

AN ACT concerning business.

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

Section 5. The Beer Industry Fair Dealing Act is amended by changing Section 1.1 as follows:

(815 ILCS 720/1.1) (from Ch. 43, par. 301.1)

Sec. 1.1. As used in this Act:

(1) "Beer" means a beverage obtained by the alcoholic fermentation of an infusion or concoction of barley, or other grain, malt, and hops in water, and includes, among other things, beer, ale, stout, lager beer, porter, all beverages brewed or fermented wholly or in part from malt products, and the like; and for ~~For~~ purposes of this Act only, the term "beer" shall also include malt beverage products containing less than one-half of 1% of alcohol by volume and marketed for adult consumption as an alternative beverage to beer.

(2) "Agreement" means any contract, agreement, arrangement, operating standards, or amendments to a contract, agreement, arrangement, or operating standards, the effect of which is to substantially change or modify the existing contract, agreement, arrangement, or operating standards, whether expressed or implied, whether oral or written, for a definite or indefinite period between a brewer and a wholesaler

pursuant to which a wholesaler has been granted the right to purchase, resell, and distribute as wholesaler or master distributor any brand or brands of beer offered by a brewer. The agreement between a brewer and wholesaler shall not be considered a franchise relationship.

(3) "Wholesaler" or "beer wholesaler" means any person, other than a manufacturer licensed under the Liquor Control Act of 1934, who is engaged in this State in purchasing, storing, possessing or warehousing any alcoholic liquors for resale or reselling at wholesale, whether within or without this State.

(4) "Brewer" means a person who is engaged in the manufacture of beer, a master distributor as defined in this Section, a successor brewer as defined in this Section, a non-resident dealer under the provisions of the Liquor Control Act of 1934, a foreign importer under the provisions of the Liquor Control Act of 1934, or a person who owns or controls the trademark, brand, or name of beer.

(4.5) "Brand" means any word, name, group of letters, symbols, or any combination thereof that is adopted and used by a brewer to identify a specific beer product and to distinguish that beer product from another beer product.

(4.7) "Brand extension" means any brand that incorporates all or a substantial part of the features of a pre-existing brand of the same brewer and that relies to a significant extent on the good will associated with the pre-existing brand.

(5) "Master Distributor" means a person who, in addition to

being a wholesaler, acts in the same or similar capacity as a brewer or outside seller of one or more brands of beer to other wholesalers on a regular basis in the normal course of business.

(6) "Successor Brewer" means any person who in any way obtains the distribution rights that a brewer, non-resident dealer, foreign importer, or master distributor once had to manufacture or distribute a brand or brands of beer whether by merger, purchase of corporate shares, purchase of assets, or any other arrangement, including but not limited to any arrangements transferring the ownership or control of the trademark, brand or name of the brand.

(7) "Person" means a natural person, partnership, corporation, trust, agency, or other form of business enterprise. Person also includes heirs, assigns, personal representatives and guardians.

(8) "Territory" or "sales territory" means the exclusive geographic area of primary sales responsibility designated by the agreement between a wholesaler and brewer for any brand, brands, or brand extensions of the brewer. The "territory" or "sales territory" designated by the agreement may not be designated by address or specific location unless such specific address or location is part of a general and broad territory or sales territory description. The designation of a territory or sales territory in violation of this subsection is prohibited by this Act and deemed discriminatory.

(9) "Good cause" exists if the wholesaler or affected party has failed to comply with essential and reasonable requirements imposed upon the wholesaler or affected party by the agreement. The requirements may not be discriminating either by their terms or in the methods of their enforcement as compared with requirements imposed on other similarly situated wholesalers by the brewer. The requirements may not be inconsistent with this Act or in violation of any law or regulation.

(10) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade as defined and interpreted under Section 2-103 of the Uniform Commercial Code.

(11) "Reasonable standards and qualifications" means those criteria applied by the brewer to similarly situated wholesalers during a period of 24 months before the proposed change in manager or successor manager of the wholesaler's business.

(12) "Affected party" means a wholesaler, brewer, master distributor, successor brewer, or any person that is a party to an agreement.

(13) "Signs" means signs described in Section 6-6 of the Liquor Control Act of 1934.

(14) "Advertising materials" means advertising materials described in Section 6-6 of the Liquor Control Act of 1934.

(Source: P.A. 95-240, eff. 8-17-07; 95-789, eff. 8-7-08; 96-662, eff. 8-25-09.)