

# HB3610



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3610

by Rep. Will Guzzardi

#### SYNOPSIS AS INTRODUCED:

235 ILCS 5/5-1

from Ch. 43, par. 115

Amends the Liquor Control Act of 1934. Provides that a brew pub license shall allow the licensee to manufacture up to 155,000 gallons of beer per year through a written agreement with a brewer, class 1 brewer, class 2 brewer, or brew pub and to make sales of the beer manufactured through a written agreement with a brewer, class 1 brewer, class 2 brewer, or brew pub. Provides that brew pubs wholly owned and operated by the same licensee may combine each location's production limit of 155,000 gallons of beer per year and allocate the aggregate total between the wholly owned, operated, and licensed locations. Effective immediately.

LRB101 08863 RPS 53953 b

A BILL FOR

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Section 5-1 as follows:

6 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

17 (d) Retailer's license,

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

19 (f) Railroad license,

20 (g) Boat license,

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

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

23 (j) Airplane license,

- 1 (k) Foreign importer's license,
- 2 (l) Broker's license,
- 3 (m) Non-resident dealer's license,
- 4 (n) Brew Pub license,
- 5 (o) Auction liquor license,
- 6 (p) Caterer retailer license,
- 7 (q) Special use permit license,
- 8 (r) Winery shipper's license,
- 9 (s) Craft distiller tasting permit,
- 10 (t) Brewer warehouse permit.

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

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

19 Class 1. A Distiller may make sales and deliveries of  
20 alcoholic liquor to distillers, rectifiers, importing  
21 distributors, distributors and non-beverage users and to no  
22 other licensees.

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

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

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

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

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

22           Class 7. A second-class wine-maker's license shall allow  
23 the manufacture of between 50,000 and 150,000 gallons of wine  
24 per year, and the storage and sale of such wine to distributors  
25 in this State and to persons without the State, as may be  
26 permitted by law. A person who, prior to June 1, 2008 (the

1 effective date of Public Act 95-634), is a holder of a  
2 second-class wine-maker's license and annually produces more  
3 than 25,000 gallons of its own wine and who distributes its  
4 wine to licensed retailers shall cease this practice on or  
5 before July 1, 2008 in compliance with Public Act 95-634.

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

10 Class 9. A craft distiller license shall allow the  
11 manufacture of up to 100,000 gallons of spirits by distillation  
12 per year and the storage of such spirits. If a craft distiller  
13 licensee, including a craft distiller licensee who holds more  
14 than one craft distiller license, is not affiliated with any  
15 other manufacturer of spirits, then the craft distiller  
16 licensee may sell such spirits to distributors in this State  
17 and up to 2,500 gallons of such spirits to non-licensees to the  
18 extent permitted by any exemption approved by the Commission  
19 pursuant to Section 6-4 of this Act. A craft distiller license  
20 holder may store such spirits at a non-contiguous licensed  
21 location, but at no time shall a craft distiller license holder  
22 directly or indirectly produce in the aggregate more than  
23 100,000 gallons of spirits per year.

24 A craft distiller licensee may hold more than one craft  
25 distiller's license. However, a craft distiller that holds more  
26 than one craft distiller license shall not manufacture, in the

1 aggregate, more than 100,000 gallons of spirits by distillation  
2 per year and shall not sell, in the aggregate, more than 2,500  
3 gallons of such spirits to non-licensees in accordance with an  
4 exemption approved by the State Commission pursuant to Section  
5 6-4 of this Act.

6 Any craft distiller licensed under this Act who on July 28,  
7 2010 (the effective date of Public Act 96-1367) was licensed as  
8 a distiller and manufactured no more spirits than permitted by  
9 this Section shall not be required to pay the initial licensing  
10 fee.

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

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

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

1           A class 2 brewer shall, prior to transferring beer to a  
2 brew pub wholly owned by the class 2 brewer, furnish a written  
3 notice to the State Commission of intent to transfer beer  
4 setting forth the name and address of the brew pub and shall  
5 annually submit to the State Commission a verified report  
6 identifying the total gallons of beer transferred to the brew  
7 pub wholly owned by the class 2 brewer.

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

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



1 misleading statements, evasions, or suppression of material  
2 facts in the securing of a registration are grounds for  
3 suspension or revocation of the registration. The State  
4 Commission shall post a list of registered agents on the  
5 Commission's website.

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

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

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

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

24 Notwithstanding any other provision of this subsection  
25 (d), a retail licensee may sell alcoholic liquors to a special  
26 event retailer licensee for resale to the extent permitted

1 under subsection (e).

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

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

5 Nothing in this Act prohibits an Illinois licensed  
6 distributor from offering credit or a refund for unused,  
7 salable alcoholic liquors to a holder of a special event  
8 retailer's license or ~~from~~ the special event retailer's  
9 licensee from accepting the credit or refund of alcoholic  
10 liquors at the conclusion of the event specified in the  
11 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;  
18 and to store such alcoholic liquors in this State; provided  
19 that the above powers may be exercised only in connection with  
20 the importation, purchase or storage of alcoholic liquors to be  
21 sold or dispensed on a club, buffet, lounge or dining car  
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

1 alcoholic liquors on any club, buffet, lounge or dining car  
 2 operated on an electric, gas or steam railway regularly  
 3 operated by a common carrier in this State, but shall not  
 4 permit the sale for resale of any alcoholic liquors to any  
 5 licensee within this State. A license shall be obtained for  
 6 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 Riverboat 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  
 18 licensee solely for the non-beverage purposes set forth in  
 19 subsection (a) of Section 8-1 of this Act, and such licenses  
 20 shall be divided and classified and shall permit the purchase,  
 21 possession and use of limited and stated quantities of  
 22 alcoholic liquor as follows:

- 23 Class 1, not to exceed ..... 500 gallons
- 24 Class 2, not to exceed ..... 1,000 gallons
- 25 Class 3, not to exceed ..... 5,000 gallons
- 26 Class 4, not to exceed ..... 10,000 gallons

1 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  
4 sell and offer for sale at retail in the premises specified in  
5 such license not more than 50,000 gallons of the first-class  
6 wine-maker's wine that is made at the first-class wine-maker's  
7 licensed premises per year for use or consumption, but not for  
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  
18 the wine-maker's premises license, for use or consumption but  
19 not for resale in any form, any beer, wine, and spirits  
20 purchased from a licensed distributor. Upon approval from the  
21 State Commission, a wine-maker's premises license shall allow  
22 the licensee to sell and offer for sale at (i) the wine-maker's  
23 licensed premises and (ii) at up to 2 additional locations for  
24 use and consumption and not for resale. Each location shall  
25 require additional licensing per location as specified in  
26 Section 5-3 of this Act. A wine-maker's premises licensee shall

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

4 (j) An airplane license shall permit the licensee to import  
5 alcoholic liquors into this State from any point in the United  
6 States outside this State and to store such alcoholic liquors  
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  
18 airplane regularly operated by a common carrier in this State,  
19 but shall not permit the sale for resale of any alcoholic  
20 liquors to any licensee within this State. A single airplane  
21 license shall be required of an airline company if liquor  
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.

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

1 than in bulk from any point outside the United States and to  
2 sell such alcoholic liquor to Illinois licensed importing  
3 distributors and to no one else in Illinois; provided that (i)  
4 the foreign importer registers with the State Commission every  
5 brand of alcoholic liquor that it proposes to sell to Illinois  
6 licensees during the license period, (ii) the foreign importer  
7 complies with all of the provisions of Section 6-9 of this Act  
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, rectifiers, brewers or manufacturers  
18 or any other party within or without the State of Illinois in  
19 order that alcoholic liquors be shipped to a distributor,  
20 importing distributor or foreign importer, whether such  
21 solicitation or offer is consummated within or without the  
22 State of Illinois.

23 No holder of a retailer's license issued by the Illinois  
24 Liquor Control Commission shall purchase or receive any  
25 alcoholic liquor, the order for which was solicited or offered  
26 for sale to such retailer by a broker unless the broker is the



1 holder of a valid broker's license.

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

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

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.

4 (m) A non-resident dealer's license shall permit such  
5 licensee to ship into and warehouse alcoholic liquor into this  
6 State from any point outside of this State, and to sell such  
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  
14 registration of such Illinois licensees as may be granted the  
15 right to sell such brands at wholesale by duly filing such  
16 registration statement, thereby authorizing the non-resident  
17 dealer to proceed to sell such brands at wholesale, and (iii)  
18 the non-resident dealer shall comply with the provisions of  
19 Sections 6-5 and 6-6 of this Act to the same extent that these  
20 provisions apply to manufacturers. No person licensed as a  
21 non-resident dealer shall be granted a distributor's or  
22 importing distributor's license.

23 (n) A brew pub license shall allow the licensee to only (i)  
24 manufacture up to 155,000 gallons of beer per year only on the  
25 premises specified in the license or through a written  
26 agreement with a brewer, class 1 brewer, class 2 brewer, or

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

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

26 A person who holds a class 2 brewer license may

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

11 Notwithstanding any other provision of this Act, a licensed  
12 brewer, class 2 brewer, or non-resident dealer who before July  
13 1, 2015 manufactured less than 3,720,000 gallons of beer per  
14 year and held a brew pub license on or before July 1, 2015 may  
15 (i) continue to qualify for and hold that brew pub license for  
16 the licensed premises and (ii) manufacture more than 3,720,000  
17 gallons of beer per year and continue to qualify for and hold  
18 that brew pub license if that brewer, class 2 brewer, or  
19 non-resident dealer does not simultaneously hold a class 1  
20 brewer license and is not a member of or affiliated with,  
21 directly or indirectly, a manufacturer that produces more than  
22 3,720,000 gallons of beer per year or that produces any other  
23 alcoholic liquor.

24 (o) A caterer retailer license shall allow the holder to  
25 serve alcoholic liquors as an incidental part of a food service  
26 that serves prepared meals which excludes the serving of snacks

1 as the primary meal, either on or off-site whether licensed or  
2 unlicensed.

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

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

25 (r) A winery shipper's license shall allow a person with a  
26 first-class or second-class wine manufacturer's license, a

1 first-class or second-class wine-maker's license, or a limited  
2 wine manufacturer's license or who is licensed to make wine  
3 under the laws of another state to ship wine made by that  
4 licensee directly to a resident of this State who is 21 years  
5 of age or older for that resident's personal use and not for  
6 resale. Prior to receiving a winery shipper's license, an  
7 applicant for the license must provide the Commission with a  
8 true copy of its current license in any state in which it is  
9 licensed as a manufacturer of wine. An applicant for a winery  
10 shipper's license must also complete an application form that  
11 provides any other information the Commission deems necessary.  
12 The application form shall include all addresses from which the  
13 applicant for a winery shipper's license intends to ship wine,  
14 including the name and address of any third party, except for a  
15 common carrier, authorized to ship wine on behalf of the  
16 manufacturer. The application form shall include an  
17 acknowledgement consenting to the jurisdiction of the  
18 Commission, the Illinois Department of Revenue, and the courts  
19 of this State concerning the enforcement of this Act and any  
20 related laws, rules, and regulations, including authorizing  
21 the Department of Revenue and the Commission to conduct audits  
22 for the purpose of ensuring compliance with Public Act 95-634,  
23 and an acknowledgement that the wine manufacturer is in  
24 compliance with Section 6-2 of this Act. Any third party,  
25 except for a common carrier, authorized to ship wine on behalf  
26 of a first-class or second-class wine manufacturer's licensee,

1 a first-class or second-class wine-maker's licensee, a limited  
2 wine manufacturer's licensee, or a person who is licensed to  
3 make wine under the laws of another state shall also be  
4 disclosed by the winery shipper's licensee, and a copy of the  
5 written appointment of the third-party wine provider, except  
6 for a common carrier, to the wine manufacturer shall be filed  
7 with the State Commission as a supplement to the winery  
8 shipper's license application or any renewal thereof. The  
9 winery shipper's license holder shall affirm under penalty of  
10 perjury, as part of the winery shipper's license application or  
11 renewal, that he or she only ships wine, either directly or  
12 indirectly through a third-party provider, from the licensee's  
13 own production.

14 Except for a common carrier, a third-party provider  
15 shipping wine on behalf of a winery shipper's license holder is  
16 the agent of the winery shipper's license holder and, as such,  
17 a winery shipper's license holder is responsible for the acts  
18 and omissions of the third-party provider acting on behalf of  
19 the license holder. A third-party provider, except for a common  
20 carrier, that engages in shipping wine into Illinois on behalf  
21 of a winery shipper's license holder shall consent to the  
22 jurisdiction of the State Commission and the State. Any  
23 third-party, except for a common carrier, holding such an  
24 appointment shall, by February 1 of each calendar year and upon  
25 request by the State Commission or the Department of Revenue,  
26 file with the State Commission a statement detailing each

1 shipment made to an Illinois resident. The statement shall  
2 include the name and address of the third-party provider filing  
3 the statement, the time period covered by the statement, and  
4 the following information:

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

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

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

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

26 The State Commission shall adopt rules as soon as



1 practicable to implement the requirements of Public Act 99-904  
2 and shall adopt rules prohibiting any such third-party  
3 appointment of a third-party provider, except for a common  
4 carrier, that has been deemed by the State Commission to have  
5 violated the provisions of this Act with regard to any winery  
6 shipper licensee.

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

26 A winery shipper licensee must collect, maintain, and

1 submit to the Commission on a semi-annual basis the total  
2 number of cases per resident of wine shipped to residents of  
3 this State. A winery shipper licensed under this subsection (r)  
4 must comply with the requirements of Section 6-29 of this Act.

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

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

14 (s) A craft distiller tasting permit license shall allow an  
15 Illinois licensed craft distiller to transfer a portion of its  
16 alcoholic liquor inventory from its craft distiller licensed  
17 premises to the premises specified in the license hereby  
18 created and to conduct a sampling, only in the premises  
19 specified in the license hereby created, of the transferred  
20 alcoholic liquor in accordance with subsection (c) of Section  
21 6-31 of this Act. The transferred alcoholic liquor may not be  
22 sold or resold in any form. An applicant for the craft  
23 distiller tasting permit license must also submit with the  
24 application proof satisfactory to the State Commission that the  
25 applicant will provide dram shop liability insurance to the  
26 maximum limits and have local authority approval.

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

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

18           Section 99. Effective date. This Act takes effect upon  
19 becoming law.