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1 AN ACT concerning regulation.

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

4 Section 5. The Liquor Control Act of 1934 is amended by 5 changing Sections 1-3.40, 5-1, 5-3, and 6-4 as follows:

6 (235 ILCS 5/1-3.40)

7 Sec. 1-3.40. Manufacturer class license holder. 8 "Manufacturer class license holder" means any holder of a 9 Manufacturer's license as provided in Section 5-1 of this Act. The Manufacturer's licenses are: a Class 1. Distiller, a Class 10 2. Rectifier, a Class 3. Brewer, a Class 4. First Class Wine 11 Manufacturer, a Class 5. Second Class Wine Manufacturer, a 12 Class 6. First Class Winemaker, a Class 7. Second Class 13 14 Winemaker, a Class 8. Limited Wine Manufacturer, a Class 9. Craft Distiller, a Class 10 9. Class 1 Craft Distiller, a Class 15 16 11 10. Class 2 Craft Distiller, a Class 12 11. Class 1 Brewer, 17 and a Class 13 12. Class 2 Brewer, and any future Manufacturer's licenses established by law. 18

19 (Source: P.A. 101-482, eff. 8-23-19.)

20 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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1	(a) Manufacturer's license - Class 1. Distiller, Class 2.
2	Rectifier, Class 3. Brewer, Class 4. First Class Wine
3	Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
4	First Class Winemaker, Class 7. Second Class Winemaker, Class
5	8. Limited Wine Manufacturer, <u>Class 9. Craft Distiller,</u> Class
6	<u>10</u> 9 . Class 1 Craft Distiller, Class <u>11</u> 10 . Class 2 Craft
7	Distiller, Class <u>12</u> 11 . Class 1 Brewer, Class <u>13</u> 12 . Class 2
8	Brewer,
9	(b) Distributor's license,
10	(c) Importing Distributor's license,
11	(d) Retailer's license,
12	(e) Special Event Retailer's license (not-for-profit),
13	(f) Railroad license,
14	(g) Boat license,
15	(h) Non-Beverage User's license,
16	(i) Wine-maker's premises license,
17	(j) Airplane license,
18	(k) Foreign importer's license,
19	(1) Broker's license,
20	(m) Non-resident dealer's license,
21	(n) Brew Pub license,
22	(o) Auction liquor license,
23	(p) Caterer retailer license,
24	(q) Special use permit license,
25	(r) Winery shipper's license,
26	(s) Craft distiller tasting permit,

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(t) Brewer warehouse permit,

2 (u) Distilling pub license,

(v) Craft distiller warehouse permit.

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

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

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

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

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

Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees. HB1271 Engrossed

1 Class 5. A second class Wine manufacturer may make sales 2 and deliveries of more than 50,000 gallons of wine to 3 manufacturers, importing distributors and distributors and to 4 no other licensees.

5 Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the 6 7 storage and sale of such wine to distributors in the State and 8 to persons without the State, as may be permitted by law. A 9 person who, prior to June 1, 2008 (the effective date of Public 10 Act 95-634), is a holder of a first-class wine-maker's license 11 and annually produces more than 25,000 gallons of its own wine 12 and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with 13 Public Act 95-634. 14

Class 7. A second-class wine-maker's license shall allow 15 16 the manufacture of between 50,000 and 150,000 gallons of wine 17 per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be 18 19 permitted by law. A person who, prior to June 1, 2008 (the 20 effective date of Public Act 95-634), is a holder of a second-class wine-maker's license and annually produces more 21 22 than 25,000 gallons of its own wine and who distributes its 23 wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634. 24

25 Class 8. A limited wine-manufacturer may make sales and 26 deliveries not to exceed 40,000 gallons of wine per year to HB1271 Engrossed - 5 - LRB101 03465 JRG 48473 b

1 distributors, and to non-licensees in accordance with the 2 provisions of this Act.

3 Class 9. A craft distiller license, which may only be held by a class 1 craft distiller licensee or class 2 craft 4 5 distiller licensee but not held by both a class 1 craft distiller licensee and a class 2 craft distiller licensee, 6 shall grant all rights conveyed by either: (i) a class 1 craft 7 distiller license if the craft distiller holds a class 1 craft 8 9 distiller license; or (ii) a class 2 craft distiller licensee 10 if the craft distiller holds a class 2 craft distiller license.

11 Class 10 9. A class 1 craft distiller license, which may 12 only be issued to a licensed craft distiller licensed distiller or licensed non-resident dealer, shall allow the manufacture of 13 up to 50,000 gallons of spirits per year provided that the 14 class 1 craft distiller licensee does not manufacture more than 15 a combined 50,000 gallons of spirits per year and is not a 16 17 member of or affiliated with, directly or indirectly, a manufacturer that produces more than 50,000 gallons of spirits 18 per year or any other alcoholic liquor. A class 1 craft 19 20 distiller licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in 21 22 accordance with the conditions set forth in paragraph (19) of 23 subsection (a) of Section 3-12 of this Act. However, the aggregate amount of spirits sold to non-licensees and sold or 24 25 delivered to retail licensees may not exceed 5,000 gallons per 26 year.

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A class 1 craft distiller licensee may sell up to 5,000 1 2 gallons of such spirits to non-licensees to the extent 3 permitted by any exemption approved by the State Commission pursuant to Section 6-4 of this Act. A class 1 craft distiller 4 5 license holder may store such spirits at a non-contiguous licensed location, but at no time shall a class 1 craft 6 7 distiller license holder directly or indirectly produce in the aggregate more than 50,000 gallons of spirits per year. 8

9 A class 1 craft distiller licensee may hold more than one 10 class 1 craft distiller's license. However, a class 1 craft 11 distiller that holds more than one class 1 craft distiller 12 license shall not manufacture, in the aggregate, more than 50,000 gallons of spirits by distillation per year and shall 13 not sell, in the aggregate, more than 5,000 gallons of such 14 spirits to non-licensees in accordance with an exemption 15 16 approved by the State Commission pursuant to Section 6-4 of 17 this Act.

Class 11 10. A class 2 craft distiller license, which may 18 only be issued to a licensed craft distiller licensed distiller 19 20 or licensed non-resident dealer, shall allow the manufacture of up to 100,000 gallons of spirits per year provided that the 21 22 class 2 craft distiller licensee does not manufacture more than 23 a combined 100,000 gallons of spirits per year and is not a member of or affiliated with, directly or indirectly, a 24 25 manufacturer that produces more than 100,000 gallons of spirits 26 per year or any other alcoholic liquor. A class 2 craft

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distiller licensee may make sales and deliveries to importing 1 2 distributors and distributors, but shall not make sales or 3 deliveries to any other licensee. If the State Commission provides prior approval, a class 2 craft distiller licensee may 4 5 annually transfer up to 100,000 gallons of spirits manufactured by that class 2 craft distiller licensee to the premises of a 6 7 licensed class 2 craft distiller wholly owned and operated by the same licensee. A class 2 craft distiller may transfer 8 9 spirits to a distilling pub wholly owned and operated by the 10 class 2 craft distiller subject to the following limitations 11 and restrictions: (i) the transfer shall not annually exceed 12 more than 5,000 gallons; (ii) the annual amount transferred 13 shall reduce the distilling pub's annual permitted production 14 limit; (iii) all spirits transferred shall be subject to Article VIII of this Act; (iv) a written record shall be 15 16 maintained by the distiller and distilling pub specifying the 17 amount, date of delivery, and receipt of the product by the distilling pub; and (v) the distilling pub shall be located no 18 farther than 80 miles from the class 2 craft distiller's 19 licensed location. 20

A class 2 craft distiller shall, prior to transferring spirits to a distilling pub wholly owned by the class 2 craft distiller, furnish a written notice to the State Commission of intent to transfer spirits setting forth the name and address of the distilling pub and shall annually submit to the State Commission a verified report identifying the total gallons of HB1271 Engrossed - 8 - LRB101 03465 JRG 48473 b

spirits transferred to the distilling pub wholly owned by the
 class 2 craft distiller.

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

8 Class 12 11. A class 1 brewer license, which may only be 9 issued to a licensed brewer or licensed non-resident dealer, 10 shall allow the manufacture of up to 930,000 gallons of beer 11 per year provided that the class 1 brewer licensee does not 12 manufacture more than a combined 930,000 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 930,000 15 gallons of beer per year or any other alcoholic liquor. A class 16 1 brewer licensee may make sales and deliveries to importing 17 distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (18) of 18 subsection (a) of Section 3-12 of this Act. If the State 19 Commission provides prior approval, a class 1 brewer may 20 annually transfer up to 930,000 gallons of beer manufactured by 21 22 that class 1 brewer to the premises of a licensed class 1 23 brewer wholly owned and operated by the same licensee.

Class <u>13</u> 12. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 3,720,000 gallons of beer HB1271 Engrossed - 9 - LRB101 03465 JRG 48473 b

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

13 A class 2 brewer may transfer beer to a brew pub wholly 14 owned and operated by the class 2 brewer subject to the 15 following limitations and restrictions: (i) the transfer shall 16 not annually exceed more than 31,000 gallons; (ii) the annual 17 amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject 18 to Article VIII of this Act; (iv) a written record shall be 19 20 maintained by the brewer and brew pub specifying the amount, 21 date of delivery, and receipt of the product by the brew pub; 22 and (v) the brew pub shall be located no farther than 80 miles 23 from the class 2 brewer's licensed location.

A class 2 brewer shall, prior to transferring beer to a brew pub wholly owned by the class 2 brewer, furnish a written notice to the State Commission of intent to transfer beer HB1271 Engrossed - 10 - LRB101 03465 JRG 48473 b

setting forth the name and address of the brew pub and shall annually submit to the State Commission a verified report identifying the total gallons of beer transferred to the brew pub wholly owned by the class 2 brewer.

5 (a-1) A manufacturer which is licensed in this State to 6 make sales or deliveries of alcoholic liquor to licensed 7 distributors or importing distributors and which enlists 8 agents, representatives, or individuals acting on its behalf 9 who contact licensed retailers on a regular and continual basis 10 in this State must register those agents, representatives, or 11 persons acting on its behalf with the State Commission.

12 Registration of agents, representatives, or persons acting 13 on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by 14 the Commission and shall include the name and address of the 15 16 applicant, the name and address of the manufacturer he or she 17 represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other 18 19 questions deemed appropriate and necessary. All statements in 20 the forms required to be made by law or by rule shall be deemed 21 material, and any person who knowingly misstates any material 22 fact under oath in an application is guilty of a Class B 23 misdemeanor. Fraud, misrepresentation, false statements, 24 misleading statements, evasions, or suppression of material 25 facts in the securing of a registration are grounds for suspension or revocation of the registration. The State 26

Commission shall post a list of registered agents on the
 Commission's website.

(b) A distributor's license shall allow (i) the wholesale 3 purchase and storage of alcoholic liquors and sale of alcoholic 4 5 liquors to licensees in this State and to persons without the 6 State, as may be permitted by law; (ii) the sale of beer, cider, or both beer and cider to brewers, class 1 brewers, and 7 class 2 brewers that, pursuant to subsection (e) of Section 6-4 8 9 of this Act, sell beer, cider, or both beer and cider to 10 non-licensees at their breweries; and (iii) the sale of 11 vermouth to class 1 craft distillers and class 2 craft 12 distillers that, pursuant to subsection (e) of Section 6-4 of this Act, sell spirits, vermouth, or both spirits and vermouth 13 to non-licensees at their distilleries. No person licensed as a 14 15 distributor shall be granted a non-resident dealer's license.

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

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labeled, stamped and otherwise made to comply with all 1 2 provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. 3 The importing distributor's license shall permit such licensee to 4 5 purchase alcoholic liquor from Illinois licensed non-resident 6 dealers and foreign importers only. No person licensed as an 7 importing distributor shall be granted a non-resident dealer's 8 license.

9 (d) A retailer's license shall allow the licensee to sell 10 and offer for sale at retail, only in the premises specified in 11 the license, alcoholic liquor for use or consumption, but not 12 for resale in any form. Nothing in Public Act 95-634 shall 13 deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic 14 15 liquor to the purchaser for use or consumption subject to any 16 applicable local law or ordinance. Any retail license issued to 17 a manufacturer shall only permit the manufacturer to sell beer the premises actually occupied by the 18 retail on at 19 manufacturer. For the purpose of further describing the type of 20 business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on 21 22 premise consumption retailer, (ii) an off premise sale 23 retailer, or (iii) a combined on premise consumption and off 24 premise sale retailer.

Notwithstanding any other provision of this subsection(d), a retail licensee may sell alcoholic liquors to a special

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1 event retailer licensee for resale to the extent permitted 2 under subsection (e).

3 (e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an 4 5 Illinois licensed distributor (unless the licensee purchases 6 less than \$500 of alcoholic liquors for the special event, in 7 which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and 8 9 offer for sale, at retail, alcoholic liquors for use or 10 consumption, but not for resale in any form and only at the 11 location and on the specific dates designated for the special 12 event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale 13 14 number issued under Section 2c of the Retailers' Occupation Tax 15 Act or evidence that the applicant is registered under Section 16 2a of the Retailers' Occupation Tax Act, (B) a current, valid 17 exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the 18 19 Commission that the purchase of alcoholic liquors will be a 20 tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation 21 22 Tax Act, does not hold a resale number under Section 2c of the 23 Retailers' Occupation Tax Act, and does not hold an exemption 24 number under Section 1g of the Retailers' Occupation Tax Act, 25 in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) 26

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submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

6 Nothing in this Act prohibits an Illinois licensed 7 distributor from offering credit or a refund for unused, 8 salable alcoholic liquors to a holder of a special event 9 retailer's license or the special event retailer's licensee 10 from accepting the credit or refund of alcoholic liquors at the 11 conclusion of the event specified in the license.

12 (f) A railroad license shall permit the licensee to import 13 alcoholic liquors into this State from any point in the United 14 States outside this State and to store such alcoholic liquors 15 in this State; to make wholesale purchases of alcoholic liquors 16 directly from manufacturers, foreign importers, distributors 17 and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided 18 19 that the above powers may be exercised only in connection with 20 the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car 21 22 operated on an electric, gas or steam railway in this State; 23 and provided further, that railroad licensees exercising the 24 above powers shall be subject to all provisions of Article VIII 25 of this Act as applied to importing distributors. A railroad 26 license shall also permit the licensee to sell or dispense

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alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

7 (g) A boat license shall allow the sale of alcoholic liquor 8 in individual drinks, on any passenger boat regularly operated 9 as a common carrier on navigable waters in this State or on any 10 riverboat operated under the Illinois Gambling Act, which boat 11 or riverboat maintains a public dining room or restaurant 12 thereon.

13 (h) A non-beverage user's license shall allow the licensee 14 to purchase alcoholic liquor from a licensed manufacturer or 15 importing distributor, without the imposition of any tax upon 16 the business of such licensed manufacturer or importing 17 distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in 18 subsection (a) of Section 8-1 of this Act, and such licenses 19 20 shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of 21 22 alcoholic liquor as follows:

Class 1, not to exceed 500 gallons Class 2, not to exceed 1,000 gallons Class 3, not to exceed 5,000 gallons Class 4, not to exceed 10,000 gallons HB1271 Engrossed - 16 - LRB101 03465 JRG 48473 b

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Class 5, not to exceed 50,000 gallons

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

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secure liquor liability insurance coverage in an amount at
 least equal to the maximum liability amounts set forth in
 subsection (a) of Section 6-21 of this Act.

(j) An airplane license shall permit the licensee to import 4 5 alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors 6 7 in this State; to make wholesale purchases of alcoholic liquors 8 directly from manufacturers, foreign importers, distributors 9 and importing distributors from within or outside this State; 10 and to store such alcoholic liquors in this State; provided 11 that the above powers may be exercised only in connection with 12 the importation, purchase or storage of alcoholic liquors to be 13 sold or dispensed on an airplane; and provided further, that 14 airplane licensees exercising the above powers shall be subject 15 to all provisions of Article VIII of this Act as applied to 16 importing distributors. An airplane licensee shall also permit 17 the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, 18 but shall not permit the sale for resale of any alcoholic 19 liquors to any licensee within this State. A single airplane 20 license shall be required of an airline company if liquor 21 22 service is provided on board aircraft in this State. The annual 23 fee for such license shall be as determined in Section 5-3.

(k) A foreign importer's license shall permit such licensee
to purchase alcoholic liquor from Illinois licensed
non-resident dealers only, and to import alcoholic liquor other

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than in bulk from any point outside the United States and to 1 2 sell such alcoholic liquor to Illinois licensed importing 3 distributors and to no one else in Illinois; provided that (i) the foreign importer registers with the State Commission every 4 brand of alcoholic liquor that it proposes to sell to Illinois 5 licensees during the license period, (ii) the foreign importer 6 complies with all of the provisions of Section 6-9 of this Act 7 8 with respect to registration of such Illinois licensees as may 9 be granted the right to sell such brands at wholesale, and 10 (iii) the foreign importer complies with the provisions of 11 Sections 6-5 and 6-6 of this Act to the same extent that these 12 provisions apply to manufacturers.

13 (1) (i) A broker's license shall be required of all persons 14 who solicit orders for, offer to sell or offer to supply 15 alcoholic liquor to retailers in the State of Illinois, or who 16 offer to retailers to ship or cause to be shipped or to make 17 contact with distillers, craft distillers, rectifiers, brewers or manufacturers or any other party within or without the State 18 of Illinois in order that alcoholic liquors be shipped to a 19 distributor, importing distributor or foreign 20 importer, whether such solicitation or offer is consummated within or 21 22 without the State of Illinois.

No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the HB1271 Engrossed - 19 - LRB101 03465 JRG 48473 b

1 holder of a valid broker's license.

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

8 (ii) A broker's license shall be required of a person 9 within this State, other than a retail licensee, who, for a fee 10 or commission, promotes, solicits, or accepts orders for 11 alcoholic liquor, for use or consumption and not for resale, to 12 be shipped from this State and delivered to residents outside 13 of this State by an express company, common carrier, or 14 contract carrier. This Section does not apply to any person who 15 promotes, solicits, or accepts orders for wine as specifically 16 authorized in Section 6-29 of this Act.

17 A broker's license under this subsection (1) shall not 18 entitle the holder to buy or sell any alcoholic liquors for his 19 own account or to take or deliver title to such alcoholic 20 liquors.

This subsection (1) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder. HB1271 Engrossed - 20 - LRB101 03465 JRG 48473 b

1 Any agent, representative, or person subject to 2 registration pursuant to subsection (a-1) of this Section shall 3 not be eligible to receive a broker's license.

(m) A non-resident dealer's license shall permit such 4 5 licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such 6 7 alcoholic liquor to Illinois licensed foreign importers and 8 importing distributors and to no one else in this State; 9 provided that (i) said non-resident dealer shall register with 10 the Illinois Liquor Control Commission each and every brand of 11 alcoholic liquor which it proposes to sell to Illinois 12 licensees during the license period, (ii) it shall comply with 13 all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the 14 right to sell such brands at wholesale by duly filing such 15 registration statement, thereby authorizing the non-resident 16 17 dealer to proceed to sell such brands at wholesale, and (iii) the non-resident dealer shall comply with the provisions of 18 Sections 6-5 and 6-6 of this Act to the same extent that these 19 20 provisions apply to manufacturers. No person licensed as a non-resident dealer shall be granted a distributor's or 21 22 importing distributor's license.

(n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the HB1271 Engrossed - 21 - LRB101 03465 JRG 48473 b

Commission, beer manufactured on another brew pub licensed 1 2 premises that is wholly owned and operated by the same licensee 3 to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the 4 5 premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 6 7 155,000 gallons per year so long as such sales are only made 8 in-person, (v) sell and offer for sale at retail for use and 9 consumption on the premises specified in the license any form 10 of alcoholic liquor purchased from a licensed distributor or 11 importing distributor, (vi) with the prior approval of the 12 Commission, annually transfer no more than 155,000 gallons of 13 beer manufactured on the premises to a licensed brew pub wholly 14 and operated by the same licensee, and owned (vii) 15 notwithstanding item (i) of this subsection, brew pubs wholly 16 owned and operated by the same licensee may combine each 17 location's production limit of 155,000 gallons of beer per year and allocate the aggregate total between the wholly owned, 18 19 operated, and licensed locations.

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

A person who holds a class 2 brewer license may simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; HB1271 Engrossed - 22 - LRB101 03465 JRG 48473 b

(ii) does not hold more than 3 brew pub licenses in this State;
(iii) does not manufacture more than a combined 3,720,000
gallons of beer per year, including the beer manufactured at
the brew pub; and (iv) is not a member of or affiliated with,
directly or indirectly, a manufacturer that produces more than
3,720,000 gallons of beer per year or any other alcoholic
liquor.

8 Notwithstanding any other provision of this Act, a licensed 9 brewer, class 2 brewer, or non-resident dealer who before July 10 1, 2015 manufactured less than 3,720,000 gallons of beer per 11 year and held a brew pub license on or before July 1, 2015 may 12 (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 13 gallons of beer per year and continue to qualify for and hold 14 that brew pub license if that brewer, class 2 brewer, or 15 16 non-resident dealer does not simultaneously hold a class 1 17 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 18 19 3,720,000 gallons of beer per year or that produces any other 20 alcoholic liquor.

(o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed. A caterer retailer license shall allow the holder, a distributor, or an importing distributor to transfer any HB1271 Engrossed - 23 - LRB101 03465 JRG 48473 b

inventory to and from the holder's retail premises and shall allow the holder to purchase alcoholic liquor from a distributor or importing distributor to be delivered directly to an off-site event.

5 Nothing in this Act prohibits a distributor or importing distributor from offering credit or a refund for unused, 6 salable beer to a holder of a caterer retailer license or a 7 8 caterer retailer licensee from accepting a credit or refund for 9 unused, salable beer, in the event an act of God is the sole 10 reason an off-site event is cancelled and if: (i) the holder of 11 a caterer retailer license has not transferred alcoholic liquor 12 from its caterer retailer premises to an off-site location; 13 (ii) the distributor or importing distributor offers the credit 14 or refund for the unused, salable beer that it delivered to the 15 off-site premises and not for any unused, salable beer that the 16 distributor or importing distributor delivered to the caterer 17 retailer's premises; and (iii) the unused, salable beer would likely spoil if transferred to the caterer retailer's premises. 18 A caterer retailer license shall allow the holder to transfer 19 20 any inventory from any off-site location to its caterer retailer premises at the conclusion of an off-site event or 21 22 engage a distributor or importing distributor to transfer any 23 inventory from any off-site location to its caterer retailer premises at the conclusion of an off-site event, provided that 24 the distributor or importing distributor issues bona fide 25 26 charges to the caterer retailer licensee for fuel, labor, and

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1 delivery and the distributor or importing distributor collects 2 payment from the caterer retailer licensee prior to the 3 distributor or importing distributor transferring inventory to 4 the caterer retailer premises.

5 For purposes of this subsection (o), an "act of God" means 6 an unforeseeable event, such as a rain or snow storm, hail, a 7 flood, or a similar event, that is the sole cause of the 8 cancellation of an off-site, outdoor event.

9 (p) An auction liquor license shall allow the licensee to 10 sell and offer for sale at auction wine and spirits for use or 11 consumption, or for resale by an Illinois liquor licensee in 12 accordance with provisions of this Act. An auction liquor 13 license will be issued to a person and it will permit the 14 auction liquor licensee to hold the auction anywhere in the 15 State. An auction liquor license must be obtained for each 16 auction at least 14 days in advance of the auction date.

17 (q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor 18 inventory from its retail licensed premises to the premises 19 20 specified in the license hereby created; to purchase alcoholic liquor from a distributor or importing distributor to be 21 22 delivered directly to the location specified in the license 23 hereby created; and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the 24 25 transferred or delivered alcoholic liquor for use or 26 consumption, but not for resale in any form. A special use

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permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12-month period. An applicant for the special use permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

8 A special use permit license shall allow the holder to 9 transfer any inventory from the holder's special use premises 10 to its retail premises at the conclusion of the special use 11 event or engage a distributor or importing distributor to 12 transfer any inventory from the holder's special use premises to its retail premises at the conclusion of an off-site event, 13 provided that the distributor or importing distributor issues 14 15 bona fide charges to the special use permit licensee for fuel, 16 labor, and delivery and the distributor or importing 17 distributor collects payment from the retail licensee prior to distributor importing distributor transferring 18 the or 19 inventory to the retail premises.

Nothing in this Act prohibits a distributor or importing distributor from offering credit or a refund for unused, salable beer to a special use permit licensee or a special use permit licensee from accepting a credit or refund for unused, salable beer at the conclusion of the event specified in the license if: (i) the holder of the special use permit license has not transferred alcoholic liquor from its retail licensed HB1271 Engrossed - 26 - LRB101 03465 JRG 48473 b

premises to the premises specified in the special use permit 1 2 license; (ii) the distributor or importing distributor offers the credit or refund for the unused, salable beer that it 3 delivered to the premises specified in the special use permit 4 5 license and not for any unused, salable beer that the importing distributor delivered 6 distributor or to the 7 retailer's premises; and (iii) the unused, salable beer would likely spoil if transferred to the retailer premises. 8

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

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

Except for a common carrier, a third-party provider shipping wine on behalf of a winery shipper's license holder is the agent of the winery shipper's license holder and, as such, HB1271 Engrossed - 28 - LRB101 03465 JRG 48473 b

a winery shipper's license holder is responsible for the acts 1 2 and omissions of the third-party provider acting on behalf of 3 the license holder. A third-party provider, except for a common carrier, that engages in shipping wine into Illinois on behalf 4 5 of a winery shipper's license holder shall consent to the jurisdiction of the State Commission and the State. 6 Anv third-party, except for a common carrier, holding such an 7 8 appointment shall, by February 1 of each calendar year and upon 9 request by the State Commission or the Department of Revenue, 10 file with the State Commission a statement detailing each 11 shipment made to an Illinois resident. The statement shall 12 include the name and address of the third-party provider filing 13 the statement, the time period covered by the statement, and 14 the following information:

15 (1) the name, address, and license number of the winery16 shipper on whose behalf the shipment was made;

17

(2) the quantity of the products delivered; and

18

(3) the date and address of the shipment.

19 If the Department of Revenue or the State Commission requests a 20 statement under this paragraph, the third-party provider must provide that statement no later than 30 days after the request 21 22 is made. Any books, records, supporting papers, and documents 23 containing information and data relating to a statement under 24 this paragraph shall be kept and preserved for a period of 3 25 years, unless their destruction sooner is authorized, in 26 writing, by the Director of Revenue, and shall be open and HB1271 Engrossed - 29 - LRB101 03465 JRG 48473 b

available to inspection by the Director of Revenue or the State 1 2 Commission or any duly authorized officer, agent, or employee 3 of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates 4 5 any provision of this paragraph or any rule of the State 6 Commission for the administration and enforcement of the 7 provisions of this paragraph is guilty of a Class С 8 misdemeanor. In case of a continuing violation, each day's 9 continuance thereof shall be a separate and distinct offense.

10 The State Commission shall adopt rules as soon as 11 practicable to implement the requirements of Public Act 99-904 12 and shall adopt rules prohibiting any such third-party 13 appointment of a third-party provider, except for a common carrier, that has been deemed by the State Commission to have 14 15 violated the provisions of this Act with regard to any winery 16 shipper licensee.

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

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

10 A winery shipper licensee must collect, maintain, and 11 submit to the Commission on a semi-annual basis the total 12 number of cases per resident of wine shipped to residents of 13 this State. A winery shipper licensed under this subsection (r) 14 must comply with the requirements of Section 6-29 of this Act.

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

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

(s) A craft distiller tasting permit license shall allow an
Illinois licensed class 1 craft distiller or class 2 craft
distiller to transfer a portion of its alcoholic liquor

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inventory from its class 1 craft distiller or class 2 craft 1 2 distiller licensed premises to the premises specified in the 3 license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the 4 5 transferred alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor 6 may not be sold or resold in any form. An applicant for the 7 8 craft distiller tasting permit license must also submit with 9 the application proof satisfactory to the State Commission that 10 the applicant will provide dram shop liability insurance to the 11 maximum limits and have local authority approval.

12 (t) A brewer warehouse permit may be issued to the holder 13 of a class 1 brewer license or a class 2 brewer license. If the 14 holder of the permit is a class 1 brewer licensee, the brewer 15 warehouse permit shall allow the holder to store or warehouse 16 up to 930,000 gallons of tax-determined beer manufactured by 17 the holder of the permit at the premises specified on the permit. If the holder of the permit is a class 2 brewer 18 19 licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 3,720,000 gallons of tax-determined 20 beer manufactured by the holder of the permit at the premises 21 22 specified on the permit. Sales to non-licensees are prohibited 23 at the premises specified in the brewer warehouse permit.

(u) A distilling pub license shall allow the licensee to
only (i) manufacture up to 5,000 gallons of spirits per year
only on the premises specified in the license, (ii) make sales

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of the spirits manufactured on the premises or, with the 1 2 approval of the State Commission, spirits manufactured on another distilling pub licensed premises that is wholly owned 3 and operated by the same licensee to importing distributors and 4 5 distributors and to non-licensees for use and consumption, 6 (iii) store the spirits upon the premises, (iv) sell and offer 7 for sale at retail from the licensed premises for off-premises consumption no more than 5,000 gallons per year so long as such 8 9 sales are only made in-person, (v) sell and offer for sale at 10 retail for use and consumption on the premises specified in the 11 license any form of alcoholic liquor purchased from a licensed 12 distributor or importing distributor, and (vi) with the prior 13 approval of the State Commission, annually transfer no more than 5,000 gallons of spirits manufactured on the premises to a 14 15 licensed distilling pub wholly owned and operated by the same 16 licensee.

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

A person who holds a class 2 craft distiller license may simultaneously hold a distilling pub license if the class 2 craft distiller (i) does not, under any circumstance, sell or offer for sale spirits manufactured by the class 2 craft distiller to retail licensees; (ii) does not hold more than 3 distilling pub licenses in this State; (iii) does not manufacture more than a combined 100,000 gallons of spirits per HB1271 Engrossed - 33 - LRB101 03465 JRG 48473 b

year, including the spirits manufactured at the distilling pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 100,000 gallons of spirits per year or any other alcoholic liquor.

5 (v) A craft distiller warehouse permit may be issued to the holder of a class 1 craft distiller or class 2 craft distiller 6 license. The craft distiller warehouse permit shall allow the 7 8 holder to store or warehouse up to 500,000 gallons of spirits 9 manufactured by the holder of the permit at the premises 10 specified on the permit. Sales to non-licensees are prohibited 11 at the premises specified in the craft distiller warehouse 12 permit.

13 (Source: P.A. 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 14 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 15 8-23-18; 101-16, eff. 6-14-19; 101-31, eff. 6-28-19; 101-81, 16 eff. 7-12-19; 101-482, eff. 8-23-19; 101-517, eff. 8-23-19; 17 revised 9-19-19.)

18

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

19 Sec. 5-3. License fees. Except as otherwise provided 20 herein, at the time application is made to the State Commission 21 for a license of any class, the applicant shall pay to the 22 State Commission the fee hereinafter provided for the kind of 23 license applied for.

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

HB1271 Engrossed - 34 - LRB101 03465 JRG 48473 b 1 Online Initial 2 license renewal 3 or 4 non-online 5 renewal 6 For a manufacturer's license: 7 Class 1. Distiller \$4,000 \$5,000 Class 2. Rectifier 4,000 5,000 8 Class 3. Brewer 1,200 9 1,500 10 Class 4. First-class Wine Manufacturer 900 11 750 Class 5. Second-class 12 Wine Manufacturer 1,500 13 1,750 Class 6. First-class wine-maker 750 900 14 Class 7. Second-class wine-maker .. 1,500 15 1,750 16 Class 8. Limited Wine Manufacturer 250 17 350 Class 9. Craft Distiller \$2,000 \$2,500 18 Class 10 9. Class 1 Craft Distiller 50 75 19 20 Class <u>11</u> 10. Class 2 Craft Distiller 75 100 21 Class 12 11. Class 1 Brewer 50 75 22 Class 13 12. Class 2 Brewer 75 100 For a Brew Pub License 1,200 23 1,500 24 For a Distilling Pub License 1,200 1,500 For a caterer retailer's license .. 350 500 25 26 For a foreign importer's license .. 25 25

1	For an importing distributor's		
2	license	25	25
3	For a distributor's license		
4	(11,250,000 gallons		
5	or over)	1,450	2,200
6	For a distributor's license		
7	(over 4,500,000 gallons, but		
8	under 11,250,000 gallons)	950	1,450
9	For a distributor's license		
10	(4,500,000 gallons or under)	300	450
11	For a non-resident dealer's license		
12	(500,000 gallons or over)	1,200	1,500
13	For a non-resident dealer's license		
14	(under 500,000 gallons)	250	350
15	For a wine-maker's premises		
16	license	250	500
17	For a winery shipper's license		
18	(under 250,000 gallons)	200	350
19	For a winery shipper's license		
20	(250,000 or over, but		
21	under 500,000 gallons)	750	1,000
22	For a winery shipper's license		
23	(500,000 gallons or over)	1,200	1,500
24	For a wine-maker's premises license,		
25	second location	500	1,000
26	For a wine-maker's premises license,		

1	third location	500	1,000
2	For a retailer's license	600	750
3	For a special event retailer's		
4	license, (not-for-profit)	25	25
5	For a special use permit license,		
6	one day only	100	150
7	2 days or more	150	250
8	For a railroad license	100	150
9	For a boat license	500	1,000
10	For an airplane license, times the		
11	licensee's maximum number of		
12	aircraft in flight, serving		
13	liquor over the State at any		
14	given time, which either		
15	originate, terminate, or make		
16	an intermediate stop in		
17	the State	100	150
18	For a non-beverage user's license:		
19	Class 1	24	24
20	Class 2	60	60
21	Class 3	120	120
22	Class 4	240	240
23	Class 5	600	600
24	For a broker's license	750	1,000
25	For an auction liquor license	100	150
26	For a homebrewer special		

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25

25

1	event permit	25	25
2	For a craft distiller		
3	tasting permit	25	25
4	For a BASSET trainer license	300	350
5	For a tasting representative		
6	license	200	300
7	For a brewer warehouse permit	25	25
8	For a craft distiller		

warehouse permit

9

10 Fees collected under this Section shall be paid into the Dram Shop Fund. On and after July 1, 2003 and until June 30, 11 12 2016, of the funds received for a retailer's license, in addition to the first \$175, an additional \$75 shall be paid 13 into the Dram Shop Fund, and \$250 shall be paid into the 14 General Revenue Fund. On and after June 30, 2016, one-half of 15 16 the funds received for a retailer's license shall be paid into 17 the Dram Shop Fund and one-half of the funds received for a 18 retailer's license shall be paid into the General Revenue Fund. Beginning June 30, 1990 and on June 30 of each subsequent year 19 20 through June 29, 2003, any balance over \$5,000,000 remaining in 21 the Dram Shop Fund shall be credited to State liquor licensees 22 and applied against their fees for State liquor licenses for 23 the following year. The amount credited to each licensee shall 24 be a proportion of the balance in the Dram Fund that is the same as the proportion of the license fee paid by the licensee 25 26 under this Section for the period in which the balance was

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accumulated to the aggregate fees paid by all licensees during
 that period.

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

5 (a) Hospitals, sanitariums, or clinics when their use 6 of alcoholic liquor is exclusively medicinal, mechanical 7 or scientific.

8 (b) Universities, colleges of learning or schools when 9 their use of alcoholic liquor is exclusively medicinal, 10 mechanical or scientific.

11 (c) Laboratories when their use is exclusively for the 12 purpose of scientific research.

13 (Source: P.A. 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 14 101-482, eff. 8-23-19.)

15 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

16 Sec. 6-4. (a) No person licensed by any licensing authority as a distiller, or a wine manufacturer, or any subsidiary or 17 18 affiliate thereof, or any officer, associate, member, partner, representative, employee, agent or shareholder owning more 19 20 than 5% of the outstanding shares of such person shall be 21 issued an importing distributor's or distributor's license, 22 nor shall any person licensed by any licensing authority as an distributor, distributor or retailer, or 23 importing anv 24 subsidiary or affiliate thereof, or any officer or associate, 25 member, partner, representative, employee, agent or

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shareholder owning more than 5% of the outstanding shares of such person be issued a distiller's license, a craft distiller's license, or a wine manufacturer's license; and no person or persons licensed as a distiller, <u>craft distiller,</u> class 1 craft distiller, or class 2 craft distiller by any licensing authority shall have any interest, directly or indirectly, with such distributor or importing distributor.

8 However, an importing distributor or distributor, which on 9 January 1, 1985 is owned by a brewer, or any subsidiary or 10 affiliate thereof or any officer, associate, member, partner, 11 representative, employee, agent or shareholder owning more 12 than 5% of the outstanding shares of the importing distributor 13 or distributor referred to in this paragraph, may own or acquire an ownership interest of more than 5% of 14 the 15 outstanding shares of a wine manufacturer and be issued a wine 16 manufacturer's license by any licensing authority.

17 (b) The foregoing provisions shall not apply to any person licensed by any licensing authority as a distiller or wine 18 manufacturer, or to any subsidiary or affiliate of any 19 20 distiller or wine manufacturer who shall have been heretofore licensed by the State Commission as either an importing 21 22 distributor or distributor during the annual licensing period 23 expiring June 30, 1947, and shall actually have made sales 24 regularly to retailers.

(c) Provided, however, that in such instances where a
 distributor's or importing distributor's license has been

issued to any distiller or wine manufacturer or to 1 anv 2 subsidiary or affiliate of any distiller or wine manufacturer 3 who has, during the licensing period ending June 30, 1947, sold or distributed as such licensed distributor or importing 4 5 distributor alcoholic liquors and wines to retailers, such distiller or wine manufacturer or any subsidiary or affiliate 6 7 distiller or wine manufacturer holding of any such 8 distributor's or importing distributor's license may continue 9 to sell or distribute to retailers such alcoholic liquors and 10 wines which are manufactured, distilled, processed or marketed 11 by distillers and wine manufacturers whose products it sold or 12 distributed to retailers during the whole or any part of its 13 licensing periods; and such additional brands and additional products may be added to the line of such distributor or 14 importing distributor, provided, that such brands and such 15 16 products were not sold or distributed by any distributor or 17 importing distributor licensed by the State Commission during the licensing period ending June 30, 1947, but can not sell or 18 distribute to retailers any other alcoholic liquors or wines. 19

(d) It shall be unlawful for any distiller licensed anywhere to have any stock ownership or interest in any distributor's or importing distributor's license wherein any other person has an interest therein who is not a distiller and does not own more than 5% of any stock in any distillery. Nothing herein contained shall apply to such distillers or their subsidiaries or affiliates, who had a distributor's or HB1271 Engrossed - 41 - LRB101 03465 JRG 48473 b

importing distributor's license during the licensing period
 ending June 30, 1947, which license was owned in whole by such
 distiller, or subsidiaries or affiliates of such distiller.

(e) Any person licensed as a brewer, class 1 brewer, or 4 5 class 2 brewer shall be permitted to sell on the licensed premises to non-licensees for on or off-premises consumption 6 for the premises in which he or she actually conducts such 7 8 business: (i) beer manufactured by the brewer, class 1 brewer, 9 or class 2 brewer; (ii) beer manufactured by any other brewer, 10 class 1 brewer, or class 2 brewer; and (iii) cider. Such sales 11 shall be limited to on-premises, in-person sales only, for 12 lawful consumption on or off premises. Such authorization shall be considered a privilege granted by the brewer license and, 13 other than a manufacturer of beer as stated above, no 14 15 manufacturer or distributor or importing distributor, 16 excluding airplane licensees exercising powers provided in 17 paragraph (i) of Section 5-1 of this Act, or any subsidiary or affiliate thereof, or any officer, associate, member, partner, 18 19 representative, employee or agent, or shareholder shall be issued a retailer's license, nor shall any person having a 20 retailer's license, excluding airplane licensees exercising 21 22 powers provided in paragraph (i) of Section 5-1 of this Act, or 23 any subsidiary or affiliate thereof, or any officer, associate, member, partner, representative or agent, or shareholder be 24 issued a manufacturer's license or importing distributor's 25 26 license.

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1 2 A manufacturer of beer that imports or transfers beer into this State must comply with Sections 6-8 and 8-1 of this Act.

A person who holds a class 1 or class 2 brewer license and is authorized by this Section to sell beer to non-licensees shall not sell beer to non-licensees from more than 3 total brewer or commonly owned brew pub licensed locations in this State. The class 1 or class 2 brewer shall designate to the State Commission the brewer or brew pub locations from which it will sell beer to non-licensees.

10 A person licensed as a class 1 craft distiller or a class 2 11 craft distiller, including a person who holds more than one 12 class 1 craft distiller or class 2 craft distiller license, not 13 affiliated with any other person manufacturing spirits may be 14 authorized by the State Commission to sell (1) up to 5,000 15 gallons of spirits produced by the person to non-licensees for 16 on or off-premises consumption for the premises in which he or 17 she actually conducts business permitting only the retail sale of spirits manufactured at such premises and (2) vermouth 18 purchased through a licensed distributor for on-premises 19 20 consumption. Such sales shall be limited to on-premises, in-person sales only, for lawful consumption on or off 21 22 premises, and such authorization shall be considered a 23 privilege granted by the class 1 craft distiller or class 2 craft distiller license. A class 1 craft distiller or class 2 24 25 craft distiller licensed for retail sale shall secure liquor 26 liability insurance coverage in an amount at least equal to the

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1 maximum liability amounts set forth in subsection (a) of 2 Section 6-21 of this Act.

A class 1 craft distiller or class 2 craft distiller 3 license holder shall not deliver any alcoholic liquor to any 4 5 non-licensee off the licensed premises. A class 1 craft distiller or class 2 craft distiller shall affirm in its annual 6 7 license application that it does not produce more than 50,000 8 or 100,000 gallons of distilled spirits annually, whichever is 9 applicable, and that the craft distiller does not sell more 10 than 5,000 gallons of spirits to non-licensees for on or 11 off-premises consumption. In the application, which shall be 12 sworn under penalty of perjury, the class 1 craft distiller or 13 class 2 craft distiller shall state the volume of production and sales for each year since the class 1 craft distiller's or 14 class 2 craft distiller's establishment. 15

16 A person who holds a class 1 craft distiller or class 2 17 craft distiller license and is authorized by this Section to sell spirits to non-licensees shall not sell spirits to 18 19 non-licensees from more than 3 total distillery or commonly 20 owned distilling pub licensed locations in this State. The class 1 craft distiller or class 2 craft distiller shall 21 22 designate to the State Commission the distillery or distilling 23 pub locations from which it will sell spirits to non-licensees.

(f) (Blank).

24

25 (g) Notwithstanding any of the foregoing prohibitions, a26 limited wine manufacturer may sell at retail at its

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1 manufacturing site for on or off premises consumption and may 2 sell to distributors. A limited wine manufacturer licensee 3 shall secure liquor liability insurance coverage in an amount 4 at least equal to the maximum liability amounts set forth in 5 subsection (a) of Section 6-21 of this Act.

(h) The changes made to this Section by Public Act 99-47 6 7 shall not diminish or impair the rights of any person, whether a distiller, wine manufacturer, agent, or affiliate thereof, 8 9 who requested in writing and submitted documentation to the 10 State Commission on or before February 18, 2015 to be approved 11 for a retail license pursuant to what has heretofore been 12 subsection (f); provided that, on or before that date, the 13 State Commission considered the intent of that person to apply 14 for the retail license under that subsection and, by recorded 15 vote, the State Commission approved a resolution indicating 16 that such a license application could be lawfully approved upon 17 that person duly filing a formal application for a retail license and if that person, within 90 days of the State 18 19 Commission appearance and recorded vote, first filed an application with the appropriate local commission, which 20 application was subsequently approved by the appropriate local 21 22 commission prior to consideration by the State Commission of 23 that person's application for a retail license. It is further provided that the State Commission may approve the person's 24 application for a retail license or renewals of such license if 25 26 such person continues to diligently adhere to all

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representations made in writing to the State Commission on or before February 18, 2015, or thereafter, or in the affidavit filed by that person with the State Commission to support the issuance of a retail license and to abide by all applicable laws and duly adopted rules.

6 (Source: P.A. 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 7 100-885, eff. 8-14-18; 101-81, eff. 7-12-19; 101-482, eff. 8 8-23-19.)

9 Section 99. Effective date. This Act takes effect upon10 becoming law.