license,
- 5 (g) Boat license,
- 6 (h) Non-Beverage User's license,
- 7 (i) Wine-maker's premises license,
- 8 (j) Airplane license,
- 9 (k) Foreign importer's license,
- 10 (l) Broker's license,
- 11 (m) Non-resident dealer's license,
- 12 (n) Brew Pub license,
- 13 (o) Auction liquor license,
- 14 (p) Caterer retailer license,
- 15 (q) Special use permit license,
- 16 (r) Winery shipper's license,
- 17 (s) Craft distiller tasting permit,
- 18 (t) Brewer warehouse permit.

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

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

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

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

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

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

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

20 Class 6. A first-class wine-maker's license shall allow the
21 manufacture of up to 50,000 gallons of wine per year, and the
22 storage and sale of such wine to distributors in the State and
23 to persons without the State, as may be permitted by law. A
24 person who, prior to June 1, 2008 (the effective date of Public
25 Act 95-634), is a holder of a first-class wine-maker's license
26 and annually produces more than 25,000 gallons of its own wine

1 and who distributes its wine to licensed retailers shall cease
2 this practice on or before July 1, 2008 in compliance with
3 Public Act 95-634.

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

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

18 Class 9. A craft distiller license shall allow the
19 manufacture of up to 100,000 gallons of spirits by distillation
20 per year and the storage of such spirits. If a craft distiller
21 licensee, including a craft distiller licensee who holds more
22 than one craft distiller license, is not affiliated with any
23 other manufacturer of spirits, then the craft distiller
24 licensee may sell such spirits to distributors in this State
25 and up to 2,500 gallons of such spirits to non-licensees to the
26 extent permitted by any exemption approved by the Commission

1 pursuant to Section 6-4 of this Act. A craft distiller license
2 holder may store such spirits at a non-contiguous licensed
3 location, but at no time shall a craft distiller license holder
4 directly or indirectly produce in the aggregate more than
5 100,000 gallons of spirits per year.

6 A craft distiller licensee may hold more than one craft
7 distiller's license. However, a craft distiller that holds more
8 than one craft distiller license shall not manufacture, in the
9 aggregate, more than 100,000 gallons of spirits by distillation
10 per year and shall not sell, in the aggregate, more than 2,500
11 gallons of such spirits to non-licensees in accordance with an
12 exemption approved by the State Commission pursuant to Section
13 6-4 of this Act. A craft distiller licensee may make sales and
14 deliveries of up to 2,500 gallons of spirits to retail
15 licensees in accordance with the provisions of this Act.
16 However, the aggregate amount of spirits sold to non-licensees
17 and sold or delivered to retail licensees may not exceed 2,500
18 gallons per year.

19 Any craft distiller licensed under this Act who on July 28,
20 2010 (the effective date of Public Act 96-1367) was licensed as
21 a distiller and manufactured no more spirits than permitted by
22 this Section shall not be required to pay the initial licensing
23 fee.

24 Class 10. A class 1 brewer license, which may only be
25 issued to a licensed brewer or licensed non-resident dealer,
26 shall allow the manufacture of up to 930,000 gallons of beer

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

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

1 class 2 brewer licensee to the premises of a licensed class 2
2 brewer wholly owned and operated by the same licensee.

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

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

21 (a-1) A manufacturer which is licensed in this State to
22 make sales or deliveries of alcoholic liquor to licensed
23 distributors or importing distributors and which enlists
24 agents, representatives, or individuals acting on its behalf
25 who contact licensed retailers on a regular and continual basis
26 in this State must register those agents, representatives, or

1 persons acting on its behalf with the State Commission.

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

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, and the sale of beer, cider,
23 or both beer and cider to brewers, class 1 brewers, and class 2
24 brewers that, pursuant to subsection (e) of Section 6-4 of this
25 Act, sell beer, cider, or both beer and cider to non-licensees
26 at their breweries. No person licensed as a distributor shall

1 be granted a non-resident dealer's license.

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

21 (d) A retailer's license shall allow the licensee to sell
22 and offer for sale at retail, only in the premises specified in
23 the license, alcoholic liquor for use or consumption, but not
24 for resale in any form. Nothing in Public Act 95-634 shall
25 deny, limit, remove, or restrict the ability of a holder of a
26 retailer's license to transfer, deliver, or ship alcoholic

1 liquor to the purchaser for use or consumption subject to any
2 applicable local law or ordinance. Any retail license issued to
3 a manufacturer shall only permit the manufacturer to sell beer
4 at retail on the premises actually occupied by the
5 manufacturer. For the purpose of further describing the type of
6 business conducted at a retail licensed premises, a retailer's
7 licensee may be designated by the State Commission as (i) an on
8 premise consumption retailer, (ii) an off premise sale
9 retailer, or (iii) a combined on premise consumption and off
10 premise sale retailer.

11 Notwithstanding any other provision of this subsection
12 (d), a retail licensee may sell alcoholic liquors to a special
13 event retailer licensee for resale to the extent permitted
14 under subsection (e).

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

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

18 Nothing in this Act prohibits an Illinois licensed
19 distributor from offering credit or a refund for unused,
20 salable alcoholic liquors to a holder of a special event
21 retailer's license or ~~from~~ the special event retailer's
22 licensee from accepting the credit or refund of alcoholic
23 liquors at the conclusion of the event specified in the
24 license.

25 (f) A railroad license shall permit the licensee to import
26 alcoholic liquors into this State from any point in the United

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

20 (g) A boat license shall allow the sale of alcoholic liquor
21 in individual drinks, on any passenger boat regularly operated
22 as a common carrier on navigable waters in this State or on any
23 riverboat operated under the Riverboat Gambling Act, which boat
24 or riverboat maintains a public dining room or restaurant
25 thereon.

26 (h) A non-beverage user's license shall allow the licensee

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

- 10 Class 1, not to exceed 500 gallons
- 11 Class 2, not to exceed 1,000 gallons
- 12 Class 3, not to exceed 5,000 gallons
- 13 Class 4, not to exceed 10,000 gallons
- 14 Class 5, not to exceed 50,000 gallons

15 (i) A wine-maker's premises license shall allow a licensee
 16 that concurrently holds a first-class wine-maker's license to
 17 sell and offer for sale at retail in the premises specified in
 18 such license not more than 50,000 gallons of the first-class
 19 wine-maker's wine that is made at the first-class wine-maker's
 20 licensed premises per year for use or consumption, but not for
 21 resale in any form. A wine-maker's premises license shall allow
 22 a licensee who concurrently holds a second-class wine-maker's
 23 license to sell and offer for sale at retail in the premises
 24 specified in such license up to 100,000 gallons of the
 25 second-class wine-maker's wine that is made at the second-class
 26 wine-maker's licensed premises per year for use or consumption

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

17 (j) An airplane license shall permit the licensee to import
18 alcoholic liquors into this State from any point in the United
19 States outside this State and to store such alcoholic liquors
20 in this State; to make wholesale purchases of alcoholic liquors
21 directly from manufacturers, foreign importers, distributors
22 and importing distributors from within or outside this State;
23 and to store such alcoholic liquors in this State; provided
24 that the above powers may be exercised only in connection with
25 the importation, purchase or storage of alcoholic liquors to be
26 sold or dispensed on an airplane; and provided further, that

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

11 (k) A foreign importer's license shall permit such licensee
12 to purchase alcoholic liquor from Illinois licensed
13 non-resident dealers only, and to import alcoholic liquor other
14 than in bulk from any point outside the United States and to
15 sell such alcoholic liquor to Illinois licensed importing
16 distributors and to no one else in Illinois; provided that (i)
17 the foreign importer registers with the State Commission every
18 brand of alcoholic liquor that it proposes to sell to Illinois
19 licensees during the license period, (ii) the foreign importer
20 complies with all of the provisions of Section 6-9 of this Act
21 with respect to registration of such Illinois licensees as may
22 be granted the right to sell such brands at wholesale, and
23 (iii) the foreign importer complies with the provisions of
24 Sections 6-5 and 6-6 of this Act to the same extent that these
25 provisions apply to manufacturers.

26 (l) (i) A broker's license shall be required of all persons

1 who solicit orders for, offer to sell or offer to supply
2 alcoholic liquor to retailers in the State of Illinois, or who
3 offer to retailers to ship or cause to be shipped or to make
4 contact with distillers, rectifiers, brewers or manufacturers
5 or any other party within or without the State of Illinois in
6 order that alcoholic liquors be shipped to a distributor,
7 importing distributor or foreign importer, whether such
8 solicitation or offer is consummated within or without the
9 State of Illinois.

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

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

21 (ii) A broker's license shall be required of a person
22 within this State, other than a retail licensee, who, for a fee
23 or commission, promotes, solicits, or accepts orders for
24 alcoholic liquor, for use or consumption and not for resale, to
25 be shipped from this State and delivered to residents outside
26 of this State by an express company, common carrier, or

1 contract carrier. This Section does not apply to any person who
2 promotes, solicits, or accepts orders for wine as specifically
3 authorized in Section 6-29 of this Act.

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

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

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

17 (m) A non-resident dealer's license shall permit such
18 licensee to ship into and warehouse alcoholic liquor into this
19 State from any point outside of this State, and to sell such
20 alcoholic liquor to Illinois licensed foreign importers and
21 importing distributors and to no one else in this State;
22 provided that (i) said non-resident dealer shall register with
23 the Illinois Liquor Control Commission each and every brand of
24 alcoholic liquor which it proposes to sell to Illinois
25 licensees during the license period, (ii) it shall comply with
26 all of the provisions of Section 6-9 hereof with respect to

1 registration of such Illinois licensees as may be granted the
2 right to sell such brands at wholesale by duly filing such
3 registration statement, thereby authorizing the non-resident
4 dealer to proceed to sell such brands at wholesale, and (iii)
5 the non-resident dealer shall comply with the provisions of
6 Sections 6-5 and 6-6 of this Act to the same extent that these
7 provisions apply to manufacturers. No person licensed as a
8 non-resident dealer shall be granted a distributor's or
9 importing distributor's license.

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

1 owned and operated by the same licensee.

2 A brew pub licensee shall not under any circumstance sell
3 or offer for sale beer manufactured by the brew pub licensee to
4 retail licensees.

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

16 Notwithstanding any other provision of this Act, a licensed
17 brewer, class 2 brewer, or non-resident dealer who before July
18 1, 2015 manufactured less than 3,720,000 gallons of beer per
19 year and held a brew pub license on or before July 1, 2015 may
20 (i) continue to qualify for and hold that brew pub license for
21 the licensed premises and (ii) manufacture more than 3,720,000
22 gallons of beer per year and continue to qualify for and hold
23 that brew pub license if that brewer, class 2 brewer, or
24 non-resident dealer does not simultaneously hold a class 1
25 brewer license and is not a member of or affiliated with,
26 directly or indirectly, a manufacturer that produces more than

1 3,720,000 gallons of beer per year or that produces any other
2 alcoholic liquor.

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

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

16 (q) A special use permit license shall allow an Illinois
17 licensed retailer to transfer a portion of its alcoholic liquor
18 inventory from its retail licensed premises to the premises
19 specified in the license hereby created, and to sell or offer
20 for sale at retail, only in the premises specified in the
21 license hereby created, the transferred alcoholic liquor for
22 use or consumption, but not for resale in any form. A special
23 use permit license may be granted for the following time
24 periods: one day or less; 2 or more days to a maximum of 15 days
25 per location in any 12-month period. An applicant for the
26 special use permit license must also submit with the

1 application proof satisfactory to the State Commission that the
2 applicant will provide dram shop liability insurance to the
3 maximum limits and have local authority approval.

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

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

19 Except for a common carrier, a third-party provider
20 shipping wine on behalf of a winery shipper's license holder is
21 the agent of the winery shipper's license holder and, as such,
22 a winery shipper's license holder is responsible for the acts
23 and omissions of the third-party provider acting on behalf of
24 the license holder. A third-party provider, except for a common
25 carrier, that engages in shipping wine into Illinois on behalf
26 of a winery shipper's license holder shall consent to the

1 jurisdiction of the State Commission and the State. Any
2 third-party, except for a common carrier, holding such an
3 appointment shall, by February 1 of each calendar year and upon
4 request by the State Commission or the Department of Revenue,
5 file with the State Commission a statement detailing each
6 shipment made to an Illinois resident. The statement shall
7 include the name and address of the third-party provider filing
8 the statement, the time period covered by the statement, and
9 the following information:

10 (1) the name, address, and license number of the winery
11 shipper on whose behalf the shipment was made;

12 (2) the quantity of the products delivered; and

13 (3) the date and address of the shipment.

14 If the Department of Revenue or the State Commission requests a
15 statement under this paragraph, the third-party provider must
16 provide that statement no later than 30 days after the request
17 is made. Any books, records, supporting papers, and documents
18 containing information and data relating to a statement under
19 this paragraph shall be kept and preserved for a period of 3
20 years, unless their destruction sooner is authorized, in
21 writing, by the Director of Revenue, and shall be open and
22 available to inspection by the Director of Revenue or the State
23 Commission or any duly authorized officer, agent, or employee
24 of the State Commission or the Department of Revenue, at all
25 times during business hours of the day. Any person who violates
26 any provision of this paragraph or any rule of the State

1 Commission for the administration and enforcement of the
2 provisions of this paragraph is guilty of a Class C
3 misdemeanor. In case of a continuing violation, each day's
4 continuance thereof shall be a separate and distinct offense.

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

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

1 Retailers' Occupation Tax Act for all wine that is sold by the
2 winery shipper and shipped to persons in this State, the winery
3 shipper's license shall be revoked in accordance with the
4 provisions of Article VII of this Act.

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

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

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

19 (s) A craft distiller tasting permit license shall allow an
20 Illinois licensed craft distiller to transfer a portion of its
21 alcoholic liquor inventory from its craft distiller licensed
22 premises to the premises specified in the license hereby
23 created and to conduct a sampling, only in the premises
24 specified in the license hereby created, of the transferred
25 alcoholic liquor in accordance with subsection (c) of Section
26 6-31 of this Act. The transferred alcoholic liquor may not be

1 sold or resold in any form. An applicant for the craft
2 distiller tasting permit license must also submit with the
3 application proof satisfactory to the State Commission that the
4 applicant will provide dram shop liability insurance to the
5 maximum limits and have local authority approval.

6 A brewer warehouse permit may be issued to the holder of a
7 class 1 brewer license or a class 2 brewer license. If the
8 holder of the permit is a class 1 brewer licensee, the brewer
9 warehouse permit shall allow the holder to store or warehouse
10 up to 930,000 gallons of tax-determined beer manufactured by
11 the holder of the permit at the premises specified on the
12 permit. If the holder of the permit is a class 2 brewer
13 licensee, the brewer warehouse permit shall allow the holder to
14 store or warehouse up to 3,720,000 gallons of tax-determined
15 beer manufactured by the holder of the permit at the premises
16 specified on the permit. Sales to non-licensees are prohibited
17 at the premises specified in the brewer warehouse permit.

18 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
19 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
20 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816,
21 eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18;
22 revised 10-2-18.)

23 (235 ILCS 5/11-1) (from Ch. 43, par. 193)

24 Sec. 11-1. The articles, provisions and sections of this
25 Act shall be deemed to be separable and the invalidity of any

1 portion of this Act shall not affect the validity of the
2 remainder. If any provision of this Act, or its application to
3 any person or circumstance, is determined by a court of
4 competent jurisdiction to be unconstitutional, the remaining
5 provisions shall be construed in accordance with the intent of
6 the General Assembly to further limit rather than expand
7 commerce in alcoholic liquor.

8 (Source: P.A. 82-783.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.