



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2556

Introduced 2/4/2025, by Rep. Will Guzzardi

SYNOPSIS AS INTRODUCED:

235 ILCS 5/1-3.17.1	from Ch. 43, par. 95.17.1
235 ILCS 5/3-12	
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/6-40 new	

Amends the Liquor Control Act of 1934. Increases the self-distribution limit for class 3 brewers that meet certain requirements to not more than 77,500 (instead of 6,200) gallons of beer from each in-state or out-of-state class 3 brewery premises, which shall not exceed 232,500 (instead of 18,600) gallons annually in the aggregate, that is manufactured at a wholly owned class 3 brewer's in-state or out-of-state licensed premises to retail licensees and class 3 brewers and to certain brewers, class 1 brewers, and class 2 brewers. Provides that a special event retailer's license (not-for-profit) shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for consumption on or off the premises specified in the license (instead of for use or consumption), but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. Provides that, subject to certain conditions, a special use permit license shall allow the sale or offering for sale of certain transferred or delivered alcoholic liquor at retail for consumption on or off the premises specified in the license. Provides that a retail licensee or manufacturer with retail privileges may operate a loyalty program, reward program, or mug club for alcoholic liquors the retailer or manufacturer with retail privileges is licensed to sell so long as the price of the product is not below the retail licensee's or manufacturer with retail privileges' costs. Provides that a retail licensee or licensed manufacturer with retail privileges may offer incentives to consumers for participation in a rewards program, loyalty program, or mug club. Set forth further provisions concerning rewards programs, loyalty programs, and mug clubs. Makes conforming and other changes.

LRB104 12048 RPS 22143 b

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 1-3.17.1, 3-12, and 5-1 and by adding
6 Section 6-40 as follows:

7 (235 ILCS 5/1-3.17.1) (from Ch. 43, par. 95.17.1)

8 Sec. 1-3.17.1. "Special event retailer" means an
9 educational, fraternal, political, civic, religious, or
10 non-profit organization which sells or offers for sale beer,
11 spirits, or wine, or any combination thereof, only for
12 consumption on or off the premises specified in the license
13 and those sales are made at the location and on the dates
14 designated by a special event retail license.

15 (Source: P.A. 100-17, eff. 6-30-17.)

16 (235 ILCS 5/3-12)

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

18 (a) The State Commission shall have the following powers,
19 functions, and duties:

20 (1) To receive applications and to issue licenses to
21 manufacturers, foreign importers, importing distributors,
22 distributors, non-resident dealers, on premise consumption

1 retailers, off premise sale retailers, special event
2 retailer licensees, special use permit licenses, auction
3 liquor licenses, brew pubs, caterer retailers,
4 non-beverage users, railroads, including owners and
5 lessees of sleeping, dining and cafe cars, airplanes,
6 boats, brokers, and wine maker's premises licensees in
7 accordance with the provisions of this Act, and to suspend
8 or revoke such licenses upon the State Commission's
9 determination, upon notice after hearing, that a licensee
10 has violated any provision of this Act or any rule or
11 regulation issued pursuant thereto and in effect for 30
12 days prior to such violation. Except in the case of an
13 action taken pursuant to a violation of Section 6-3, 6-5,
14 or 6-9, any action by the State Commission to suspend or
15 revoke a licensee's license may be limited to the license
16 for the specific premises where the violation occurred. An
17 action for a violation of this Act shall be commenced by
18 the State Commission within 2 years after the date the
19 State Commission becomes aware of the violation.

20 In lieu of suspending or revoking a license, the
21 commission may impose a fine, upon the State Commission's
22 determination and notice after hearing, that a licensee
23 has violated any provision of this Act or any rule or
24 regulation issued pursuant thereto and in effect for 30
25 days prior to such violation.

26 For the purpose of this paragraph (1), when

1 determining multiple violations for the sale of alcohol to
2 a person under the age of 21, a second or subsequent
3 violation for the sale of alcohol to a person under the age
4 of 21 shall only be considered if it was committed within 5
5 years after the date when a prior violation for the sale of
6 alcohol to a person under the age of 21 was committed.

7 The fine imposed under this paragraph may not exceed
8 \$500 for each violation. Each day that the activity, which
9 gave rise to the original fine, continues is a separate
10 violation. The maximum fine that may be levied against any
11 licensee, for the period of the license, shall not exceed
12 \$20,000. The maximum penalty that may be imposed on a
13 licensee for selling a bottle of alcoholic liquor with a
14 foreign object in it or serving from a bottle of alcoholic
15 liquor with a foreign object in it shall be the
16 destruction of that bottle of alcoholic liquor for the
17 first 10 bottles so sold or served from by the licensee.
18 For the eleventh bottle of alcoholic liquor and for each
19 third bottle thereafter sold or served from by the
20 licensee with a foreign object in it, the maximum penalty
21 that may be imposed on the licensee is the destruction of
22 the bottle of alcoholic liquor and a fine of up to \$50.

23 Any notice issued by the State Commission to a
24 licensee for a violation of this Act or any notice with
25 respect to settlement or offer in compromise shall include
26 the field report, photographs, and any other supporting

1 documentation necessary to reasonably inform the licensee
2 of the nature and extent of the violation or the conduct
3 alleged to have occurred. The failure to include such
4 required documentation shall result in the dismissal of
5 the action.

6 (2) To adopt such rules and regulations consistent
7 with the provisions of this Act which shall be necessary
8 to 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. Nothing in this Act
26 authorizes an agent of the State Commission to inspect

1 private areas within the premises without reasonable
2 suspicion or a warrant during an inspection. "Private
3 areas" include, but are not limited to, safes, personal
4 property, and closed desks.

5 (5.1) Upon receipt of a complaint or upon having
6 knowledge that any person is engaged in business as a
7 manufacturer, importing distributor, distributor, or
8 retailer without a license or valid license, to conduct an
9 investigation. If, after conducting an investigation, the
10 State Commission is satisfied that the alleged conduct
11 occurred or is occurring, it may issue a cease and desist
12 notice as provided in this Act, impose civil penalties as
13 provided in this Act, notify the local liquor authority,
14 or file a complaint with the State's Attorney's Office of
15 the county where the incident occurred or the Attorney
16 General.

17 (5.2) Upon receipt of a complaint or upon having
18 knowledge that any person is shipping alcoholic liquor
19 into this State from a point outside of this State if the
20 shipment is in violation of this Act, to conduct an
21 investigation. If, after conducting an investigation, the
22 State Commission is satisfied that the alleged conduct
23 occurred or is occurring, it may issue a cease and desist
24 notice as provided in this Act, impose civil penalties as
25 provided in this Act, notify the foreign jurisdiction, or
26 file a complaint with the State's Attorney's Office of the

1 county where the incident occurred or the Attorney
2 General.

3 (5.3) To receive complaints from licensees, local
4 officials, law enforcement agencies, organizations, and
5 persons stating that any licensee has been or is violating
6 any provision of this Act or the rules and regulations
7 issued pursuant to this Act. Such complaints shall be in
8 writing, signed and sworn to by the person making the
9 complaint, and shall state with specificity the facts in
10 relation to the alleged violation. If the State Commission
11 has reasonable grounds to believe that the complaint
12 substantially alleges a violation of this Act or rules and
13 regulations adopted pursuant to this Act, it shall conduct
14 an investigation. If, after conducting an investigation,
15 the State Commission is satisfied that the alleged
16 violation did occur, it shall proceed with disciplinary
17 action against the licensee as provided in this Act.

18 (5.4) To make arrests and issue notices of civil
19 violations where necessary for the enforcement of this
20 Act.

21 (5.5) To investigate any and all unlicensed activity.

22 (5.6) To impose civil penalties or fines to any person
23 who, without holding a valid license, engages in conduct
24 that requires a license pursuant to this Act, in an amount
25 not to exceed \$20,000 for each offense as determined by
26 the State Commission. A civil penalty shall be assessed by

1 the State Commission after a hearing is held in accordance
2 with the provisions set forth in this Act regarding the
3 provision of a hearing for the revocation or suspension of
4 a license.

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

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

1 all times the beneficial ownership of such retail licensed
2 business. The accounts, forms, records, and memoranda
3 shall be available at all reasonable times for inspection
4 by authorized representatives of the State Commission or
5 by any local liquor control commissioner or his or her
6 authorized representative. The commission may, from time
7 to time, alter, amend, or repeal, in whole or in part, any
8 uniform system of accounts, or the form and manner of
9 keeping accounts.

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

25 Any circuit court may, by order duly entered, require
26 the attendance of witnesses and the production of relevant

1 books subpoenaed by the State Commission and the court may
2 compel obedience to its order by proceedings for contempt.

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

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

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

19 (11.1) To license persons providing education and
20 training to alcohol beverage sellers and servers for
21 mandatory and non-mandatory training under the Beverage
22 Alcohol Sellers and Servers Education and Training
23 (BASSET) programs and to develop and administer a public
24 awareness program in Illinois to reduce or eliminate the
25 illegal purchase and consumption of alcoholic beverage
26 products by persons under the age of 21. Application for a

1 license shall be made on forms provided by the State
2 Commission.

3 (12) To develop and maintain a repository of license
4 and regulatory information.

5 (13) (Blank).

6 (14) On or before April 30, 2008 and every 2 years
7 thereafter, the State Commission shall present a written
8 report to the Governor and the General Assembly that shall
9 be based on a study of the impact of Public Act 95-634 on
10 the business of soliciting, selling, and shipping wine
11 from inside and outside of this State directly to
12 residents of this State. As part of its report, the State
13 Commission shall provide all of the following information:

14 (A) The amount of State excise and sales tax
15 revenues generated.

16 (B) The amount of licensing fees received.

17 (C) The number of cases of wine shipped from
18 inside and outside of this State directly to residents
19 of this State.

20 (D) The number of alcohol compliance operations
21 conducted.

22 (E) The number of winery shipper's licenses
23 issued.

24 (F) The number of each of the following: reported
25 violations; cease and desist notices issued by the
26 Commission; notices of violations issued by the

1 Commission and to the Department of Revenue; and
2 notices and complaints of violations to law
3 enforcement officials, including, without limitation,
4 the Illinois Attorney General and the U.S. Department
5 of Treasury's Alcohol and Tobacco Tax and Trade
6 Bureau.

7 (15) As a means to reduce the underage consumption of
8 alcoholic liquors, the State Commission shall conduct
9 alcohol compliance operations to investigate whether
10 businesses that are soliciting, selling, and shipping wine
11 from inside or outside of this State directly to residents
12 of this State are licensed by this State or are selling or
13 attempting to sell wine to persons under 21 years of age in
14 violation of this Act.

15 (16) The State Commission shall, in addition to
16 notifying any appropriate law enforcement agency, submit
17 notices of complaints or violations of Sections 6-29 and
18 6-29.1 by persons who do not hold a winery shipper's
19 license under this Act to the Illinois Attorney General
20 and to the U.S. Department of Treasury's Alcohol and
21 Tobacco Tax and Trade Bureau.

22 (17) (A) A person licensed to make wine under the laws
23 of another state who has a winery shipper's license under
24 this Act and annually produces less than 25,000 gallons of
25 wine or a person who has a first-class or second-class
26 wine manufacturer's license, a first-class or second-class

1 wine-maker's license, or a limited wine manufacturer's
2 license under this Act and annually produces less than
3 25,000 gallons of wine may make application to the
4 Commission for a self-distribution exemption to allow the
5 sale of not more than 5,000 gallons of the exemption
6 holder's wine to retail licensees per year and to sell
7 cider, mead, or both cider and mead to brewers, class 1
8 brewers, class 2 brewers, and class 3 brewers that,
9 pursuant to subsection (e) of Section 6-4 of this Act,
10 sell beer, cider, mead, or any combination thereof to
11 non-licensees at their breweries.

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

21 (C) The State Commission shall approve the application
22 for a self-distribution exemption if such person: (1) is
23 in compliance with State revenue and liquor laws; (2) is
24 not a member of any affiliated group that produces
25 directly or indirectly more than 25,000 gallons of wine
26 per annum, 930,000 gallons of beer per annum, or 50,000

1 gallons of spirits per annum; (3) will not annually
2 produce for sale more than 25,000 gallons of wine, 930,000
3 gallons of beer, or 50,000 gallons of spirits; and (4)
4 will not annually sell more than 5,000 gallons of its wine
5 to retail licensees.

6 (D) A self-distribution exemption holder shall
7 annually certify to the State Commission its production of
8 wine in the previous 12 months and its anticipated
9 production and sales for the next 12 months. The State
10 Commission may fine, suspend, or revoke a
11 self-distribution exemption after a hearing if it finds
12 that the exemption holder has made a material
13 misrepresentation in its application, violated a revenue
14 or liquor law of Illinois, exceeded production of 25,000
15 gallons of wine, 930,000 gallons of beer, or 50,000
16 gallons of spirits in any calendar year, or become part of
17 an affiliated group producing more than 25,000 gallons of
18 wine, 930,000 gallons of beer, or 50,000 gallons of
19 spirits.

20 (E) Except in hearings for violations of this Act or
21 Public Act 95-634 or a bona fide investigation by duly
22 sworn law enforcement officials, the State Commission, or
23 its agents, the State Commission shall maintain the
24 production and sales information of a self-distribution
25 exemption holder as confidential and shall not release
26 such information to any person.

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

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

8 (H) It is the intent of this paragraph (17) 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
12 exception for smaller makers of wine as their wines are
13 frequently adjusted in varietals, mixes, vintages, and
14 taste to find and create market niches sometimes too small
15 for distributor or importing distributor business
16 strategies. Limited self-distribution rights will afford
17 and allow smaller makers of wine access to the marketplace
18 in order to develop a customer base without impairing the
19 integrity of the 3-tier system.

20 (18)(A) A class 1 brewer licensee, who must also be
21 either a licensed brewer or licensed non-resident dealer
22 and annually manufacture less than 930,000 gallons of
23 beer, may make application to the State Commission for a
24 self-distribution exemption to allow the sale of not more
25 than 232,500 gallons per year of the exemption holder's
26 beer to retail licensees and to brewers, class 1 brewers,

1 and class 2 brewers that, pursuant to subsection (e) of
2 Section 6-4 of this Act, sell beer, cider, mead, or any
3 combination thereof to non-licensees at their breweries.

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

14 (C) Any application submitted shall be posted on the
15 State Commission's website at least 45 days prior to
16 action by the State Commission. The State Commission shall
17 approve the application for a self-distribution exemption
18 if the class 1 brewer licensee: (1) is in compliance with
19 the State, revenue, and alcoholic beverage laws; (2) is
20 not a member of any affiliated group that manufactures,
21 directly or indirectly, more than 930,000 gallons of beer
22 per annum, 25,000 gallons of wine per annum, or 50,000
23 gallons of spirits per annum; (3) shall not annually
24 manufacture for sale more than 930,000 gallons of beer,
25 25,000 gallons of wine, or 50,000 gallons of spirits; (4)
26 shall not annually sell more than 232,500 gallons of its

1 beer to retail licensees and class 3 brewers and to
2 brewers, class 1 brewers, and class 2 brewers that,
3 pursuant to subsection (e) of Section 6-4 of this Act,
4 sell beer, cider, mead, or any combination thereof 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
10 of 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, 25,000 gallons of
18 wine, or 50,000 gallons of spirits in any calendar year or
19 became part of an affiliated group manufacturing more than
20 930,000 gallons of beer, 25,000 gallons of wine, or 50,000
21 gallons of spirits.

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

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

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

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

17 (19)(A) A class 1 craft distiller licensee or a
18 non-resident dealer who manufactures less than 50,000
19 gallons of distilled spirits per year may make application
20 to the State Commission for a self-distribution exemption
21 to allow the sale of not more than 5,000 gallons of the
22 exemption holder's spirits to retail licensees per year.

23 (B) In the application, which shall be sworn under
24 penalty of perjury, the class 1 craft distiller licensee
25 or non-resident dealer shall state (1) the date it was
26 established; (2) its volume of spirits manufactured and

1 sold for each year since its establishment; (3) its
2 efforts to establish distributor relationships; (4) that a
3 self-distribution exemption is necessary to facilitate the
4 marketing of its spirits; and (5) that it will comply with
5 the alcoholic beverage and revenue laws of the United
6 States, this State, and any other state where it is
7 licensed.

8 (C) Any application submitted shall be posted on the
9 State Commission's website at least 45 days prior to
10 action by the State Commission. The State Commission shall
11 approve the application for a self-distribution exemption
12 if the applicant: (1) is in compliance with State revenue
13 and alcoholic beverage laws; (2) is not a member of any
14 affiliated group that produces more than 50,000 gallons of
15 spirits per annum, 930,000 gallons of beer per annum, or
16 25,000 gallons of wine per annum; (3) does not annually
17 manufacture for sale more than 50,000 gallons of spirits,
18 930,000 gallons of beer, or 25,000 gallons of wine; and
19 (4) does not annually sell more than 5,000 gallons of its
20 spirits to retail licensees.

21 (D) A self-distribution exemption holder shall
22 annually certify to the State Commission its manufacture
23 of spirits during the previous 12 months and its
24 anticipated manufacture and sales of spirits for the next
25 12 months. The State Commission may fine, suspend, or
26 revoke a self-distribution exemption after a hearing if it

1 finds that the exemption holder has made a material
2 misrepresentation in its application, violated a revenue
3 or alcoholic beverage law of Illinois, exceeded the
4 manufacture of 50,000 gallons of spirits, 930,000 gallons
5 of beer, or 25,000 gallons of wine in any calendar year, or
6 has become part of an affiliated group manufacturing more
7 than 50,000 gallons of spirits, 930,000 gallons of beer,
8 or 25,000 gallons of wine.

9 (E) The State Commission shall adopt rules governing
10 self-distribution exemptions consistent with this Act.

11 (F) Nothing in this paragraph (19) shall prohibit a
12 self-distribution exemption holder from entering into or
13 simultaneously having a distribution agreement with a
14 licensed Illinois importing distributor or a distributor.

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

23 (20) (A) A class 3 brewer licensee who must manufacture
24 less than 465,000 gallons of beer in the aggregate and not
25 more than 155,000 gallons at any single brewery premises
26 may make application to the State Commission for a

1 self-distribution exemption to allow the sale of not more
2 than 77,500 ~~6,200~~ gallons of beer from each in-state or
3 out-of-state class 3 brewery premises, which shall not
4 exceed 232,500 ~~18,600~~ gallons annually in the aggregate,
5 that is manufactured at a wholly owned class 3 brewer's
6 in-state or out-of-state licensed premises to retail
7 licensees and class 3 brewers and to brewers, class 1
8 brewers, class 2 brewers that, pursuant to subsection (e)
9 of Section 6-4, sell beer, cider, or both beer and cider to
10 non-licensees at their licensed breweries.

11 (B) In the application, which shall be sworn under
12 penalty of perjury, the class 3 brewer licensee shall
13 state:

14 (1) the date it was established;

15 (2) its volume of beer manufactured and sold for
16 each year since its establishment;

17 (3) its efforts to establish distributor
18 relationships;

19 (4) that a self-distribution exemption is
20 necessary to facilitate the marketing of its beer; and

21 (5) that it will comply with the alcoholic
22 beverage and revenue laws of the United States, this
23 State, and any other state where it is licensed.

24 (C) Any application submitted shall be posted on the
25 State Commission's website at least 45 days before action
26 by the State Commission. The State Commission shall

1 approve the application for a self-distribution exemption
2 if the class 3 brewer licensee: (1) is in compliance with
3 the State, revenue, and alcoholic beverage laws; (2) is
4 not a member of any affiliated group that manufacturers,
5 directly or indirectly, more than 465,000 gallons of beer
6 per annum; (3) shall not annually manufacture for sale
7 more than 465,000 gallons of beer or more than 155,000
8 gallons at any single brewery premises; and (4) shall not
9 annually sell more than 77,500 ~~67,200~~ gallons of beer from
10 each in-state or out-of-state class 3 brewery premises,
11 and shall not exceed 232,500 ~~18,600~~ gallons annually in
12 the aggregate, to retail licensees and class 3 brewers and
13 to brewers, class 1 brewers, and class 2 brewers that,
14 pursuant to subsection (e) of Section 6-4 of this Act,
15 sell beer, cider, or both beer and cider to non-licensees
16 at their breweries.

17 (D) A self-distribution exemption holder shall
18 annually certify to the State Commission its manufacture
19 of beer during the previous 12 months and its anticipated
20 manufacture and sales of beer for the next 12 months. The
21 State Commission may fine, suspend, or revoke a
22 self-distribution exemption after a hearing if it finds
23 that the exemption holder has made a material
24 misrepresentation in its application, violated a revenue
25 or alcoholic beverage law of Illinois, exceeded the
26 manufacture of 465,000 gallons of beer in any calendar

1 year or became part of an affiliated group manufacturing
2 more than 465,000 gallons of beer, or exceeded the sale to
3 retail licensees, brewers, class 1 brewers, class 2
4 brewers, and class 3 brewers of 77,500 ~~6,200~~ gallons per
5 brewery location or 232,500 ~~18,600~~ gallons in the
6 aggregate.

7 (E) The State Commission may adopt rules governing
8 self-distribution exemptions consistent with this Act.

9 (F) Nothing in this paragraph shall prohibit a
10 self-distribution exemption holder from entering into or
11 simultaneously having a distribution agreement with a
12 licensed Illinois importing distributor or a distributor.
13 If a self-distribution exemption holder enters into a
14 distribution agreement and has assigned distribution
15 rights to an importing distributor or distributor, then
16 the self-distribution exemption holder's distribution
17 rights in the assigned territories shall cease in a
18 reasonable time not to exceed 60 days.

19 (G) It is the intent of this paragraph to promote and
20 continue orderly markets. The General Assembly finds that
21 in order to preserve Illinois' regulatory distribution
22 system, it is necessary to create an exception for smaller
23 manufacturers in order to afford and allow such smaller
24 manufacturers of beer access to the marketplace in order
25 to develop a customer base without impairing the integrity
26 of the 3-tier system.

1 (b) On or before April 30, 1999, the Commission shall
2 present a written report to the Governor and the General
3 Assembly that shall be based on a study of the impact of Public
4 Act 90-739 on the business of soliciting, selling, and
5 shipping alcoholic liquor from outside of this State directly
6 to residents of this State.

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

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

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

13 (iii) the number of reported violations, the number of
14 cease and desist notices issued by the Commission, the
15 number of notices of violations issued to the Department
16 of Revenue, and the number of notices and complaints of
17 violations to law enforcement officials.

18 (Source: P.A. 101-37, eff. 7-3-19; 101-81, eff. 7-12-19;
19 101-482, eff. 8-23-19; 102-442, eff. 8-20-21; 102-558, eff.
20 8-20-21; 102-813, eff. 5-13-22.)

21 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

24 (a) Manufacturer's license - Class 1. Distiller, Class 2.
25 Rectifier, Class 3. Brewer, Class 4. First Class Wine

1 Manufacturer, Class 5. Second Class Wine Manufacturer, Class
2 6. First Class Winemaker, Class 7. Second Class Winemaker,
3 Class 8. Limited Wine Manufacturer, Class 9. Craft Distiller,
4 Class 10. Class 1 Craft Distiller, Class 11. Class 2 Craft
5 Distiller, Class 12. Class 1 Brewer, Class 13. Class 2 Brewer,
6 Class 14. Class 3 Brewer,

7 (b) Distributor's license,

8 (c) Importing Distributor's license,

9 (d) Retailer's license,

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

11 (f) Railroad license,

12 (g) Boat license,

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

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

15 (j) Airplane license,

16 (k) Foreign importer's license,

17 (l) Broker's license,

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

19 (n) Brew Pub license,

20 (o) Auction liquor license,

21 (p) Caterer retailer license,

22 (q) Special use permit license,

23 (r) Winery shipper's license,

24 (s) Craft distiller tasting permit,

25 (t) Brewer warehouse permit,

26 (u) Distilling pub license,

1 (v) Craft distiller warehouse permit,

2 (w) Beer showcase permit.

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

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

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

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

19 Class 3. A Brewer may make sales and deliveries of beer to
20 importing distributors and distributors and may make sales as
21 authorized under subsection (e) of Section 6-4 of this Act,
22 including any alcoholic liquor that subsection (e) of Section
23 6-4 authorizes a brewer to sell in its original package only to
24 a non-licensee for pick-up by a non-licensee either within the
25 interior of the brewery premises or at outside of the brewery
26 premises at a curb-side or parking lot adjacent to the brewery

1 premises, subject to any local ordinance.

2 Class 4. A first class wine-manufacturer may make sales
3 and deliveries of up to 50,000 gallons of wine to
4 manufacturers, importing distributors and distributors, and to
5 no other licensees. If a first-class wine-manufacturer
6 manufactures beer, it shall also obtain and shall only be
7 eligible for, in addition to any current license, a class 1
8 brewer license, shall not manufacture more than 930,000
9 gallons of beer per year, and shall not be a member of or
10 affiliated with, directly or indirectly, a manufacturer that
11 produces more than 930,000 gallons of beer per year. If the
12 first-class wine-manufacturer manufactures spirits, it shall
13 also obtain and shall only be eligible for, in addition to any
14 current license, a class 1 craft distiller license, shall not
15 manufacture more than 50,000 gallons of spirits per year, and
16 shall not be a member of or affiliated with, directly or
17 indirectly, a manufacturer that produces more than 50,000
18 gallons of spirits per year. A first-class wine-manufacturer
19 shall be permitted to sell wine manufactured at the
20 first-class wine-manufacturer premises to non-licensees.

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

25 Class 6. A first-class wine-maker's license shall allow
26 the manufacture of up to 50,000 gallons of wine per year, and

1 the storage and sale of such wine to distributors in the State
2 and to persons without the State, as may be permitted by law. A
3 person who, prior to June 1, 2008 (the effective date of Public
4 Act 95-634), is a holder of a first-class wine-maker's license
5 and annually produces more than 25,000 gallons of its own wine
6 and who distributes its wine to licensed retailers shall cease
7 this practice on or before July 1, 2008 in compliance with
8 Public Act 95-634. If a first-class wine-maker manufactures
9 beer, it shall also obtain and shall only be eligible for, in
10 addition to any current license, a class 1 brewer license,
11 shall not manufacture more than 930,000 gallons of beer per
12 year, and shall not be a member of or affiliated with, directly
13 or indirectly, a manufacturer that produces more than 930,000
14 gallons of beer per year. If the first-class wine-maker
15 manufactures spirits, it shall also obtain and shall only be
16 eligible for, in addition to any current license, a class 1
17 craft distiller license, shall not manufacture more than
18 50,000 gallons of spirits per year, and shall not be a member
19 of or affiliated with, directly or indirectly, a manufacturer
20 that produces more than 50,000 gallons of spirits per year. A
21 first-class wine-maker holding a class 1 brewer license or a
22 class 1 craft distiller license shall not be eligible for a
23 wine-maker's premises license but shall be permitted to sell
24 wine manufactured at the first-class wine-maker premises to
25 non-licensees.

26 Class 7. A second-class wine-maker's license shall allow

1 the manufacture of up to 150,000 gallons of wine per year, and
2 the storage and sale of such wine to distributors in this State
3 and to persons without the State, as may be permitted by law. A
4 person who, prior to June 1, 2008 (the effective date of Public
5 Act 95-634), is a holder of a second-class wine-maker's
6 license and annually produces more than 25,000 gallons of its
7 own wine and who distributes its wine to licensed retailers
8 shall cease this practice on or before July 1, 2008 in
9 compliance with Public Act 95-634. If a second-class
10 wine-maker manufactures beer, it shall also obtain and shall
11 only be eligible for, in addition to any current license, a
12 class 2 brewer license, shall not manufacture more than
13 3,720,000 gallons of beer per year, and shall not be a member
14 of or affiliated with, directly or indirectly, a manufacturer
15 that produces more than 3,720,000 gallons of beer per year. If
16 a second-class wine-maker manufactures spirits, it shall also
17 obtain and shall only be eligible for, in addition to any
18 current license, a class 2 craft distiller license, shall not
19 manufacture more than 100,000 gallons of spirits per year, and
20 shall not be a member of or affiliated with, directly or
21 indirectly, a manufacturer that produces more than 100,000
22 gallons of spirits per year.

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

1 Class 9. A craft distiller license, which may only be held
2 by a class 1 craft distiller licensee or class 2 craft
3 distiller licensee but not held by both a class 1 craft
4 distiller licensee and a class 2 craft distiller licensee,
5 shall grant all rights conveyed by either: (i) a class 1 craft
6 distiller license if the craft distiller holds a class 1 craft
7 distiller license; or (ii) a class 2 craft distiller licensee
8 if the craft distiller holds a class 2 craft distiller
9 license.

10 Class 10. A class 1 craft distiller license, which may
11 only be issued to a licensed craft distiller or licensed
12 non-resident dealer, shall allow the manufacture of up to
13 50,000 gallons of spirits per year provided that the class 1
14 craft distiller licensee does not manufacture more than a
15 combined 50,000 gallons of spirits per year and is not a member
16 of or affiliated with, directly or indirectly, a manufacturer
17 that produces more than 50,000 gallons of spirits per year. If
18 a class 1 craft distiller manufactures beer, it shall also
19 obtain and shall only be eligible for, in addition to any
20 current license, a class 1 brewer license, shall not
21 manufacture more than 930,000 gallons of beer per year, and
22 shall not be a member of or affiliated with, directly or
23 indirectly, a manufacturer that produces more than 930,000
24 gallons of beer per year. If a class 1 craft distiller
25 manufactures wine, it shall also obtain and shall only be
26 eligible for, in addition to any current license, a

1 first-class wine-manufacturer license or a first-class
2 wine-maker's license, shall not manufacture more than 50,000
3 gallons of wine per year, and shall not be a member of or
4 affiliated with, directly or indirectly, a manufacturer that
5 produces more than 50,000 gallons of wine per year. A class 1
6 craft distiller licensee may make sales and deliveries to
7 importing distributors and distributors and to retail
8 licensees in accordance with the conditions set forth in
9 paragraph (19) of subsection (a) of Section 3-12 of this Act.
10 However, the aggregate amount of spirits sold to non-licensees
11 and sold or delivered to retail licensees may not exceed 5,000
12 gallons per year.

13 A class 1 craft distiller licensee may sell up to 5,000
14 gallons of such spirits to non-licensees to the extent
15 permitted by any exemption approved by the State Commission
16 pursuant to Section 6-4 of this Act. A class 1 craft distiller
17 license holder may store such spirits at a non-contiguous
18 licensed location, but at no time shall a class 1 craft
19 distiller license holder directly or indirectly produce in the
20 aggregate more than 50,000 gallons of spirits per year.

21 A class 1 craft distiller licensee may hold more than one
22 class 1 craft distiller's license. However, a class 1 craft
23 distiller that holds more than one class 1 craft distiller
24 license shall not manufacture, in the aggregate, more than
25 50,000 gallons of spirits by distillation per year and shall
26 not sell, in the aggregate, more than 5,000 gallons of such

1 spirits to non-licensees in accordance with an exemption
2 approved by the State Commission pursuant to Section 6-4 of
3 this Act.

4 Class 11. A class 2 craft distiller license, which may
5 only be issued to a licensed craft distiller or licensed
6 non-resident dealer, shall allow the manufacture of up to
7 100,000 gallons of spirits per year provided that the class 2
8 craft distiller licensee does not manufacture more than a
9 combined 100,000 gallons of spirits per year and is not a
10 member of or affiliated with, directly or indirectly, a
11 manufacturer that produces more than 100,000 gallons of
12 spirits per year. If a class 2 craft distiller manufactures
13 beer, it shall also obtain and shall only be eligible for, in
14 addition to any current license, a class 2 brewer license,
15 shall not manufacture more than 3,720,000 gallons of beer per
16 year, and shall not be a member of or affiliated with, directly
17 or indirectly, a manufacturer that produces more than
18 3,720,000 gallons of beer per year. If a class 2 craft
19 distiller manufactures wine, it shall also obtain and shall
20 only be eligible for, in addition to any current license, a
21 second-class wine-maker's license, shall not manufacture more
22 than 150,000 gallons of wine per year, and shall not be a
23 member of or affiliated with, directly or indirectly, a
24 manufacturer that produces more than 150,000 gallons of wine
25 per year. A class 2 craft distiller licensee may make sales and
26 deliveries to importing distributors and distributors, but

1 shall not make sales or deliveries to any other licensee. If
2 the State Commission provides prior approval, a class 2 craft
3 distiller licensee may annually transfer up to 100,000 gallons
4 of spirits manufactured by that class 2 craft distiller
5 licensee to the premises of a licensed class 2 craft distiller
6 wholly owned and operated by the same licensee. A class 2 craft
7 distiller may transfer spirits to a distilling pub wholly
8 owned and operated by the class 2 craft distiller subject to
9 the following limitations and restrictions: (i) the transfer
10 shall not annually exceed more than 5,000 gallons; (ii) the
11 annual amount transferred shall reduce the distilling pub's
12 annual permitted production limit; (iii) all spirits
13 transferred shall be subject to Article VIII of this Act; (iv)
14 a written record shall be maintained by the distiller and
15 distilling pub specifying the amount, date of delivery, and
16 receipt of the product by the distilling pub; and (v) the
17 distilling pub shall be located no farther than 80 miles from
18 the class 2 craft distiller's licensed location.

19 A class 2 craft distiller shall, prior to transferring
20 spirits to a distilling pub wholly owned by the class 2 craft
21 distiller, furnish a written notice to the State Commission of
22 intent to transfer spirits setting forth the name and address
23 of the distilling pub and shall annually submit to the State
24 Commission a verified report identifying the total gallons of
25 spirits transferred to the distilling pub wholly owned by the
26 class 2 craft distiller.

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

6 Class 12. A class 1 brewer license, which may only be
7 issued to a licensed brewer or licensed non-resident dealer,
8 shall allow the manufacture of up to 930,000 gallons of beer
9 per year provided that the class 1 brewer licensee does not
10 manufacture more than a combined 930,000 gallons of beer per
11 year and is not a member of or affiliated with, directly or
12 indirectly, a manufacturer that produces more than 930,000
13 gallons of beer per year. If a class 1 brewer manufactures
14 spirits, it shall also obtain and shall only be eligible for,
15 in addition to any current license, a class 1 craft distiller
16 license, shall not manufacture more than 50,000 gallons of
17 spirits per year, and shall not be a member of or affiliated
18 with, directly or indirectly, a manufacturer that produces
19 more than 50,000 gallons of spirits per year. If a class 1
20 craft brewer manufactures wine, it shall also obtain and shall
21 only be eligible for, in addition to any current license, a
22 first-class wine-manufacturer license or a first-class
23 wine-maker's license, shall not manufacture more than 50,000
24 gallons of wine per year, and shall not be a member of or
25 affiliated with, directly or indirectly, a manufacturer that
26 produces more than 50,000 gallons of wine per year. A class 1

1 brewer licensee may make sales and deliveries to importing
2 distributors and distributors and to retail licensees in
3 accordance with the conditions set forth in paragraph (18) of
4 subsection (a) of Section 3-12 of this Act. If the State
5 Commission provides prior approval, a class 1 brewer may
6 annually transfer up to 930,000 gallons of beer manufactured
7 by that class 1 brewer to the premises of a licensed class 1
8 brewer wholly owned and operated by the same licensee.

9 Class 13. A class 2 brewer license, which may only be
10 issued to a licensed brewer or licensed non-resident dealer,
11 shall allow the manufacture of up to 3,720,000 gallons of beer
12 per year provided that the class 2 brewer licensee does not
13 manufacture more than a combined 3,720,000 gallons of beer per
14 year and is not a member of or affiliated with, directly or
15 indirectly, a manufacturer that produces more than 3,720,000
16 gallons of beer per year. If a class 2 brewer manufactures
17 spirits, it shall also obtain and shall only be eligible for,
18 in addition to any current license, a class 2 craft distiller
19 license, shall not manufacture more than 100,000 gallons of
20 spirits per year, and shall not be a member of or affiliated
21 with, directly or indirectly, a manufacturer that produces
22 more than 100,000 gallons of spirits per year. If a class 2
23 craft distiller manufactures wine, it shall also obtain and
24 shall only be eligible for, in addition to any current
25 license, a second-class wine-maker's license, shall not
26 manufacture more than 150,000 gallons of wine per year, and

1 shall not be a member of or affiliated with, directly or
2 indirectly, a manufacturer that produces more than 150,000
3 gallons of wine a year. A class 2 brewer licensee may make
4 sales and deliveries to importing distributors and
5 distributors, but shall not make sales or deliveries to any
6 other licensee. If the State Commission provides prior
7 approval, a class 2 brewer licensee may annually transfer up
8 to 3,720,000 gallons of beer manufactured by that class 2
9 brewer licensee to the premises of a licensed class 2 brewer
10 wholly owned and operated by the same licensee.

11 A class 2 brewer may transfer beer to a brew pub wholly
12 owned and operated by the class 2 brewer subject to the
13 following limitations and restrictions: (i) the transfer shall
14 not annually exceed more than 31,000 gallons; (ii) the annual
15 amount transferred shall reduce the brew pub's annual
16 permitted production limit; (iii) all beer transferred shall
17 be subject to Article VIII of this Act; (iv) a written record
18 shall be maintained by the brewer and brew pub specifying the
19 amount, date of delivery, and receipt of the product by the
20 brew pub; and (v) the brew pub shall be located no farther than
21 80 miles from the class 2 brewer's licensed location.

22 A class 2 brewer shall, prior to transferring beer to a
23 brew pub wholly owned by the class 2 brewer, furnish a written
24 notice to the State Commission of intent to transfer beer
25 setting forth the name and address of the brew pub and shall
26 annually submit to the State Commission a verified report

1 identifying the total gallons of beer transferred to the brew
2 pub wholly owned by the class 2 brewer.

3 Class 14. A class 3 brewer license, which may be issued to
4 a brewer or a non-resident dealer, shall allow the manufacture
5 of no more than 465,000 gallons of beer per year and no more
6 than 155,000 gallons at a single brewery premises, and shall
7 allow the sale of no more than 77,500 ~~6,200~~ gallons of beer
8 from each in-state or out-of-state class 3 brewery premises,
9 or 232,500 ~~18,600~~ gallons in the aggregate, to retail
10 licensees, class 1 brewers, class 2 brewers, and class 3
11 brewers as long as the class 3 brewer licensee does not
12 manufacture more than a combined 465,000 gallons of beer per
13 year and is not a member of or affiliated with, directly or
14 indirectly, a manufacturer that produces more than 465,000
15 gallons of beer per year to make sales to importing
16 distributors, distributors, retail licensees, brewers, class 1
17 brewers, class 2 brewers, and class 3 brewers in accordance
18 with the conditions set forth in paragraph (20) of subsection
19 (a) of Section 3-12. If the State Commission provides prior
20 approval, a class 3 brewer may annually transfer up to 155,000
21 gallons of beer manufactured by that class 3 brewer to the
22 premises of a licensed class 3 brewer wholly owned and
23 operated by the same licensee. A class 3 brewer shall
24 manufacture beer at the brewer's class 3 designated licensed
25 premises, and may sell beer as otherwise provided in this Act.

26 (a-1) A manufacturer which is licensed in this State to

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

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

25 (b) A distributor's license shall allow (i) the wholesale
26 purchase and storage of alcoholic liquors and sale of

1 alcoholic liquors to licensees in this State and to persons
2 without the State, as may be permitted by law; (ii) the sale of
3 beer, cider, mead, or any combination thereof to brewers,
4 class 1 brewers, and class 2 brewers that, pursuant to
5 subsection (e) of Section 6-4 of this Act, sell beer, cider,
6 mead, or any combination thereof to non-licensees at their
7 breweries; (iii) the sale of vermouth to class 1 craft
8 distillers and class 2 craft distillers that, pursuant to
9 subsection (e) of Section 6-4 of this Act, sell spirits,
10 vermouth, or both spirits and vermouth to non-licensees at
11 their distilleries; or (iv) as otherwise provided in this Act.
12 No person licensed as a distributor shall be granted a
13 non-resident dealer's license.

14 (c) An importing distributor's license may be issued to
15 and held by those only who are duly licensed distributors,
16 upon the filing of an application by a duly licensed
17 distributor, with the Commission and the Commission shall,
18 without the payment of any fee, immediately issue such
19 importing distributor's license to the applicant, which shall
20 allow the importation of alcoholic liquor by the licensee into
21 this State from any point in the United States outside this
22 State, and the purchase of alcoholic liquor in barrels, casks
23 or other bulk containers and the bottling of such alcoholic
24 liquors before resale thereof, but all bottles or containers
25 so filled shall be sealed, labeled, stamped and otherwise made
26 to comply with all provisions, rules and regulations governing

1 manufacturers in the preparation and bottling of alcoholic
2 liquors. The importing distributor's license shall permit such
3 licensee to purchase alcoholic liquor from Illinois licensed
4 non-resident dealers and foreign importers only. No person
5 licensed as an importing distributor shall be granted a
6 non-resident dealer's license.

7 (d) A retailer's license shall allow the licensee to sell
8 and offer for sale at retail, only in the premises specified in
9 the license, alcoholic liquor for use or consumption, but not
10 for resale in any form. Except as provided in Section 6-16,
11 6-29, or 6-29.1, nothing in this Act shall deny, limit,
12 remove, or restrict the ability of a holder of a retailer's
13 license to transfer or ship alcoholic liquor to the purchaser
14 for use or consumption subject to any applicable local law or
15 ordinance. For the purposes of this Section, "shipping" means
16 the movement of alcoholic liquor from a licensed retailer to a
17 consumer via a common carrier. Except as provided in Section
18 6-16, 6-29, or 6-29.1, nothing in this Act shall deny, limit,
19 remove, or restrict the ability of a holder of a retailer's
20 license to deliver alcoholic liquor to the purchaser for use
21 or consumption. The delivery shall be made only within 12
22 hours from the time the alcoholic liquor leaves the licensed
23 premises of the retailer for delivery. For the purposes of
24 this Section, "delivery" means the movement of alcoholic
25 liquor purchased from a licensed retailer to a consumer
26 through the following methods:

1 (1) delivery within licensed retailer's parking lot,
2 including curbside, for pickup by the consumer;

3 (2) delivery by an owner, officer, director,
4 shareholder, or employee of the licensed retailer; or

5 (3) delivery by a third-party contractor, independent
6 contractor, or agent with whom the licensed retailer has
7 contracted to make deliveries of alcoholic liquors.

8 Under subsection (1), (2), or (3), delivery shall not
9 include the use of common carriers.

10 Any retail license issued to a manufacturer shall only
11 permit the manufacturer to sell beer at retail on the premises
12 actually occupied by the manufacturer. For the purpose of
13 further describing the type of business conducted at a retail
14 licensed premises, a retailer's licensee may be designated by
15 the State Commission as (i) an on premise consumption
16 retailer, (ii) an off premise sale retailer, or (iii) a
17 combined on premise consumption and off premise sale retailer.

18 Except for a municipality with a population of more than
19 1,000,000 inhabitants, a home rule unit may not regulate the
20 delivery of alcoholic liquor inconsistent with this
21 subsection. This paragraph is a limitation under subsection
22 (i) of Section 6 of Article VII of the Illinois Constitution on
23 the concurrent exercise by home rule units of powers and
24 functions exercised by the State. A non-home rule municipality
25 may not regulate the delivery of alcoholic liquor inconsistent
26 with this subsection.

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

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

1 and does not hold an exemption number under Section 1g of the
2 Retailers' Occupation Tax Act, in which event the Commission
3 shall set forth on the special event retailer's license a
4 statement to that effect; (ii) submit with the application
5 proof satisfactory to the State Commission that the applicant
6 will provide dram shop liability insurance in the maximum
7 limits; and (iii) show proof satisfactory to the State
8 Commission that the applicant has obtained local authority
9 approval.

10 Nothing in this Act prohibits an Illinois licensed
11 distributor from offering credit or a refund for unused,
12 salable alcoholic liquors to a holder of a special event
13 retailer's license or the special event retailer's licensee
14 from accepting the credit or refund of alcoholic liquors at
15 the conclusion of the event specified in the license.

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
20 liquors directly from manufacturers, foreign importers,
21 distributors and importing distributors from within or outside
22 this State; and to store such alcoholic liquors in this State;
23 provided that the above powers may be exercised only in
24 connection with the importation, purchase or storage of
25 alcoholic liquors to be sold or dispensed on a club, buffet,
26 lounge or dining car operated on an electric, gas or steam

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

11 (g) A boat license shall allow the sale of alcoholic
12 liquor in individual drinks, on any passenger boat regularly
13 operated as a common carrier on navigable waters in this State
14 or on any riverboat operated under the Illinois Gambling Act,
15 which boat or riverboat maintains a public dining room or
16 restaurant 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
 13 allow a licensee who concurrently holds a second-class
 14 wine-maker's license to sell and offer for sale at retail in
 15 the premises specified in such license up to 100,000 gallons
 16 of the second-class wine-maker's wine that is made at the
 17 second-class wine-maker's licensed premises per year for use
 18 or consumption but not for resale in any form. A first-class
 19 wine-maker that concurrently holds a class 1 brewer license or
 20 a class 1 craft distiller license shall not be eligible to hold
 21 a wine-maker's premises license. A wine-maker's premises
 22 license shall allow a licensee that concurrently holds a
 23 first-class wine-maker's license or a second-class
 24 wine-maker's license to sell and offer for sale at retail at
 25 the premises specified in the wine-maker's premises license,
 26 for use or consumption but not for resale in any form, any

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

12 (j) An airplane license shall permit the licensee to
13 import alcoholic liquors into this State from any point in the
14 United States outside this State and to store such alcoholic
15 liquors in this State; to make wholesale purchases of
16 alcoholic liquors directly from manufacturers, foreign
17 importers, distributors and importing distributors from within
18 or outside this State; and to store such alcoholic liquors in
19 this State; provided that the above powers may be exercised
20 only in connection with the importation, purchase or storage
21 of alcoholic liquors to be sold or dispensed on an airplane;
22 and provided further, that airplane licensees exercising the
23 above powers shall be subject to all provisions of Article
24 VIII of this Act as applied to importing distributors. An
25 airplane licensee shall also permit the sale or dispensing of
26 alcoholic liquors on any passenger airplane regularly operated

1 by a common carrier in this State, but shall not permit the
2 sale for resale of any alcoholic liquors to any licensee
3 within this State. A single airplane license shall be required
4 of an airline company if liquor service is provided on board
5 aircraft in this State. The annual fee for such license shall
6 be as determined in Section 5-3.

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

22 (l) (i) A broker's license shall be required of all
23 persons who solicit orders for, offer to sell or offer to
24 supply alcoholic liquor to retailers in the State of Illinois,
25 or who offer to retailers to ship or cause to be shipped or to
26 make contact with distillers, craft distillers, rectifiers,

1 brewers or manufacturers or any other party within or without
2 the State of Illinois in order that alcoholic liquors be
3 shipped to a distributor, importing distributor or foreign
4 importer, whether such solicitation or offer is consummated
5 within or without the State of Illinois.

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

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

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

26 A broker's license under this subsection (1) shall not

1 entitle the holder to buy or sell any alcoholic liquors for his
2 own account or to take or deliver title to such alcoholic
3 liquors.

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

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

13 (m) A non-resident dealer's license shall permit such
14 licensee to ship into and warehouse alcoholic liquor into this
15 State from any point outside of this State, and to sell such
16 alcoholic liquor to Illinois licensed foreign importers and
17 importing distributors and to no one else in this State;
18 provided that (i) said non-resident dealer shall register with
19 the Illinois Liquor Control Commission each and every brand of
20 alcoholic liquor which it proposes to sell to Illinois
21 licensees during the license period, (ii) it shall comply with
22 all of the provisions of Section 6-9 hereof with respect to
23 registration of such Illinois licensees as may be granted the
24 right to sell such brands at wholesale by duly filing such
25 registration statement, thereby authorizing the non-resident
26 dealer to proceed to sell such brands at wholesale, and (iii)

1 the non-resident dealer shall comply with the provisions of
2 Sections 6-5 and 6-6 of this Act to the same extent that these
3 provisions apply to manufacturers. No person licensed as a
4 non-resident dealer shall be granted a distributor's or
5 importing distributor's license.

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

1 year and allocate the aggregate total between the wholly
2 owned, operated, and licensed locations.

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

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

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

1 affiliated with, directly or indirectly, a manufacturer that
2 produces more than 3,720,000 gallons of beer per year or that
3 produces any other alcoholic liquor.

4 A brew pub licensee may apply for a class 3 brewer license
5 and, upon meeting all applicable qualifications of this Act
6 and relinquishing all commonly owned brew pub or retail
7 licenses, shall be issued a class 3 brewer license. Nothing in
8 this Act shall prohibit the issuance of a class 3 brewer
9 license if the applicant:

10 (1) has a valid retail license on or before May 1,
11 2021;

12 (2) has an ownership interest in at least two brew
13 pubs licenses on or before May 1, 2021;

14 (3) the brew pub licensee applies for a class 3 brewer
15 license on or before October 1, 2022 and relinquishes all
16 commonly owned brew pub licenses; and

17 (4) relinquishes all commonly owned retail licenses on
18 or before December 31, 2022.

19 If a brew pub licensee is issued a class 3 brewer license,
20 the class 3 brewer license shall expire on the same date as the
21 existing brew pub license and the State Commission shall not
22 require a class 3 brewer licensee to obtain a brewer license,
23 or in the alternative to pay a fee for a brewer license, until
24 the date the brew pub license of the applicant would have
25 expired.

26 (o) A caterer retailer license shall allow the holder to

1 serve alcoholic liquors as an incidental part of a food
2 service that serves prepared meals which excludes the serving
3 of snacks as the primary meal, either on or off-site whether
4 licensed or unlicensed. A caterer retailer license shall allow
5 the holder, a distributor, or an importing distributor to
6 transfer any inventory to and from the holder's retail
7 premises and shall allow the holder to purchase alcoholic
8 liquor from a distributor or importing distributor to be
9 delivered directly to an off-site event.

10 Nothing in this Act prohibits a distributor or importing
11 distributor from offering credit or a refund for unused,
12 salable beer to a holder of a caterer retailer license or a
13 caterer retailer licensee from accepting a credit or refund
14 for unused, salable beer, in the event an act of God is the
15 sole reason an off-site event is cancelled and if: (i) the
16 holder of a caterer retailer license has not transferred
17 alcoholic liquor from its caterer retailer premises to an
18 off-site location; (ii) the distributor or importing
19 distributor offers the credit or refund for the unused,
20 salable beer that it delivered to the off-site premises and
21 not for any unused, salable beer that the distributor or
22 importing distributor delivered to the caterer retailer's
23 premises; and (iii) the unused, salable beer would likely
24 spoil if transferred to the caterer retailer's premises. A
25 caterer retailer license shall allow the holder to transfer
26 any inventory from any off-site location to its caterer

1 retailer premises at the conclusion of an off-site event or
2 engage a distributor or importing distributor to transfer any
3 inventory from any off-site location to its caterer retailer
4 premises at the conclusion of an off-site event, provided that
5 the distributor or importing distributor issues bona fide
6 charges to the caterer retailer licensee for fuel, labor, and
7 delivery and the distributor or importing distributor collects
8 payment from the caterer retailer licensee prior to the
9 distributor or importing distributor transferring inventory to
10 the caterer retailer premises.

11 For purposes of this subsection (o), an "act of God" means
12 an unforeseeable event, such as a rain or snow storm, hail, a
13 flood, or a similar event, that is the sole cause of the
14 cancellation of an off-site, outdoor event.

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

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

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

15 A special use permit license shall allow the holder to
16 transfer any inventory from the holder's special use premises
17 to its retail premises at the conclusion of the special use
18 event or engage a distributor or importing distributor to
19 transfer any inventory from the holder's special use premises
20 to its retail premises at the conclusion of an off-site event,
21 provided that the distributor or importing distributor issues
22 bona fide charges to the special use permit licensee for fuel,
23 labor, and delivery and the distributor or importing
24 distributor collects payment from the retail licensee prior to
25 the distributor or importing distributor transferring
26 inventory to the retail premises.

1 Nothing in this Act prohibits a distributor or importing
2 distributor from offering credit or a refund for unused,
3 salable beer to a special use permit licensee or a special use
4 permit licensee from accepting a credit or refund for unused,
5 salable beer at the conclusion of the event specified in the
6 license if: (i) the holder of the special use permit license
7 has not transferred alcoholic liquor from its retail licensed
8 premises to the premises specified in the special use permit
9 license; (ii) the distributor or importing distributor offers
10 the credit or refund for the unused, salable beer that it
11 delivered to the premises specified in the special use permit
12 license and not for any unused, salable beer that the
13 distributor or importing distributor delivered to the
14 retailer's premises; and (iii) the unused, salable beer would
15 likely spoil if transferred to the retailer premises.

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

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

1 perjury, as part of the winery shipper's license application
2 or renewal, that he or she only ships wine, either directly or
3 indirectly through a third-party provider, from the licensee's
4 own production.

5 Except for a common carrier, a third-party provider
6 shipping wine on behalf of a winery shipper's license holder
7 is the agent of the winery shipper's license holder and, as
8 such, a winery shipper's license holder is responsible for the
9 acts and omissions of the third-party provider acting on
10 behalf of the license holder. A third-party provider, except
11 for a common carrier, that engages in shipping wine into
12 Illinois on behalf of a winery shipper's license holder shall
13 consent to the jurisdiction of the State Commission and the
14 State. Any third-party, except for a common carrier, holding
15 such an appointment shall, by February 1 of each calendar year
16 and upon request by the State Commission or the Department of
17 Revenue, file with the State Commission a statement detailing
18 each shipment made to an Illinois resident. The statement
19 shall include the name and address of the third-party provider
20 filing the statement, the time period covered by the
21 statement, and the following information:

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

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

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

26 If the Department of Revenue or the State Commission requests

1 a statement under this paragraph, the third-party provider
2 must provide that statement no later than 30 days after the
3 request is made. Any books, records, supporting papers, and
4 documents containing information and data relating to a
5 statement under this paragraph shall be kept and preserved for
6 a period of 3 years, unless their destruction sooner is
7 authorized, in writing, by the Director of Revenue, and shall
8 be open and available to inspection by the Director of Revenue
9 or the State Commission or any duly authorized officer, agent,
10 or employee of the State Commission or the Department of
11 Revenue, at all times during business hours of the day. Any
12 person who violates any provision of this paragraph or any
13 rule of the State Commission for the administration and
14 enforcement of the provisions of this paragraph is guilty of a
15 Class C misdemeanor. In case of a continuing violation, each
16 day's continuance thereof shall be a separate and distinct
17 offense.

18 The State Commission shall adopt rules as soon as
19 practicable to implement the requirements of Public Act 99-904
20 and shall adopt rules prohibiting any such third-party
21 appointment of a third-party provider, except for a common
22 carrier, that has been deemed by the State Commission to have
23 violated the provisions of this Act with regard to any winery
24 shipper licensee.

25 A winery shipper licensee must pay to the Department of
26 Revenue the State liquor gallonage tax under Section 8-1 for

1 all wine that is sold by the licensee and shipped to a person
2 in this State. For the purposes of Section 8-1, a winery
3 shipper licensee shall be taxed in the same manner as a
4 manufacturer of wine. A licensee who is not otherwise required
5 to register under the Retailers' Occupation Tax Act must
6 register under the Use Tax Act to collect and remit use tax to
7 the Department of Revenue for all gallons of wine that are sold
8 by the licensee and shipped to persons in this State. If a
9 licensee fails to remit the tax imposed under this Act in
10 accordance with the provisions of Article VIII of this Act,
11 the winery shipper's license shall be revoked in accordance
12 with the provisions of Article VII of this Act. If a licensee
13 fails to properly register and remit tax under the Use Tax Act
14 or the Retailers' Occupation Tax Act for all wine that is sold
15 by the winery shipper and shipped to persons in this State, the
16 winery shipper's license shall be revoked in accordance with
17 the provisions of Article VII of this Act.

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

24 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
25 Section 3-12, the State Commission may receive, respond to,
26 and investigate any complaint and impose any of the remedies

1 specified in paragraph (1) of subsection (a) of Section 3-12.

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

7 (s) A craft distiller tasting permit license shall allow
8 an Illinois licensed class 1 craft distiller or class 2 craft
9 distiller to transfer a portion of its alcoholic liquor
10 inventory from its class 1 craft distiller or class 2 craft
11 distiller licensed premises to the premises specified in the
12 license hereby created and to conduct a sampling, only in the
13 premises specified in the license hereby created, of the
14 transferred alcoholic liquor in accordance with subsection (c)
15 of Section 6-31 of this Act. The transferred alcoholic liquor
16 may not be sold or resold in any form. An applicant for the
17 craft distiller tasting permit license must also submit with
18 the application proof satisfactory to the State Commission
19 that the applicant will provide dram shop liability insurance
20 to the maximum limits and have local authority approval.

21 (t) A brewer warehouse permit may be issued to the holder
22 of a class 1 brewer license or a class 2 brewer license. If the
23 holder of the permit is a class 1 brewer licensee, the brewer
24 warehouse permit shall allow the holder to store or warehouse
25 up to 930,000 gallons of tax-determined beer manufactured by
26 the holder of the permit at the premises specified on the

1 permit. If the holder of the permit is a class 2 brewer
2 licensee, the brewer warehouse permit shall allow the holder
3 to store or warehouse up to 3,720,000 gallons of
4 tax-determined beer manufactured by the holder of the permit
5 at the premises specified on the permit. Sales to
6 non-licensees are prohibited at the premises specified in the
7 brewer warehouse permit.

8 (u) A distilling pub license shall allow the licensee to
9 only (i) manufacture up to 5,000 gallons of spirits per year
10 only on the premises specified in the license, (ii) make sales
11 of the spirits manufactured on the premises or, with the
12 approval of the State Commission, spirits manufactured on
13 another distilling pub licensed premises that is wholly owned
14 and operated by the same licensee to importing distributors
15 and distributors and to non-licensees for use and consumption,
16 (iii) store the spirits upon the premises, (iv) sell and offer
17 for sale at retail from the licensed premises for off-premises
18 consumption no more than 5,000 gallons per year so long as such
19 sales are only made in-person, (v) sell and offer for sale at
20 retail for use and consumption on the premises specified in
21 the license any form of alcoholic liquor purchased from a
22 licensed distributor or importing distributor, and (vi) with
23 the prior approval of the State Commission, annually transfer
24 no more than 5,000 gallons of spirits manufactured on the
25 premises to a licensed distilling pub wholly owned and
26 operated by the same licensee.

1 A distilling pub licensee shall not under any circumstance
2 sell or offer for sale spirits manufactured by the distilling
3 pub licensee to retail licensees.

4 A person who holds a class 2 craft distiller license may
5 simultaneously hold a distilling pub license if the class 2
6 craft distiller (i) does not, under any circumstance, sell or
7 offer for sale spirits manufactured by the class 2 craft
8 distiller to retail licensees; (ii) does not hold more than 3
9 distilling pub licenses in this State; (iii) does not
10 manufacture more than a combined 100,000 gallons of spirits
11 per year, including the spirits manufactured at the distilling
12 pub; and (iv) is not a member of or affiliated with, directly
13 or indirectly, a manufacturer that produces more than 100,000
14 gallons of spirits per year or any other alcoholic liquor.

15 (v) A craft distiller warehouse permit may be issued to
16 the holder of a class 1 craft distiller or class 2 craft
17 distiller license. The craft distiller warehouse permit shall
18 allow the holder to store or warehouse up to 500,000 gallons of
19 spirits manufactured by the holder of the permit at the
20 premises specified on the permit. Sales to non-licensees are
21 prohibited at the premises specified in the craft distiller
22 warehouse permit.

23 (w) A beer showcase permit license shall allow an
24 Illinois-licensed distributor to transfer a portion of its
25 beer inventory from its licensed premises to the premises
26 specified in the beer showcase permit license, and, in the

1 case of a class 3 brewer, transfer only beer the class 3 brewer
2 manufactures from its licensed premises to the premises
3 specified in the beer showcase permit license; and to sell or
4 offer for sale at retail, only in the premises specified in the
5 beer showcase permit license, the transferred or delivered
6 beer for on or off premise consumption, but not for resale in
7 any form and to sell to non-licensees not more than 96 fluid
8 ounces of beer per person. A beer showcase permit license may
9 be granted for the following time periods: one day or less; or
10 2 or more days to a maximum of 15 days per location in any
11 12-month period. An applicant for a beer showcase permit
12 license must also submit with the application proof
13 satisfactory to the State Commission that the applicant will
14 provide dram shop liability insurance to the maximum limits
15 and have local authority approval. The State Commission shall
16 require the beer showcase applicant to comply with Section
17 6-27.1.

18 (Source: P.A. 101-16, eff. 6-14-19; 101-31, eff. 6-28-19;
19 101-81, eff. 7-12-19; 101-482, eff. 8-23-19; 101-517, eff.
20 8-23-19; 101-615, eff. 12-20-19; 101-668, eff. 1-1-22;
21 102-442, eff. 8-20-21; 102-1142, eff. 2-17-23.)

22 (235 ILCS 5/6-40 new)

23 Sec. 6-40. Consumer loyalty and reward programs.

24 (a) In this Section:

25 "Loyalty program" means a structured program used by a

1 retail licensee or manufacturer with retail privileges
2 licensed under this Act to encourage participants to continue
3 to shop at the retail licensee's or manufacturer with retail
4 privileges's business by allowing participants access to
5 special pricing on products by virtue of being a member of a
6 bona fide loyalty program.

7 "Mug club" means a group organized by a retail licensee or
8 a manufacturer with retail privileges licensed under this Act
9 whose members are entitled to discounted malt, brewed, or
10 distilled beverages and that is designed to allow a consumer
11 to access rewards for purchases made on the retail licensee's
12 premises or manufacturer with retail privileges's premises.

13 "Mug club" includes, but is not limited to, point accumulation
14 programs, the purchase and use of specialty glassware, and the
15 purchase and use of non-alcoholic beverage products.

16 "Rewards program" means a structured program used by a
17 retail licensee or manufacturer with retail privileges
18 licensed under this Act to encourage participants to continue
19 to shop at the retail licensee's or manufacturer with retail
20 privileges licensed business by allowing participants to
21 accrue program benefits, in the form of points or other
22 accrual-based methods of reward, through the purchase of
23 alcoholic beverages, to be redeemed in the form of a discount
24 upon a subsequent transaction on alcoholic or non-alcoholic
25 products.

26 (b) A retail licensee or manufacturer with retail

1 privileges may do any of the following:

2 (1) Operate a loyalty program, reward program, or mug
3 club for alcoholic beverages that the retail licensee or
4 manufacturer with retail privileges is licensed to sell so
5 long as the price of the product is not below the retail
6 licensee's or manufacturer with retail privileges' costs.

7 (2) Offer incentives to consumers for participation in
8 a rewards program, loyalty program, or mug club.

9 (3) Offer consumers discounts on its products as part
10 of a rewards program, loyalty program, or mug club.

11 (4) Offer benefits to members or participants of a
12 rewards program, loyalty program, or mug club that are not
13 offered to other consumers.

14 (5) Offer specialty glassware or other non-alcoholic
15 products for sale to members or participants in a rewards
16 program, loyalty program, or mug club and offer a price
17 discount to the owner of that glassware on additional
18 purchases using the glassware.

19 (6) Require members or participants in a rewards
20 program, loyalty program, or mug club to pay an annual fee
21 as well as a renewal fee to join or maintain membership or
22 continue participation in a rewards program, loyalty
23 program, or mug club.

24 (c) Membership in a mug club shall be by written
25 application and the licensee that organized the mug club must
26 maintain a written list of active members as part of its

HB2556

- 66 -

LRB104 12048 RPS 22143 b

1 records.