

Rep. William Davis

Filed: 3/12/2020

	10100HB4639ham001	LRB101 18657 RPS 70388 a
1	AMENDMENT TO H	HOUSE BILL 4639
2	AMENDMENT NO Amen	d House Bill 4639 by replacing
3	everything after the enacting c	lause with the following:
4	"Section 5. The Liquor Con	trol Act of 1934 is amended by
5	changing Sections 1-3.33 and 5-	1 as follows:
6	(235 ILCS 5/1-3.33)	
7	Sec. 1-3.33. "Brew Pub" mea	ans a person who manufactures no
8	more than 155,000 gallons of be	er per year only at a designated
9	licensed premises to make sale	s to importing distributors, <u>to</u>
10	distributors, <u>to retail licen</u>	sees (but not more than 6,200
11	gallons of beer per year to re	etail licensees within a 5-mile
12	radius of the licensed premises	s in a city with a population of
13	more than 1,000,000 or within a	10-mile radius of the licensed
14	premises in a city with a popul	ation of 1,000,000 or less), and
15	to non-licensees for use and co	nsumption <u>on the premises or off</u>
16	the premises only , who stores b	peer at the designated premises,

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1	and who is allowed to sell at retail from the licensed								
2	premises, provided that a brew pub licensee shall not sell for								
3	on-premises consumption or off-premises consumption more than								
4	155,000 gallons per year.								
5	(Source: P.A. 99-448, eff. 8-24-15.)								
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 Craft Distiller, Class 11. Class 2 Craft Distiller,								
15	Class 12. Class 1 Brewer, Class 13. Class 2 Brewer,								
16	(b) Distributor's license,								
17	(c) Importing Distributor's license,								
18	(d) Retailer's license,								
19	(e) Special Event Retailer's license (not-for-profit),								
20	(f) Railroad license,								
21	(g) Boat license,								
22	(h) Non-Beverage User's license,								
23	(i) Wine-maker's premises license,								
24	(j) Airplane license,								
25	(k) Foreign importer's license,								

1	(1)	Broker's license,					
2	(m)	Non-resident dealer's license,					
3	(n)	Brew Pub license,					
4	(0)	Auction liquor license,					
5	(p)	Caterer retailer license,					
6	(q)	Special use permit license,					
7	(r)	Winery shipper's license,					
8	(s)	Craft distiller tasting permit,					
9	(t)	Brewer warehouse permit,					
10	(u)	Distilling pub license,					
11	(v)	Craft distiller warehouse permit.					
12	No	person, firm, partnership, corporation, or other legal					

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.

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

20 Class 1. A Distiller may make sales and deliveries of 21 alcoholic liquor to distillers, rectifiers, importing 22 distributors, distributors and non-beverage users and to no 23 other licensees.

Class 2. A Rectifier, who is not a distiller, as defined herein, may make sales and deliveries of alcoholic liquor to rectifiers, importing distributors, distributors, retailers 1

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.

5 Class 4. A first class wine-manufacturer may make sales and 6 deliveries of up to 50,000 gallons of wine to manufacturers, 7 importing distributors and distributors, and to no other 8 licensees.

9 Class 5. A second class Wine manufacturer may make sales 10 and deliveries of more than 50,000 gallons of wine to 11 manufacturers, importing distributors and distributors and to 12 no other licensees.

13 Class 6. A first-class wine-maker's license shall allow the 14 manufacture of up to 50,000 gallons of wine per year, and the 15 storage and sale of such wine to distributors in the State and 16 to persons without the State, as may be permitted by law. A 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 20 and who distributes its wine to licensed retailers shall cease 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 the manufacture of between 50,000 and 150,000 gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be 10100HB4639ham001 -5- LRB101 18657 RPS 70388 a

permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a second-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

7 Class 8. A limited wine-manufacturer may make sales and 8 deliveries not to exceed 40,000 gallons of wine per year to 9 distributors, and to non-licensees in accordance with the 10 provisions of this Act.

11 Class 9. A craft distiller license, which may only be held by a class 1 craft distiller licensee or class 2 craft 12 13 distiller licensee but not held by both a class 1 craft distiller licensee and a class 2 craft distiller licensee, 14 15 shall grant all rights conveyed by either: (i) a class 1 craft 16 distiller license if the craft distiller holds a class 1 craft distiller license; or (ii) a class 2 craft distiller licensee 17 if the craft distiller holds a class 2 craft distiller license. 18

Class 10. A class 1 craft distiller license, which may only 19 20 be issued to a licensed craft distiller or licensed non-resident dealer, shall allow the manufacture of up to 21 22 50,000 gallons of spirits per year provided that the class 1 23 craft distiller licensee does not manufacture more than a 24 combined 50,000 gallons of spirits per year and is not a member 25 of or affiliated with, directly or indirectly, a manufacturer 26 that produces more than 50,000 gallons of spirits per year or

any other alcoholic liquor. A class 1 craft distiller licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (19) of subsection (a) of Section 3-12 of this Act. However, the aggregate amount of spirits sold to non-licensees and sold or delivered to retail licensees may not exceed 5,000 gallons per year.

8 A class 1 craft distiller licensee may sell up to 5,000 9 gallons of such spirits to non-licensees to the extent 10 permitted by any exemption approved by the State Commission pursuant to Section 6-4 of this Act. A class 1 craft distiller 11 license holder may store such spirits at a non-contiguous 12 13 licensed location, but at no time shall a class 1 craft 14 distiller license holder directly or indirectly produce in the 15 aggregate more than 50,000 gallons of spirits per year.

16 A class 1 craft distiller licensee may hold more than one class 1 craft distiller's license. However, a class 1 craft 17 distiller that holds more than one class 1 craft distiller 18 license shall not manufacture, in the aggregate, more than 19 20 50,000 gallons of spirits by distillation per year and shall not sell, in the aggregate, more than 5,000 gallons of such 21 spirits to non-licensees in accordance with an exemption 22 23 approved by the State Commission pursuant to Section 6-4 of 24 this Act.

25 Class 11. A class 2 craft distiller license, which may only26 be issued to a licensed craft distiller or licensed

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1 non-resident dealer, shall allow the manufacture of up to 2 100,000 gallons of spirits per year provided that the class 2 3 craft distiller licensee does not manufacture more than a 4 combined 100,000 gallons of spirits per year and is not a 5 member of or affiliated with, directly or indirectly, a 6 manufacturer that produces more than 100,000 gallons of spirits per year or any other alcoholic liquor. A class 2 craft 7 8 distiller licensee may make sales and deliveries to importing 9 distributors and distributors, but shall not make sales or 10 deliveries to any other licensee. If the State Commission 11 provides prior approval, a class 2 craft distiller licensee may annually transfer up to 100,000 gallons of spirits manufactured 12 by that class 2 craft distiller licensee to the premises of a 13 licensed class 2 craft distiller wholly owned and operated by 14 15 the same licensee. A class 2 craft distiller may transfer 16 spirits to a distilling pub wholly owned and operated by the class 2 craft distiller subject to the following limitations 17 and restrictions: (i) the transfer shall not annually exceed 18 more than 5,000 gallons; (ii) the annual amount transferred 19 20 shall reduce the distilling pub's annual permitted production 21 limit; (iii) all spirits transferred shall be subject to Article VIII of this Act; (iv) a written record shall be 22 23 maintained by the distiller and distilling pub specifying the 24 amount, date of delivery, and receipt of the product by the 25 distilling pub; and (v) the distilling pub shall be located no farther than 80 miles from the class 2 craft distiller's 26

1 licensed location.

2 A class 2 craft distiller shall, prior to transferring 3 spirits to a distilling pub wholly owned by the class 2 craft 4 distiller, furnish a written notice to the State Commission of 5 intent to transfer spirits setting forth the name and address of the distilling pub and shall annually submit to the State 6 Commission a verified report identifying the total gallons of 7 spirits transferred to the distilling pub wholly owned by the 8 9 class 2 craft distiller.

10 A class 2 craft distiller license holder may store such 11 spirits at a non-contiguous licensed location, but at no time 12 shall a class 2 craft distiller license holder directly or 13 indirectly produce in the aggregate more than 100,000 gallons 14 of spirits per year.

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

1 Commission provides prior approval, a class 1 brewer may 2 annually transfer up to 930,000 gallons of beer manufactured by 3 that class 1 brewer to the premises of a licensed class 1 4 brewer wholly owned and operated by the same licensee.

5 Class 13. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, 6 shall allow the manufacture of up to 3,720,000 gallons of beer 7 8 per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per 9 10 year and is not a member of or affiliated with, directly or 11 indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor. A class 12 13 2 brewer licensee may make sales and deliveries to importing distributors and distributors, but shall not make sales or 14 15 deliveries to any other licensee. If the State Commission 16 provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that 17 class 2 brewer licensee to the premises of a licensed class 2 18 brewer wholly owned and operated by the same licensee. 19

A class 2 brewer may transfer beer to a brew pub wholly owned and operated by the class 2 brewer subject to the following limitations and restrictions: (i) the transfer shall not annually exceed more than 31,000 gallons; (ii) the annual amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject to Article VIII of this Act; (iv) a written record shall be 10100HB4639ham001 -10- LRB101 18657 RPS 70388 a

maintained by the brewer and brew pub specifying the amount, date of delivery, and receipt of the product by the brew pub; and (v) the brew pub shall be located no farther than 80 miles 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 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.

12 (a-1) A manufacturer which is licensed in this State to 13 make sales or deliveries of alcoholic liquor to licensed 14 distributors or importing distributors and which enlists 15 agents, representatives, or individuals acting on its behalf 16 who contact licensed retailers on a regular and continual basis 17 in this State must register those agents, representatives, or 18 persons acting on its behalf with the State Commission.

Registration of agents, representatives, or persons acting 19 20 on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the 21 Commission and shall include the name and address of the 22 23 applicant, the name and address of the manufacturer he or she 24 represents, the territory or areas assigned to sell to or 25 discuss pricing terms of alcoholic liquor, and any other 26 questions deemed appropriate and necessary. All statements in

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1 the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material 2 3 fact under oath in an application is guilty of a Class B 4 misdemeanor. Fraud, misrepresentation, false statements, 5 misleading statements, evasions, or suppression of material 6 facts in the securing of a registration are grounds for suspension or revocation of the registration. The State 7 Commission shall post a list of registered agents on the 8 9 Commission's website.

10 (b) A distributor's license shall allow (i) the wholesale 11 purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the 12 13 State, as may be permitted by law; (ii) the sale of beer, 14 cider, or both beer and cider to brewers, class 1 brewers, and 15 class 2 brewers that, pursuant to subsection (e) of Section 6-4 16 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries; and (iii) the sale of 17 vermouth to class 1 craft distillers and class 2 craft 18 distillers that, pursuant to subsection (e) of Section 6-4 of 19 20 this Act, sell spirits, vermouth, or both spirits and vermouth 21 to non-licensees at their distilleries. No person licensed as a 22 distributor shall be granted a non-resident dealer's license.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of 10100HB4639ham001 -12- LRB101 18657 RPS 70388 a

1 any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of 2 3 alcoholic liquor by the licensee into this State from any point 4 in the United States outside this State, and the purchase of 5 alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, 6 but all bottles or containers so filled shall be sealed, 7 8 labeled, stamped and otherwise made to comply with all 9 provisions, rules and regulations governing manufacturers in 10 the preparation and bottling of alcoholic liquors. The 11 importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident 12 13 dealers and foreign importers only. No person licensed as an importing distributor shall be granted a non-resident dealer's 14 15 license.

16 (d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in 17 18 the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 shall 19 20 deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic 21 22 liquor to the purchaser for use or consumption subject to any 23 applicable local law or ordinance. Any retail license issued to 24 a manufacturer shall only permit the manufacturer to sell beer 25 retail on the premises actually occupied by the at. 26 manufacturer. For the purpose of further describing the type of

business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.

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

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

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

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

19 (f) A railroad license shall permit the licensee to import 20 alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors 21 22 in this State; to make wholesale purchases of alcoholic liquors 23 directly from manufacturers, foreign importers, distributors 24 and importing distributors from within or outside this State; 25 and to store such alcoholic liquors in this State; provided 26 that the above powers may be exercised only in connection with

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1 the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car 2 operated on an electric, gas or steam railway in this State; 3 4 and provided further, that railroad licensees exercising the 5 above powers shall be subject to all provisions of Article VIII 6 of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense 7 alcoholic liquors on any club, buffet, lounge or dining car 8 9 operated on an electric, gas or steam railway regularly 10 operated by a common carrier in this State, but shall not 11 permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for 12 13 each car in which such sales are made.

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

(h) A non-beverage user's license shall allow the licensee to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses 1 shall be divided and classified and shall permit the purchase, 2 possession and use of limited and stated quantities of 3 alcoholic liquor as follows:

4	Class	1,	not	to	exceed	 500	gallons
5	Class	2,	not	to	exceed	 1,000	gallons
6	Class	3,	not	to	exceed	 5,000	gallons
7	Class	4,	not	to	exceed	 10,000	gallons
8	Class	5,	not	to	exceed	 50,000	gallons

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

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

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

liquors to any licensee within this State. A single airplane
 license shall be required of an airline company if liquor
 service is provided on board aircraft in this State. The annual
 fee for such license shall be as determined in Section 5-3.

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

(1) (i) A broker's license shall be required of all persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, craft distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a 1 distributor, importing distributor or foreign importer, 2 whether such solicitation or offer is consummated within or 3 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
holder of a valid broker's license.

9 The broker shall, upon the acceptance by a retailer of the 10 broker's solicitation of an order or offer to sell or supply or 11 deliver or have delivered alcoholic liquors, promptly forward 12 to the Illinois Liquor Control Commission a notification of 13 said transaction in such form as the Commission may by 14 regulations prescribe.

15 (ii) A broker's license shall be required of a person 16 within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for 17 18 alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside 19 20 of this State by an express company, common carrier, or 21 contract carrier. This Section does not apply to any person who 22 promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act. 23

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

8 Any agent, representative, or person subject to 9 registration pursuant to subsection (a-1) of this Section shall 10 not be eligible to receive a broker's license.

11 (m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this 12 State from any point outside of this State, and to sell such 13 14 alcoholic liquor to Illinois licensed foreign importers and 15 importing distributors and to no one else in this State; 16 provided that (i) said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of 17 alcoholic liquor which it proposes to sell to Illinois 18 licensees during the license period, (ii) it shall comply with 19 20 all of the provisions of Section 6-9 hereof with respect to 21 registration of such Illinois licensees as may be granted the right to sell such brands at wholesale by duly filing such 22 23 registration statement, thereby authorizing the non-resident 24 dealer to proceed to sell such brands at wholesale, and (iii) 25 the non-resident dealer shall comply with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these 26

provisions apply to manufacturers. No person licensed as a non-resident dealer shall be granted a distributor's or importing distributor's license.

4 (n) A brew pub license shall allow the licensee to only (i) 5 manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer 6 manufactured on the premises or, with the approval of the 7 8 Commission, beer manufactured on another brew pub licensed 9 premises that is wholly owned and operated by the same licensee 10 to importing distributors, distributors, and to non-licensees 11 for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the 12 13 licensed premises for on-premises consumption or off-premises 14 consumption no more than 155,000 gallons per year so long as 15 such sales are only made in person, (v) sell and offer for sale 16 at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a 17 licensed distributor or importing distributor, (vi) with the 18 prior approval of the Commission, annually transfer no more 19 20 than 155,000 gallons of beer manufactured on the premises to a licensed brew pub wholly owned and operated by the same 21 22 licensee, and (vii) notwithstanding item (i) of this 23 subsection, brew pubs wholly owned and operated by the same 24 licensee may combine each location's production limit of 25 155,000 gallons of beer per year and allocate the aggregate total between the wholly owned, operated, and licensed 26

locations, and (viii) sell no more than 6,200 gallons of beer per year to retail licensees within a 5-mile radius of the licensed premises if the premises are in a city with a population of more than 1,000,000 or within a 10-mile radius of the licensed premises if the premises are in a city with a population of 1,000,000 or less.

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

10 A person who holds a class 2 brewer license may 11 simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale 12 13 beer manufactured by the class 2 brewer to retail licensees; (ii) does not hold more than 3 brew pub licenses in this State; 14 15 (iii) does not manufacture more than a combined 3,720,000 16 gallons of beer per year, including the beer manufactured at the brew pub; and (iv) is not a member of or affiliated with, 17 directly or indirectly, a manufacturer that produces more than 18 19 3,720,000 gallons of beer per year or any other alcoholic 20 liquor.

Notwithstanding any other provision of this Act, a licensed brewer, class 2 brewer, or non-resident dealer who before July 1, 2015 manufactured less than 3,720,000 gallons of beer per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 10100HB4639ham001 -23- LRB101 18657 RPS 70388 a

gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and 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 that produces any other alcoholic liquor.

(o) A caterer retailer license shall allow the holder to 8 9 serve alcoholic liquors as an incidental part of a food service 10 that serves prepared meals which excludes the serving of snacks 11 as the primary meal, either on or off-site whether licensed or unlicensed. A caterer retailer license shall allow the holder, 12 13 a distributor, or an importing distributor to transfer any inventory to and from the holder's retail premises and shall 14 15 allow the holder to purchase alcoholic liquor from a 16 distributor or importing distributor to be delivered directly 17 to an off-site event.

18 Nothing in this Act prohibits a distributor or importing distributor from offering credit or a refund for unused, 19 20 salable beer to a holder of a caterer retailer license or a 21 caterer retailer licensee from accepting a credit or refund for 22 unused, salable beer, in the event an act of God is the sole 23 reason an off-site event is cancelled and if: (i) the holder of 24 a caterer retailer license has not transferred alcoholic liquor 25 from its caterer retailer premises to an off-site location; 26 (ii) the distributor or importing distributor offers the credit

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1 or refund for the unused, salable beer that it delivered to the off-site premises and not for any unused, salable beer that the 2 3 distributor or importing distributor delivered to the caterer 4 retailer's premises; and (iii) the unused, salable beer would 5 likely spoil if transferred to the caterer retailer's premises. A caterer retailer license shall allow the holder to transfer 6 any inventory from any off-site location to its caterer 7 8 retailer premises at the conclusion of an off-site event or engage a distributor or importing distributor to transfer any 9 10 inventory from any off-site location to its caterer retailer 11 premises at the conclusion of an off-site event, provided that the distributor or importing distributor issues bona fide 12 13 charges to the caterer retailer licensee for fuel, labor, and 14 delivery and the distributor or importing distributor collects 15 payment from the caterer retailer licensee prior to the 16 distributor or importing distributor transferring inventory to 17 the caterer retailer premises.

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

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

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4 (q) A special use permit license shall allow an Illinois 5 licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises 6 specified in the license hereby created; to purchase alcoholic 7 liquor from a distributor or importing distributor to be 8 9 delivered directly to the location specified in the license 10 hereby created; and to sell or offer for sale at retail, only 11 in the premises specified in the license hereby created, the transferred or delivered alcoholic liquor for 12 use or 13 consumption, but not for resale in any form. A special use 14 permit license may be granted for the following time periods: 15 one day or less; 2 or more days to a maximum of 15 days per 16 location in any 12-month period. An applicant for the special use permit license must also submit with the application proof 17 satisfactory to the State Commission that the applicant will 18 19 provide dram shop liability insurance to the maximum limits and 20 have local authority approval.

A special use permit license shall allow the holder to transfer any inventory from the holder's special use premises to its retail premises at the conclusion of the special use event or engage a distributor or importing distributor to transfer any inventory from the holder's special use premises to its retail premises at the conclusion of an off-site event, 10100HB4639ham001 -26- LRB101 18657 RPS 70388 a

provided that the distributor or importing distributor issues bona fide charges to the special use permit licensee for fuel, labor, and delivery and the distributor or importing distributor collects payment from the retail licensee prior to the distributor or importing distributor transferring inventory to the retail premises.

Nothing in this Act prohibits a distributor or importing 7 distributor from offering credit or a refund for unused, 8 9 salable beer to a special use permit licensee or a special use 10 permit licensee from accepting a credit or refund for unused, 11 salable beer at the conclusion of the event specified in the license if: (i) the holder of the special use permit license 12 13 has not transferred alcoholic liquor from its retail licensed premises to the premises specified in the special use permit 14 15 license; (ii) the distributor or importing distributor offers 16 the credit or refund for the unused, salable beer that it delivered to the premises specified in the special use permit 17 18 license and not for any unused, salable beer that the importing distributor delivered to 19 distributor or the 20 retailer's premises; and (iii) the unused, salable beer would 21 likely spoil if transferred to the retailer premises.

(r) A winery shipper's license shall allow a person with a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license or who is licensed to make wine under the laws of another state to ship wine made by that 10100HB4639ham001 -27- LRB101 18657 RPS 70388 a

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

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

11 Except for a common carrier, a third-party provider shipping wine on behalf of a winery shipper's license holder is 12 13 the agent of the winery shipper's license holder and, as such, 14 a winery shipper's license holder is responsible for the acts 15 and omissions of the third-party provider acting on behalf of 16 the license holder. A third-party provider, except for a common carrier, that engages in shipping wine into Illinois on behalf 17 of a winery shipper's license holder shall consent to the 18 jurisdiction of the State Commission and the State. Any 19 20 third-party, except for a common carrier, holding such an 21 appointment shall, by February 1 of each calendar year and upon 22 request by the State Commission or the Department of Revenue, 23 file with the State Commission a statement detailing each 24 shipment made to an Illinois resident. The statement shall 25 include the name and address of the third-party provider filing 26 the statement, the time period covered by the statement, and 10100HB4639ham001

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the following information:

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(1) the name, address, and license number of the winery

shipper on whose behalf the shipment was made;

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(2) the quantity of the products delivered; and

(3) the date and address of the shipment.

If the Department of Revenue or the State Commission requests a 6 statement under this paragraph, the third-party provider must 7 8 provide that statement no later than 30 days after the request 9 is made. Any books, records, supporting papers, and documents 10 containing information and data relating to a statement under 11 this paragraph shall be kept and preserved for a period of 3 years, unless their destruction sooner is authorized, in 12 13 writing, by the Director of Revenue, and shall be open and 14 available to inspection by the Director of Revenue or the State 15 Commission or any duly authorized officer, agent, or employee 16 of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates 17 any provision of this paragraph or any rule of the State 18 Commission for the administration and enforcement of the 19 20 provisions of this paragraph is guilty of a Class C misdemeanor. In case of a continuing violation, each day's 21 22 continuance thereof shall be a separate and distinct offense.

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

A winery shipper licensee must pay to the Department of 4 5 Revenue the State liquor gallonage tax under Section 8-1 for all wine that is sold by the licensee and shipped to a person 6 in this State. For the purposes of Section 8-1, a winery 7 8 shipper licensee shall be taxed in the same manner as a 9 manufacturer of wine. A licensee who is not otherwise required 10 to register under the Retailers' Occupation Tax Act must 11 register under the Use Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold 12 13 by the licensee and shipped to persons in this State. If a 14 licensee fails to remit the tax imposed under this Act in 15 accordance with the provisions of Article VIII of this Act, the 16 winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. If a licensee fails 17 18 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 19 20 winery shipper and shipped to persons in this State, the winery shipper's license shall be revoked in accordance with the 21 22 provisions of Article VII of this Act.

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

2 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of 3 Section 3-12, the State Commission may receive, respond to, and 4 investigate any complaint and impose any of the remedies 5 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.

11 (s) A craft distiller tasting permit license shall allow an Illinois licensed class 1 craft distiller or class 2 craft 12 distiller to transfer a portion of its alcoholic liquor 13 inventory from its class 1 craft distiller or class 2 craft 14 15 distiller licensed premises to the premises specified in the 16 license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the 17 transferred alcoholic liquor in accordance with subsection (c) 18 of Section 6-31 of this Act. The transferred alcoholic liquor 19 20 may not be sold or resold in any form. An applicant for the 21 craft distiller tasting permit license must also submit with 22 the application proof satisfactory to the State Commission that 23 the applicant will provide dram shop liability insurance to the 24 maximum limits and have local authority approval.

(t) A brewer warehouse permit may be issued to the holderof a class 1 brewer license or a class 2 brewer license. If the

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

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

1 than 5,000 gallons of spirits manufactured on the premises to a 2 licensed distilling pub wholly owned and operated by the same 3 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 7 8 simultaneously hold a distilling pub license if the class 2 9 craft distiller (i) does not, under any circumstance, sell or 10 offer for sale spirits manufactured by the class 2 craft distiller to retail licensees; (ii) does not hold more than 3 11 distilling pub licenses in this State; (iii) does not 12 13 manufacture more than a combined 100,000 gallons of spirits per 14 year, including the spirits manufactured at the distilling pub; 15 and (iv) is not a member of or affiliated with, directly or 16 indirectly, a manufacturer that produces more than 100,000 gallons of spirits per year or any other alcoholic liquor. 17

(v) A craft distiller warehouse permit may be issued to the 18 holder of a class 1 craft distiller or class 2 craft distiller 19 20 license. The craft distiller warehouse permit shall allow the 21 holder to store or warehouse up to 500,000 gallons of spirits 22 manufactured by the holder of the permit at the premises 23 specified on the permit. Sales to non-licensees are prohibited 24 at the premises specified in the craft distiller warehouse 25 permit.

26 (Source: P.A. 100-17, eff. 6-30-17; 100-201, eff. 8-18-17;

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1 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff.

2 8-23-18; 101-16, eff. 6-14-19; 101-31, eff. 6-28-19; 101-81,

3 eff. 7-12-19; 101-482, eff. 8-23-19; 101-517, eff. 8-23-19;

4 101-615, eff. 12-20-19.)".