



Sen. Donne E. Trotter

**Filed: 4/11/2011**

09700SB0754sam001

LRB097 04475 ASK 54390 a

1 AMENDMENT TO SENATE BILL 754

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 754 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Sections 1-3.33, 3-12, 5-1, and 5-3 and by adding  
6 Section 1-3.38 as follows:

7 (235 ILCS 5/1-3.33)

8 Sec. 1-3.33. "Brew Pub" means a person who manufactures  
9 beer only at a designated premises to make sales to importing  
10 distributors, distributors, and to non-licensees for use and  
11 consumption only, who stores beer at the designated premises,  
12 and who is allowed to sell at retail from the licensed  
13 premises, provided that a brew pub licensee shall not sell for  
14 off-premises consumption more than 50,000 gallons per year. A  
15 person who holds a brew pub license may simultaneously hold a  
16 craft brewer license if he or she otherwise qualifies for the

1 craft brewer license and the craft brewer license is for a  
2 location separate from the brew pub's licensed premises.

3 (Source: P.A. 90-432, eff. 1-1-98.)

4 (235 ILCS 5/1-3.38 new)

5 Sec. 1-3.38. "Craft brewer" means a licensed brewer or  
6 licensed non-resident dealer who manufactures up to 465,000  
7 gallons of beer per year and who may make sales and deliveries  
8 to importing distributors and distributors and to retail  
9 licensees in accordance with the conditions set forth in  
10 paragraph (18) of subsection (a) of Section 3-12 of this Act.

11 (235 ILCS 5/3-12)

12 Sec. 3-12. Powers and duties of State Commission.

13 (a) The State commission shall have the following powers,  
14 functions and duties:

15 (1) To receive applications and to issue licenses to  
16 manufacturers, foreign importers, importing distributors,  
17 distributors, non-resident dealers, on premise consumption  
18 retailers, off premise sale retailers, special event  
19 retailer licensees, special use permit licenses, auction  
20 liquor licenses, brew pubs, caterer retailers,  
21 non-beverage users, railroads, including owners and  
22 lessees of sleeping, dining and cafe cars, airplanes,  
23 boats, brokers, and wine maker's premises licensees in  
24 accordance with the provisions of this Act, and to suspend

1 or revoke such licenses upon the State commission's  
2 determination, upon notice after hearing, that a licensee  
3 has violated any provision of this Act or any rule or  
4 regulation issued pursuant thereto and in effect for 30  
5 days prior to such violation. Except in the case of an  
6 action taken pursuant to a violation of Section 6-3, 6-5,  
7 or 6-9, any action by the State Commission to suspend or  
8 revoke a licensee's license may be limited to the license  
9 for the specific premises where the violation occurred.

10 In lieu of suspending or revoking a license, the  
11 commission may impose a fine, upon the State commission's  
12 determination and notice after hearing, that a licensee has  
13 violated any provision of this Act or any rule or  
14 regulation issued pursuant thereto and in effect for 30  
15 days prior to such violation. The fine imposed under this  
16 paragraph may not exceed \$500 for each violation. Each day  
17 that the activity, which gave rise to the original fine,  
18 continues is a separate violation. The maximum fine that  
19 may be levied against any licensee, for the period of the  
20 license, shall not exceed \$20,000. The maximum penalty that  
21 may be imposed on a licensee for selling a bottle of  
22 alcoholic liquor with a foreign object in it or serving  
23 from a bottle of alcoholic liquor with a foreign object in  
24 it shall be the destruction of that bottle of alcoholic  
25 liquor for the first 10 bottles so sold or served from by  
26 the licensee. For the eleventh bottle of alcoholic liquor

1 and for each third bottle thereafter sold or served from by  
2 the licensee with a foreign object in it, the maximum  
3 penalty that may be imposed on the licensee is the  
4 destruction of the bottle of alcoholic liquor and a fine of  
5 up to \$50.

6 (2) To adopt such rules and regulations consistent with  
7 the provisions of this Act which shall be necessary to  
8 carry on its functions and duties to the end that the  
9 health, safety and welfare of the People of the State of  
10 Illinois shall be protected and temperance in the  
11 consumption of alcoholic liquors shall be fostered and  
12 promoted and to distribute copies of such rules and  
13 regulations to all licensees affected thereby.

14 (3) To call upon other administrative departments of  
15 the State, county and municipal governments, county and  
16 city police departments and upon prosecuting officers for  
17 such information and assistance as it deems necessary in  
18 the performance of its duties.

19 (4) To recommend to local commissioners rules and  
20 regulations, not inconsistent with the law, for the  
21 distribution and sale of alcoholic liquors throughout the  
22 State.

23 (5) To inspect, or cause to be inspected, any premises  
24 in this State where alcoholic liquors are manufactured,  
25 distributed, warehoused, or sold.

26 (5.1) Upon receipt of a complaint or upon having

1 knowledge that any person is engaged in business as a  
2 manufacturer, importing distributor, distributor, or  
3 retailer without a license or valid license, to notify the  
4 local liquor authority, file a complaint with the State's  
5 Attorney's Office of the county where the incident  
6 occurred, or initiate an investigation with the  
7 appropriate law enforcement officials.

8 (5.2) To issue a cease and desist notice to persons  
9 shipping alcoholic liquor into this State from a point  
10 outside of this State if the shipment is in violation of  
11 this Act.

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

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

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

1 commissioner or his or her authorized representative. The  
2 commission, may, from time to time, alter, amend or repeal,  
3 in whole or in part, any uniform system of accounts, or the  
4 form and manner of keeping accounts.

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

19 Any Circuit Court may by order duly entered, require  
20 the attendance of witnesses and the production of relevant  
21 books subpoenaed by the State commission and the court may  
22 compel obedience to its order by proceedings for contempt.

23 (9) To investigate the administration of laws in  
24 relation to alcoholic liquors in this and other states and  
25 any foreign countries, and to recommend from time to time  
26 to the Governor and through him or her to the legislature

1 of this State, such amendments to this Act, if any, as it  
2 may think desirable and as will serve to further the  
3 general broad purposes contained in Section 1-2 hereof.

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

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

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

22 (12) To develop and maintain a repository of license  
23 and regulatory information.

24 (13) On or before January 15, 1994, the Commission  
25 shall issue a written report to the Governor and General  
26 Assembly that is to be based on a comprehensive study of



1 the impact on and implications for the State of Illinois of  
2 Section 1926 of the Federal ADAMHA Reorganization Act of  
3 1992 (Public Law 102-321). This study shall address the  
4 extent to which Illinois currently complies with the  
5 provisions of P.L. 102-321 and the rules promulgated  
6 pursuant thereto.

7 As part of its report, the Commission shall provide the  
8 following essential information:

9 (i) the number of retail distributors of tobacco  
10 products, by type and geographic area, in the State;

11 (ii) the number of reported citations and  
12 successful convictions, categorized by type and  
13 location of retail distributor, for violation of the  
14 Prevention of Tobacco Use by Minors and Sale and  
15 Distribution of Tobacco Products Act and the Smokeless  
16 Tobacco Limitation Act;

17 (iii) the extent and nature of organized  
18 educational and governmental activities that are  
19 intended to promote, encourage or otherwise secure  
20 compliance with any Illinois laws that prohibit the  
21 sale or distribution of tobacco products to minors; and

22 (iv) the level of access and availability of  
23 tobacco products to individuals under the age of 18.

24 To obtain the data necessary to comply with the  
25 provisions of P.L. 102-321 and the requirements of this  
26 report, the Commission shall conduct random, unannounced

1 inspections of a geographically and scientifically  
2 representative sample of the State's retail tobacco  
3 distributors.

4 The Commission shall consult with the Department of  
5 Public Health, the Department of Human Services, the  
6 Illinois State Police and any other executive branch  
7 agency, and private organizations that may have  
8 information relevant to this report.

9 The Commission may contract with the Food and Drug  
10 Administration of the U.S. Department of Health and Human  
11 Services to conduct unannounced investigations of Illinois  
12 tobacco vendors to determine compliance with federal laws  
13 relating to the illegal sale of cigarettes and smokeless  
14 tobacco products to persons under the age of 18.

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

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

26 (B) The amount of licensing fees received.

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

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

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

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

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

24           (16) The Commission shall, in addition to notifying any  
25 appropriate law enforcement agency, submit notices of  
26 complaints or violations of Sections 6-29 and 6-29.1 by

1 persons who do not hold a winery shipper's license under  
2 this amendatory Act to the Illinois Attorney General and to  
3 the U.S. Department of Treasury's Alcohol and Tobacco Tax  
4 and Trade Bureau.

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

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

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

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

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

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

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

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

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

23 (18) (A) A craft brewer licensee, who must also be  
24 either a licensed brewer or licensed non-resident dealer  
25 and annually manufacture less than 465,000 gallons of beer,  
26 may make application to the 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 to  
3 retail licensees per year.

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

15 (C) Any application submitted shall be posted on  
16 the Commission's website at least 45 days prior to  
17 action by the Commission. The Commission shall approve  
18 the application for a self-distribution exemption if  
19 the craft brewer licensee: (1) is in compliance with  
20 the State, revenue, and alcoholic beverage laws; (2) is  
21 not a member of any affiliated group that manufacturers  
22 more than 465,000 gallons of beer per annum or produces  
23 any other alcoholic beverages; (3) shall not annually  
24 manufacture for sale more than 465,000 gallons of beer;  
25 and (4) shall not annually sell more than 232,500  
26 gallons of its beer to retail licensees.

1           (D) A self-distribution exemption holder shall  
2           annually certify to the Commission its manufacture of  
3           beer during the previous 12 months and its anticipated  
4           manufacture and sales of beer for the next 12 months.  
5           The Commission may fine, suspend, or revoke a  
6           self-distribution exemption after a hearing if it  
7           finds that the exemption holder has made a material  
8           misrepresentation in its application, violated a  
9           revenue or alcoholic beverage law of Illinois,  
10           exceeded the manufacture of 465,000 gallons of beer in  
11           any calendar year or became part of an affiliated group  
12           manufacturing more than 465,000 gallons of beer or any  
13           other alcoholic beverage.

14           (E) The Commission shall issue rules and  
15           regulations governing self-distribution exemptions  
16           consistent with this Act.

17           (F) Nothing in this paragraph (18) shall prohibit a  
18           self-distribution exemption holder from entering into  
19           or simultaneously having a distribution agreement with  
20           a licensed Illinois importing distributor or a  
21           distributor. If a self-distribution exemption holder  
22           enters into a distribution agreement and has assigned  
23           distribution rights to an importing distributor or  
24           distributor, then the self-distribution exemption  
25           holder's distribution rights in the assigned  
26           territories shall cease in a reasonable time not to



1           exceed 60 days.

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

11           (b) On or before April 30, 1999, the Commission shall  
12 present a written report to the Governor and the General  
13 Assembly that shall be based on a study of the impact of this  
14 amendatory Act of 1998 on the business of soliciting, selling,  
15 and shipping alcoholic liquor from outside of this State  
16 directly to residents of this State.

17           As part of its report, the Commission shall provide the  
18 following information:

19           (i) the amount of State excise and sales tax revenues  
20 generated as a result of this amendatory Act of 1998;

21           (ii) the amount of licensing fees received as a result  
22 of this amendatory Act of 1998;

23           (iii) the number of reported violations, the number of  
24 cease and desist notices issued by the Commission, the  
25 number of notices of violations issued to the Department of  
26 Revenue, and the number of notices and complaints of

1 violations to law enforcement officials.

2 (Source: P.A. 95-634, eff. 6-1-08; 96-179, eff. 8-10-09;  
3 96-446, eff. 1-1-10; 96-1000, eff. 7-2-10.)

4 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

13 (b) Distributor's license,

14 (c) Importing Distributor's license,

15 (d) Retailer's license,

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

17 (f) Railroad license,

18 (g) Boat license,

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

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

21 (j) Airplane license,

22 (k) Foreign importer's license,

23 (l) Broker's license,

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

25 (n) Brew Pub license,

- 1 (o) Auction liquor license,  
2 (p) Caterer retailer license,  
3 (q) Special use permit license,  
4 (r) Winery shipper's license.

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

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

13 Class 1. A Distiller may make sales and deliveries of  
14 alcoholic liquor to distillers, rectifiers, importing  
15 distributors, distributors and non-beverage users and to no  
16 other licensees.

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

21 Class 3. A Brewer may make sales and deliveries of beer to  
22 importing distributors and distributors and may make sales as  
23 authorized under subsection (e) of Section 6-4 of this Act ~~and to non-licensees, and to retailers provided the brewer~~  
24 ~~obtains an importing distributor's license or distributor's~~  
25 ~~license in accordance with the provisions of this Act.~~  
26

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

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

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

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

1 more than 25,000 gallons of its own wine and who distributes  
2 its wine to licensed retailers shall cease this practice on or  
3 before July 1, 2008 in compliance with this amendatory Act of  
4 the 95th General Assembly.

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 5,000 gallons of spirits by distillation  
11 per year and the storage of such spirits. If a craft distiller  
12 licensee is not affiliated with any other manufacturer, then  
13 the craft distiller licensee may sell such spirits to  
14 distributors in this State and non-licensees to the extent  
15 permitted by any exemption approved by the Commission pursuant  
16 to Section 6-4 of this Act.

17 Any craft distiller licensed under this Act who on the  
18 effective date of this amendatory Act of the 96th General  
19 Assembly was licensed as a distiller and manufactured no more  
20 spirits than permitted by this Section shall not be required to  
21 pay the initial licensing fee.

22 Class 10. A craft brewer's license, which may only be  
23 issued to a licensed brewer or licensed non-resident dealer,  
24 shall allow the manufacture of up to 465,000 gallons of beer  
25 per year. A craft brewer licensee may make sales and deliveries  
26 to importing distributors and distributors and to retail

1 licensees in accordance with the conditions set forth in  
2 paragraph (18) of subsection (a) of Section 3-12 of this Act.

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

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

24 (b) A distributor's license shall allow the wholesale  
25 purchase and storage of alcoholic liquors and sale of alcoholic  
26 liquors to licensees in this State and to persons without the

1 State, as may be permitted by law.

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.

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

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

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

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



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

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

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

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

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

- 1 Class 1, not to exceed ..... 500 gallons
- 2 Class 2, not to exceed ..... 1,000 gallons
- 3 Class 3, not to exceed ..... 5,000 gallons
- 4 Class 4, not to exceed ..... 10,000 gallons
- 5 Class 5, not to exceed ..... 50,000 gallons

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

1 licensed premises and (ii) at up to 2 additional locations for  
2 use and consumption and not for resale. Each location shall  
3 require additional licensing per location as specified in  
4 Section 5-3 of this Act. A wine-maker's premises licensee shall  
5 secure liquor liability insurance coverage in an amount at  
6 least equal to the maximum liability amounts set forth in  
7 subsection (a) of Section 6-21 of this Act.

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

1 fee for such license shall be as determined in Section 5-3.

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

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

1           No holder of a retailer's license issued by the Illinois  
2 Liquor Control Commission shall purchase or receive any  
3 alcoholic liquor, the order for which was solicited or offered  
4 for sale to such retailer by a broker unless the broker is the  
5 holder of a valid broker's license.

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

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

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

25           This subsection (1) shall not apply to distributors,  
26 employees of distributors, or employees of a manufacturer who

1 has registered the trademark, brand or name of the alcoholic  
2 liquor pursuant to Section 6-9 of this Act, and who regularly  
3 sells such alcoholic liquor in the State of Illinois only to  
4 its registrants thereunder.

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

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

23 (n) A brew pub license shall allow the licensee (i) to  
24 manufacture beer only on the premises specified in the license,  
25 (ii) to make sales of the beer manufactured on the premises or,  
26 with the approval of the Commission, beer manufactured on

1 another brew pub licensed premises that is substantially owned  
2 and operated by the same licensee to importing distributors,  
3 distributors, and to non-licensees for use and consumption,  
4 (iii) to store the beer upon the premises, and (iv) to sell and  
5 offer for sale at retail from the licensed premises, provided  
6 that a brew pub licensee shall not sell for off-premises  
7 consumption more than 50,000 gallons per year. A person who  
8 holds a brew pub license may simultaneously hold a craft brewer  
9 license if he or she otherwise qualifies for the craft brewer  
10 license and the craft brewer license is for a location separate  
11 from the brew pub's licensed premises. A brew pub license shall  
12 permit a person who has received prior approval from the  
13 Commission to annually transfer no more than a total of 50,000  
14 gallons of beer manufactured on premises to all other licensed  
15 brew pubs that are substantially owned and operated by the same  
16 person.

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

22 (p) An auction liquor license shall allow the licensee to  
23 sell and offer for sale at auction wine and spirits for use or  
24 consumption, or for resale by an Illinois liquor licensee in  
25 accordance with provisions of this Act. An auction liquor  
26 license will be issued to a person and it will permit the



1 auction liquor licensee to hold the auction anywhere in the  
2 State. An auction liquor license must be obtained for each  
3 auction at least 14 days in advance of the auction date.

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

18 (r) A winery shipper's license shall allow a person with a  
19 first-class or second-class wine manufacturer's license, a  
20 first-class or second-class wine-maker's license, or a limited  
21 wine manufacturer's license or who is licensed to make wine  
22 under the laws of another state to ship wine made by that  
23 licensee directly to a resident of this State who is 21 years  
24 of age or older for that resident's personal use and not for  
25 resale. Prior to receiving a winery shipper's license, an  
26 applicant for the license must provide the Commission with a

1 true copy of its current license in any state in which it is  
2 licensed as a manufacturer of wine. An applicant for a winery  
3 shipper's license must also complete an application form that  
4 provides any other information the Commission deems necessary.  
5 The application form shall include an acknowledgement  
6 consenting to the jurisdiction of the Commission, the Illinois  
7 Department of Revenue, and the courts of this State concerning  
8 the enforcement of this Act and any related laws, rules, and  
9 regulations, including authorizing the Department of Revenue  
10 and the Commission to conduct audits for the purpose of  
11 ensuring compliance with this amendatory Act.

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  
 10 amendatory Act.

11 (Source: P.A. 95-331, eff. 8-21-07; 95-634, eff. 6-1-08;  
 12 95-769, eff. 7-29-08; 96-1367, eff. 7-28-10.)

13 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

14 Sec. 5-3. License fees. Except as otherwise provided  
 15 herein, at the time application is made to the State Commission  
 16 for a license of any class, the applicant shall pay to the  
 17 State Commission the fee hereinafter provided for the kind of  
 18 license applied for.

19 The fee for licenses issued by the State Commission shall  
 20 be as follows:

21 For a manufacturer's license:

22	Class 1. Distiller .....	\$3,600
23	Class 2. Rectifier .....	3,600
24	Class 3. Brewer .....	900
25	Class 4. First-class Wine Manufacturer .....	600

1	Class 5. Second-class	
2	Wine Manufacturer .....	1,200
3	Class 6. First-class wine-maker .....	600
4	Class 7. Second-class wine-maker .....	1200
5	Class 8. Limited Wine Manufacturer .....	120
6	Class 9. Craft Distiller .....	1,800
7	<u>Class 10. Craft Brewer</u> .....	<u>25</u>
8	For a Brew Pub License .....	1,050
9	For a caterer retailer's license .....	200
10	For a foreign importer's license .....	25
11	For an importing distributor's license .....	25
12	For a distributor's license .....	270
13	For a non-resident dealer's license	
14	(500,000 gallons or over) .....	270
15	For a non-resident dealer's license	
16	(under 500,000 gallons) .....	90
17	For a wine-maker's premises license .....	100
18	For a winery shipper's license	
19	(under 250,000 gallons) .....	150
20	For a winery shipper's license	
21	(250,000 or over, but under 500,000 gallons)	500
22	For a winery shipper's license	
23	(500,000 gallons or over) .....	1,000
24	For a wine-maker's premises license,	
25	second location .....	350
26	For a wine-maker's premises license,	

1	third location .....	350
2	For a retailer's license .....	500
3	For a special event retailer's license,	
4	(not-for-profit) .....	25
5	For a special use permit license,	
6	one day only .....	50
7	2 days or more .....	100
8	For a railroad license .....	60
9	For a boat license .....	180
10	For an airplane license, times the	
11	licensee's maximum number of aircraft	
12	in flight, serving liquor over the	
13	State at any given time, which either	
14	originate, terminate, or make	
15	an intermediate stop in the State .....	60
16	For a non-beverage user's license:	
17	Class 1 .....	24
18	Class 2 .....	60
19	Class 3 .....	120
20	Class 4 .....	240
21	Class 5 .....	600
22	For a broker's license .....	600
23	For an auction liquor license .....	50
24	Fees collected under this Section shall be paid into the	
25	Dram Shop Fund. On and after July 1, 2003, of the funds	
26	received for a retailer's license, in addition to the first	

1 \$175, an additional \$75 shall be paid into the Dram Shop Fund,  
2 and \$250 shall be paid into the General Revenue Fund. Beginning  
3 June 30, 1990 and on June 30 of each subsequent year through  
4 June 29, 2003, any balance over \$5,000,000 remaining in the  
5 Dram Shop Fund shall be credited to State liquor licensees and  
6 applied against their fees for State liquor licenses for the  
7 following year. The amount credited to each licensee shall be a  
8 proportion of the balance in the Dram Fund that is the same as  
9 the proportion of the license fee paid by the licensee under  
10 this Section for the period in which the balance was  
11 accumulated to the aggregate fees paid by all licensees during  
12 that period.

13 No fee shall be paid for licenses issued by the State  
14 Commission to the following non-beverage users:

15 (a) Hospitals, sanitariums, or clinics when their use  
16 of alcoholic liquor is exclusively medicinal, mechanical  
17 or scientific.

18 (b) Universities, colleges of learning or schools when  
19 their use of alcoholic liquor is exclusively medicinal,  
20 mechanical or scientific.

21 (c) Laboratories when their use is exclusively for the  
22 purpose of scientific research.

23 (Source: P.A. 95-634, eff. 6-1-08; 96-1367, eff. 7-28-10.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law."