



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2864

Introduced 2/16/2023, by Rep. Theresa Mah

SYNOPSIS AS INTRODUCED:

235 ILCS 5/1-3.12	from Ch. 43, par. 95.12
235 ILCS 5/1-3.40	
235 ILCS 5/3-12	
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/5-3	from Ch. 43, par. 118

Amends the Liquor Control Act of 1934. Establishes a third-class wine-makers license. Provides that a third-class wine-makers license allows the manufacture of up to 250,000 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 permitted by law. Provides that a person who has a third-class wine-maker's license and annually produces less than 250,000 gallons of wine may make application to the Illinois Liquor Control Commission for a self-distribution exemption to allow the sale of not more than 25,000 gallons of the exemption holder's wine to retail licensees per year and to sell cider, mead, or both cider and mead to brewers, class 1 brewers, class 2 brewers, and class 3 brewers that sell beer, cider, mead, or any combination thereof to non-licensees at their breweries. Provides that a wine-maker's premises license shall allow a licensee who concurrently holds a third-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 250,000 gallons of the third-class wine-maker's wine that is made at the third-class wine-maker's licensed premises per year for use or consumption but not for resale in any form. Provides that a wine-maker's premises license shall allow the licensee to sell and offer for sale at up to 3 (instead of 2) additional locations for use and consumption and not for resale. Sets forth licensing fees for a third-class wine-maker and for a fourth location of a wine-maker's premises license.

LRB103 29721 RPS 56126 b

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 1-3.12, 1-3.40, 3-12, 5-1, and 5-3 as
6 follows:

7 (235 ILCS 5/1-3.12) (from Ch. 43, par. 95.12)

8 Sec. 1-3.12. "Wine-maker" means a person engaged in the
9 making of less than 50,000 gallons of wine annually other than
10 a person issued a Second Class wine-maker's license or a
11 third-class wine-maker's license.

12 (Source: P.A. 92-378, eff. 8-16-01.)

13 (235 ILCS 5/1-3.40)

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

1 11. Class 2 Craft Distiller, a Class 12. Class 1 Brewer, ~~and~~ a
2 Class 13. Class 2 Brewer, a Class 14. Third-Class Wine-Maker,
3 and any future Manufacturer's licenses established by law.
4 (Source: P.A. 101-482, eff. 8-23-19; 101-615, eff. 12-20-19.)

5 (235 ILCS 5/3-12)

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

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

9 (1) To receive applications and to issue licenses to
10 manufacturers, foreign importers, importing distributors,
11 distributors, non-resident dealers, on premise consumption
12 retailers, off premise sale retailers, special event
13 retailer licensees, special use permit licenses, auction
14 liquor licenses, brew pubs, caterer retailers,
15 non-beverage users, railroads, including owners and
16 lessees of sleeping, dining and cafe cars, airplanes,
17 boats, brokers, and wine maker's premises licensees in
18 accordance with the provisions of this Act, and to suspend
19 or revoke such licenses upon the State Commission's
20 determination, upon notice after hearing, that a licensee
21 has violated any provision of this Act or any rule or
22 regulation issued pursuant thereto and in effect for 30
23 days prior to such violation. Except in the case of an
24 action taken pursuant to a violation of Section 6-3, 6-5,
25 or 6-9, any action by the State Commission to suspend or

1 revoke a licensee's license may be limited to the license
2 for the specific premises where the violation occurred. An
3 action for a violation of this Act shall be commenced by
4 the State Commission within 2 years after the date the
5 State Commission becomes aware of the violation.

6 In lieu of suspending or revoking a license, the
7 commission may impose a fine, upon the State Commission's
8 determination and notice after hearing, that a licensee
9 has violated any provision of this Act or any rule or
10 regulation issued pursuant thereto and in effect for 30
11 days prior to such violation.

12 For the purpose of this paragraph (1), when
13 determining multiple violations for the sale of alcohol to
14 a person under the age of 21, a second or subsequent
15 violation for the sale of alcohol to a person under the age
16 of 21 shall only be considered if it was committed within 5
17 years after the date when a prior violation for the sale of
18 alcohol to a person under the age of 21 was committed.

19 The fine imposed under this paragraph may not exceed
20 \$500 for each violation. Each day that the activity, which
21 gave rise to the original fine, continues is a separate
22 violation. The maximum fine that may be levied against any
23 licensee, for the period of the license, shall not exceed
24 \$20,000. The maximum penalty that may be imposed on a
25 licensee for selling a bottle of alcoholic liquor with a
26 foreign object in it or serving from a bottle of alcoholic

1 liquor with a foreign object in it shall be the
2 destruction of that bottle of alcoholic liquor for the
3 first 10 bottles so sold or served from by the licensee.
4 For the eleventh bottle of alcoholic liquor and for each
5 third bottle thereafter sold or served from by the
6 licensee with a foreign object in it, the maximum penalty
7 that may be imposed on the licensee is the destruction of
8 the bottle of alcoholic liquor and a fine of up to \$50.

9 Any notice issued by the State Commission to a
10 licensee for a violation of this Act or any notice with
11 respect to settlement or offer in compromise shall include
12 the field report, photographs, and any other supporting
13 documentation necessary to reasonably inform the licensee
14 of the nature and extent of the violation or the conduct
15 alleged to have occurred. The failure to include such
16 required documentation shall result in the dismissal of
17 the action.

18 (2) To adopt such rules and regulations consistent
19 with the provisions of this Act which shall be necessary
20 to carry on its functions and duties to the end that the
21 health, safety and welfare of the People of the State of
22 Illinois shall be protected and temperance in the
23 consumption of alcoholic liquors shall be fostered and
24 promoted and to distribute copies of such rules and
25 regulations to all licensees affected thereby.

26 (3) To call upon other administrative departments of

1 the State, county and municipal governments, county and
2 city police departments and upon prosecuting officers for
3 such information and assistance as it deems necessary in
4 the performance of its duties.

5 (4) To recommend to local commissioners rules and
6 regulations, not inconsistent with the law, for the
7 distribution and sale of alcoholic liquors throughout the
8 State.

9 (5) To inspect, or cause to be inspected, any premises
10 in this State where alcoholic liquors are manufactured,
11 distributed, warehoused, or sold. Nothing in this Act
12 authorizes an agent of the State Commission to inspect
13 private areas within the premises without reasonable
14 suspicion or a warrant during an inspection. "Private
15 areas" include, but are not limited to, safes, personal
16 property, and closed desks.

17 (5.1) Upon receipt of a complaint or upon having
18 knowledge that any person is engaged in business as a
19 manufacturer, importing distributor, distributor, or
20 retailer without a license or valid license, to conduct an
21 investigation. If, after conducting an investigation, the
22 State Commission is satisfied that the alleged conduct
23 occurred or is occurring, it may issue a cease and desist
24 notice as provided in this Act, impose civil penalties as
25 provided in this Act, notify the local liquor authority,
26 or file a complaint with the State's Attorney's Office of

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

3 (5.2) Upon receipt of a complaint or upon having
4 knowledge that any person is shipping alcoholic liquor
5 into this State from a point outside of this State if the
6 shipment is in violation of this Act, to conduct an
7 investigation. If, after conducting an investigation, the
8 State Commission is satisfied that the alleged conduct
9 occurred or is occurring, it may issue a cease and desist
10 notice as provided in this Act, impose civil penalties as
11 provided in this Act, notify the foreign jurisdiction, or
12 file a complaint with the State's Attorney's Office of the
13 county where the incident occurred or the Attorney
14 General.

15 (5.3) To receive complaints from licensees, local
16 officials, law enforcement agencies, organizations, and
17 persons stating that any licensee has been or is violating
18 any provision of this Act or the rules and regulations
19 issued pursuant to this Act. Such complaints shall be in
20 writing, signed and sworn to by the person making the
21 complaint, and shall state with specificity the facts in
22 relation to the alleged violation. If the State Commission
23 has reasonable grounds to believe that the complaint
24 substantially alleges a violation of this Act or rules and
25 regulations adopted pursuant to this Act, it shall conduct
26 an investigation. If, after conducting an investigation,

1 the State Commission is satisfied that the alleged
2 violation did occur, it shall proceed with disciplinary
3 action against the licensee as provided in this Act.

4 (5.4) To make arrests and issue notices of civil
5 violations where necessary for the enforcement of this
6 Act.

7 (5.5) To investigate any and all unlicensed activity.

8 (5.6) To impose civil penalties or fines to any person
9 who, without holding a valid license, engages in conduct
10 that requires a license pursuant to this Act, in an amount
11 not to exceed \$20,000 for each offense as determined by
12 the State Commission. A civil penalty shall be assessed by
13 the State Commission after a hearing is held in accordance
14 with the provisions set forth in this Act regarding the
15 provision of a hearing for the revocation or suspension of
16 a license.

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

23 (7) The State Commission shall establish uniform
24 systems of accounts to be kept by all retail licensees
25 having more than 4 employees, and for this purpose the
26 State Commission may classify all retail licensees having

1 more than 4 employees and establish a uniform system of
2 accounts for each class and prescribe the manner in which
3 such accounts shall be kept. The State Commission may also
4 prescribe the forms of accounts to be kept by all retail
5 licensees having more than 4 employees, including, but not
6 limited to, accounts of earnings and expenses and any
7 distribution, payment, or other distribution of earnings
8 or assets, and any other forms, records, and memoranda
9 which in the judgment of the commission may be necessary
10 or appropriate to carry out any of the provisions of this
11 Act, including, but not limited to, such forms, records,
12 and memoranda as will readily and accurately disclose at
13 all times the beneficial ownership of such retail licensed
14 business. The accounts, forms, records, and memoranda
15 shall be available at all reasonable times for inspection
16 by authorized representatives of the State Commission or
17 by any local liquor control commissioner or his or her
18 authorized representative. The commission may, from time
19 to time, alter, amend, or repeal, in whole or in part, any
20 uniform system of accounts, or the form and manner of
21 keeping accounts.

22 (8) In the conduct of any hearing authorized to be
23 held by the State Commission, to appoint, at the
24 commission's discretion, hearing officers to conduct
25 hearings involving complex issues or issues that will
26 require a protracted period of time to resolve, to

1 examine, or cause to be examined, under oath, any
2 licensee, and to examine or cause to be examined the books
3 and records of such licensee; to hear testimony and take
4 proof material for its information in the discharge of its
5 duties hereunder; to administer or cause to be
6 administered oaths; for any such purpose to issue subpoena
7 or subpoenas to require the attendance of witnesses and
8 the production of books, which shall be effective in any
9 part of this State, and to adopt rules to implement its
10 powers under this paragraph (8).

11 Any circuit court may, by order duly entered, require
12 the attendance of witnesses and the production of relevant
13 books subpoenaed by the State Commission and the court may
14 compel obedience to its order by proceedings for contempt.

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

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

1 (11) To develop industry educational programs related
2 to responsible serving and selling, particularly in the
3 areas of overserving consumers and illegal underage
4 purchasing and consumption of alcoholic beverages.

5 (11.1) To license persons providing education and
6 training to alcohol beverage sellers and servers for
7 mandatory and non-mandatory training under the Beverage
8 Alcohol Sellers and Servers Education and Training
9 (BASSET) programs and to develop and administer a public
10 awareness program in Illinois to reduce or eliminate the
11 illegal purchase and consumption of alcoholic beverage
12 products by persons under the age of 21. Application for a
13 license shall be made on forms provided by the State
14 Commission.

15 (12) To develop and maintain a repository of license
16 and regulatory information.

17 (13) (Blank).

18 (14) On or before April 30, 2008 and every 2 years
19 thereafter, the State Commission shall present a written
20 report to the Governor and the General Assembly that shall
21 be based on a study of the impact of Public Act 95-634 on
22 the business of soliciting, selling, and shipping wine
23 from inside and outside of this State directly to
24 residents of this State. As part of its report, the State
25 Commission shall provide all of the following information:

26 (A) The amount of State excise and sales tax

1 revenues generated.

2 (B) The amount of licensing fees received.

3 (C) The number of cases of wine shipped from
4 inside and outside of this State directly to residents
5 of this State.

6 (D) The number of alcohol compliance operations
7 conducted.

8 (E) The number of winery shipper's licenses
9 issued.

10 (F) The number of each of the following: reported
11 violations; cease and desist notices issued by the
12 Commission; notices of violations issued by the
13 Commission and to the Department of Revenue; and
14 notices and complaints of violations to law
15 enforcement officials, including, without limitation,
16 the Illinois Attorney General and the U.S. Department
17 of Treasury's Alcohol and Tobacco Tax and Trade
18 Bureau.

19 (15) As a means to reduce the underage consumption of
20 alcoholic liquors, the State Commission shall conduct
21 alcohol compliance operations to investigate whether
22 businesses that are soliciting, selling, and shipping wine
23 from inside or outside of this State directly to residents
24 of this State are licensed by this State or are selling or
25 attempting to sell wine to persons under 21 years of age in
26 violation of this Act.

1 (16) The State Commission shall, in addition to
2 notifying any appropriate law enforcement agency, submit
3 notices of complaints or violations of Sections 6-29 and
4 6-29.1 by persons who do not hold a winery shipper's
5 license under this Act to the Illinois Attorney General
6 and to the U.S. Department of Treasury's Alcohol and
7 Tobacco Tax and Trade Bureau.

8 (17) (A) A person licensed to make wine under the laws
9 of another state who has a winery shipper's license under
10 this Act and annually produces less than 25,000 gallons of
11 wine or a person who has a first-class or second-class
12 wine manufacturer's license, a first-class or second-class
13 wine-maker's license, or a limited wine manufacturer's
14 license under this Act and annually produces less than
15 25,000 gallons of wine may make application to the
16 Commission for a self-distribution exemption to allow the
17 sale of not more than 5,000 gallons of the exemption
18 holder's wine to retail licensees per year and to sell
19 cider, mead, or both cider and mead to brewers, class 1
20 brewers, class 2 brewers, and class 3 brewers that,
21 pursuant to subsection (e) of Section 6-4 of this Act,
22 sell beer, cider, mead, or any combination thereof to
23 non-licensees at their breweries.

24 (B) In the application, which shall be sworn under
25 penalty of perjury, such person shall state (1) the date
26 it was established; (2) its volume of production and sales

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

7 (C) The State Commission shall approve the application
8 for a self-distribution exemption if such person: (1) is
9 in compliance with State revenue and liquor laws; (2) is
10 not a member of any affiliated group that produces
11 directly or indirectly more than 25,000 gallons of wine
12 per annum, 930,000 gallons of beer per annum, or 50,000
13 gallons of spirits per annum; (3) will not annually
14 produce for sale more than 25,000 gallons of wine, 930,000
15 gallons of beer, or 50,000 gallons of spirits; and (4)
16 will not annually sell more than 5,000 gallons of its wine
17 to retail licensees.

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

1 gallons of wine, 930,000 gallons of beer, or 50,000
2 gallons of spirits in any calendar year, or become part of
3 an affiliated group producing more than 25,000 gallons of
4 wine, 930,000 gallons of beer, or 50,000 gallons of
5 spirits.

6 (E) Except in hearings for violations of this Act or
7 Public Act 95-634 or a bona fide investigation by duly
8 sworn law enforcement officials, the State Commission, or
9 its agents, the State Commission shall maintain the
10 production and sales information of a self-distribution
11 exemption holder as confidential and shall not release
12 such information to any person.

13 (F) The State Commission shall issue regulations
14 governing self-distribution exemptions consistent with
15 this Section and this Act.

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

20 (H) It is the intent of this paragraph (17) to promote
21 and continue orderly markets. The General Assembly finds
22 that, in order to preserve Illinois' regulatory
23 distribution system, it is necessary to create an
24 exception for smaller makers of wine as their wines are
25 frequently adjusted in varietals, mixes, vintages, and
26 taste to find and create market niches sometimes too small

1 for distributor or importing distributor business
2 strategies. Limited self-distribution rights will afford
3 and allow smaller makers of wine access to the marketplace
4 in order to develop a customer base without impairing the
5 integrity of the 3-tier system.

6 (17.5) (A) A person who has a third-class wine-maker's
7 license and annually produces less than 250,000 gallons of
8 wine may make application to the Commission for a
9 self-distribution exemption to allow the sale of not more
10 than 25,000 gallons of the exemption holder's wine to
11 retail licensees per year and to sell cider, mead, or both
12 cider and mead to brewers, class 1 brewers, class 2
13 brewers, and class 3 brewers that, pursuant to subsection
14 (e) of Section 6-4 of this Act, sell beer, cider, mead, or
15 any combination thereof to non-licensees at their
16 breweries.

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

26 (C) The State Commission shall approve the application

1 for a self-distribution exemption if such person: (1) is
2 in compliance with State revenue and liquor laws; (2) is
3 not a member of any affiliated group that produces
4 directly or indirectly more than 250,000 gallons of wine
5 per annum, 930,000 gallons of beer per annum, or 50,000
6 gallons of spirits per annum; (3) will not annually
7 produce for sale more than 250,000 gallons of wine,
8 930,000 gallons of beer, or 50,000 gallons of spirits; and
9 (4) will not annually sell more than 25,000 gallons of its
10 wine to retail licensees.

11 (D) A self-distribution exemption holder shall
12 annually certify to the State Commission its production of
13 wine in the previous 12 months and its anticipated
14 production and sales for the next 12 months. The State
15 Commission may fine, suspend, or revoke a
16 self-distribution exemption after a hearing if it finds
17 that the exemption holder has made a material
18 misrepresentation in its application, violated a revenue
19 or liquor law of Illinois, exceeded production of 250,000
20 gallons of wine, 930,000 gallons of beer, or 50,000
21 gallons of spirits in any calendar year, or become part of
22 an affiliated group producing more than 250,000 gallons of
23 wine, 930,000 gallons of beer, or 50,000 gallons of
24 spirits.

25 (E) Except in hearings for violations of this Act or
26 Public Act 95-634 or a bona fide investigation by duly

1 sworn law enforcement officials, the State Commission, or
2 its agents, the State Commission shall maintain the
3 production and sales information of a self-distribution
4 exemption holder as confidential and shall not release
5 such information to any person.

6 (F) The State Commission shall issue regulations
7 governing self-distribution exemptions consistent with
8 this Section and this Act.

9 (G) Nothing in this paragraph (17.5) shall prohibit a
10 self-distribution exemption holder from entering into or
11 simultaneously having a distribution agreement with a
12 licensed Illinois distributor.

13 (H) It is the intent of this paragraph (17.5) to
14 promote and continue orderly markets. The General Assembly
15 finds that, in order to preserve Illinois' regulatory
16 distribution system, it is necessary to create an
17 exception for smaller makers of wine as their wines are
18 frequently adjusted in varietals, mixes, vintages, and
19 taste to find and create market niches sometimes too small
20 for distributor or importing distributor business
21 strategies. Limited self-distribution rights will afford
22 and allow smaller makers of wine access to the marketplace
23 in order to develop a customer base without impairing the
24 integrity of the 3-tier system.

25 (18) (A) A class 1 brewer licensee, who must also be
26 either a licensed brewer or licensed non-resident dealer

1 and annually manufacture less than 930,000 gallons of
2 beer, may make application to the State Commission for a
3 self-distribution exemption to allow the sale of not more
4 than 232,500 gallons per year of the exemption holder's
5 beer to retail licensees and to brewers, class 1 brewers,
6 and class 2 brewers that, pursuant to subsection (e) of
7 Section 6-4 of this Act, sell beer, cider, mead, or any
8 combination thereof to non-licensees at their breweries.

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

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

1 per annum, 25,000 gallons of wine per annum, or 50,000
2 gallons of spirits per annum; (3) shall not annually
3 manufacture for sale more than 930,000 gallons of beer,
4 25,000 gallons of wine, or 50,000 gallons of spirits; (4)
5 shall not annually sell more than 232,500 gallons of its
6 beer to retail licensees and class 3 brewers and to
7 brewers, class 1 brewers, and class 2 brewers that,
8 pursuant to subsection (e) of Section 6-4 of this Act,
9 sell beer, cider, mead, or any combination thereof to
10 non-licensees at their breweries; and (5) has relinquished
11 any brew pub license held by the licensee, including any
12 ownership interest it held in the licensed brew pub.

13 (D) A self-distribution exemption holder shall
14 annually certify to the State Commission its manufacture
15 of beer during the previous 12 months and its anticipated
16 manufacture and sales of beer for the next 12 months. The
17 State Commission may fine, suspend, or revoke a
18 self-distribution exemption after a hearing if it finds
19 that the exemption holder has made a material
20 misrepresentation in its application, violated a revenue
21 or alcoholic beverage law of Illinois, exceeded the
22 manufacture of 930,000 gallons of beer, 25,000 gallons of
23 wine, or 50,000 gallons of spirits in any calendar year or
24 became part of an affiliated group manufacturing more than
25 930,000 gallons of beer, 25,000 gallons of wine, or 50,000
26 gallons of spirits.

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

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

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

22 (19) (A) A class 1 craft distiller licensee or a
23 non-resident dealer who manufactures less than 50,000
24 gallons of distilled spirits per year may make application
25 to the State Commission for a self-distribution exemption
26 to allow the sale of not more than 5,000 gallons of the

1 exemption holder's spirits to retail licensees per year.

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

13 (C) Any application submitted shall be posted on the
14 State Commission's website at least 45 days prior to
15 action by the State Commission. The State Commission shall
16 approve the application for a self-distribution exemption
17 if the applicant: (1) is in compliance with State revenue
18 and alcoholic beverage laws; (2) is not a member of any
19 affiliated group that produces more than 50,000 gallons of
20 spirits per annum, 930,000 gallons of beer per annum, or
21 25,000 gallons of wine per annum; (3) does not annually
22 manufacture for sale more than 50,000 gallons of spirits,
23 930,000 gallons of beer, or 25,000 gallons of wine; and
24 (4) does not annually sell more than 5,000 gallons of its
25 spirits to retail licensees.

26 (D) A self-distribution exemption holder shall

1 annually certify to the State Commission its manufacture
2 of spirits during the previous 12 months and its
3 anticipated manufacture and sales of spirits for the next
4 12 months. The State Commission may fine, suspend, or
5 revoke a self-distribution exemption after a hearing if it
6 finds that the exemption holder has made a material
7 misrepresentation in its application, violated a revenue
8 or alcoholic beverage law of Illinois, exceeded the
9 manufacture of 50,000 gallons of spirits, 930,000 gallons
10 of beer, or 25,000 gallons of wine in any calendar year, or
11 has become part of an affiliated group manufacturing more
12 than 50,000 gallons of spirits, 930,000 gallons of beer,
13 or 25,000 gallons of wine.

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

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

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

1 impairing the integrity of the 3-tier system.

2 (20) (A) A class 3 brewer licensee who must manufacture
3 less than 465,000 gallons of beer in the aggregate and not
4 more than 155,000 gallons at any single brewery premises
5 may make application to the State Commission for a
6 self-distribution exemption to allow the sale of not more
7 than 6,200 gallons of beer from each in-state or
8 out-of-state class 3 brewery premises, which shall not
9 exceed 18,600 gallons annually in the aggregate, that is
10 manufactured at a wholly owned class 3 brewer's in-state
11 or out-of-state licensed premises to retail licensees and
12 class 3 brewers and to brewers, class 1 brewers, class 2
13 brewers that, pursuant to subsection (e) of Section 6-4,
14 sell beer, cider, or both beer and cider to non-licensees
15 at their licensed breweries.

16 (B) In the application, which shall be sworn under
17 penalty of perjury, the class 3 brewer licensee shall
18 state:

19 (1) the date it was established;

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

22 (3) its efforts to establish distributor
23 relationships;

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

26 (5) that it will comply with the alcoholic

1 beverage and revenue laws of the United States, this
2 State, and any other state where it is licensed.

3 (C) Any application submitted shall be posted on the
4 State Commission's website at least 45 days before action
5 by the State Commission. The State Commission shall
6 approve the application for a self-distribution exemption
7 if the class 3 brewer licensee: (1) is in compliance with
8 the State, revenue, and alcoholic beverage laws; (2) is
9 not a member of any affiliated group that manufacturers,
10 directly or indirectly, more than 465,000 gallons of beer
11 per annum; (3) shall not annually manufacture for sale
12 more than 465,000 gallons of beer or more than 155,000
13 gallons at any single brewery premises; and (4) shall not
14 annually sell more than 6,200 gallons of beer from each
15 in-state or out-of-state class 3 brewery premises, and
16 shall not exceed 18,600 gallons annually in the aggregate,
17 to retail licensees and class 3 brewers and to brewers,
18 class 1 brewers, and class 2 brewers that, pursuant to
19 subsection (e) of Section 6-4 of this Act, sell beer,
20 cider, or both beer and cider to non-licensees at their
21 breweries.

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

1 self-distribution exemption after a hearing if it finds
2 that the exemption holder has made a material
3 misrepresentation in its application, violated a revenue
4 or alcoholic beverage law of Illinois, exceeded the
5 manufacture of 465,000 gallons of beer in any calendar
6 year or became part of an affiliated group manufacturing
7 more than 465,000 gallons of beer, or exceeded the sale to
8 retail licensees, brewers, class 1 brewers, class 2
9 brewers, and class 3 brewers of 6,200 gallons per brewery
10 location or 18,600 gallons in the aggregate.

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

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

23 (G) It is the intent of this paragraph to promote and
24 continue orderly markets. The General Assembly finds that
25 in order to preserve Illinois' regulatory distribution
26 system, it is necessary to create an exception for smaller

1 manufacturers in order to afford and allow such smaller
2 manufacturers of beer access to the marketplace in order
3 to develop a customer base without impairing the integrity
4 of the 3-tier system.

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

11 As part of its report, the Commission shall provide the
12 following information:

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

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

17 (iii) the number of reported violations, the number of
18 cease and desist notices issued by the Commission, the
19 number of notices of violations issued to the Department
20 of Revenue, and the number of notices and complaints of
21 violations to law enforcement officials.

22 (Source: P.A. 101-37, eff. 7-3-19; 101-81, eff. 7-12-19;
23 101-482, eff. 8-23-19; 102-442, eff. 8-20-21; 102-558, eff.
24 8-20-21; 102-813, eff. 5-13-22.)

25 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

3 (a) Manufacturer's license - Class 1. Distiller, Class 2.
4 Rectifier, Class 3. Brewer, Class 4. First Class Wine
5 Manufacturer, Class 5. Second Class Wine Manufacturer, Class
6 6. First Class Winemaker, Class 7. Second Class Winemaker,
7 Class 8. Limited Wine Manufacturer, Class 9. Craft Distiller,
8 Class 10. Class 1 Craft Distiller, Class 11. Class 2 Craft
9 Distiller, Class 12. Class 1 Brewer, Class 13. Class 2 Brewer,
10 Class 14. Class 3 Brewer, Class 15. Third-Class Wine-Maker,

11 (b) Distributor's license,

12 (c) Importing Distributor's license,

13 (d) Retailer's license,

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

15 (f) Railroad license,

16 (g) Boat license,

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

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

19 (j) Airplane license,

20 (k) Foreign importer's license,

21 (l) Broker's license,

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

23 (n) Brew Pub license,

24 (o) Auction liquor license,

25 (p) Caterer retailer license,

26 (q) Special use permit license,

- 1 (r) Winery shipper's license,
- 2 (s) Craft distiller tasting permit,
- 3 (t) Brewer warehouse permit,
- 4 (u) Distilling pub license,
- 5 (v) Craft distiller warehouse permit,
- 6 (w) Beer showcase permit.

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

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

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

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

23 Class 3. A Brewer may make sales and deliveries of beer to
24 importing distributors and distributors and may make sales as
25 authorized under subsection (e) of Section 6-4 of this Act,
26 including any alcoholic liquor that subsection (e) of Section

1 6-4 authorizes a brewer to sell in its original package only to
2 a non-licensee for pick-up by a non-licensee either within the
3 interior of the brewery premises or at outside of the brewery
4 premises at a curb-side or parking lot adjacent to the brewery
5 premises, subject to any local ordinance.

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

25 Class 5. A second class Wine manufacturer may make sales
26 and deliveries of more than 50,000 gallons of wine to

1 manufacturers, importing distributors and distributors and to
2 no other licensees.

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

1 wine-maker's premises license but shall be permitted to sell
2 wine manufactured at the first-class wine-maker premises to
3 non-licensees.

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

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

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

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

1 indirectly, a manufacturer that produces more than 930,000
2 gallons of beer per year. If a class 1 craft distiller
3 manufactures wine, it shall also obtain and shall only be
4 eligible for, in addition to any current license, a
5 first-class wine-manufacturer license or a first-class
6 wine-maker's license, shall not manufacture more than 50,000
7 gallons of wine per year, and shall not be a member of or
8 affiliated with, directly or indirectly, a manufacturer that
9 produces more than 50,000 gallons of wine per year. A class 1
10 craft distiller licensee may make sales and deliveries to
11 importing distributors and distributors and to retail
12 licensees in accordance with the conditions set forth in
13 paragraph (19) of subsection (a) of Section 3-12 of this Act.
14 However, the aggregate amount of spirits sold to non-licensees
15 and sold or delivered to retail licensees may not exceed 5,000
16 gallons per year.

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

25 A class 1 craft distiller licensee may hold more than one
26 class 1 craft distiller's license. However, a class 1 craft

1 distiller that holds more than one class 1 craft distiller
2 license shall not manufacture, in the aggregate, more than
3 50,000 gallons of spirits by distillation per year and shall
4 not sell, in the aggregate, more than 5,000 gallons of such
5 spirits to non-licensees in accordance with an exemption
6 approved by the State Commission pursuant to Section 6-4 of
7 this Act.

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

1 member of or affiliated with, directly or indirectly, a
2 manufacturer that produces more than 150,000 gallons of wine
3 per year. A class 2 craft distiller licensee may make sales and
4 deliveries to importing distributors and distributors, but
5 shall not make sales or deliveries to any other licensee. If
6 the State Commission provides prior approval, a class 2 craft
7 distiller licensee may annually transfer up to 100,000 gallons
8 of spirits manufactured by that class 2 craft distiller
9 licensee to the premises of a licensed class 2 craft distiller
10 wholly owned and operated by the same licensee. A class 2 craft
11 distiller may transfer spirits to a distilling pub wholly
12 owned and operated by the class 2 craft distiller subject to
13 the following limitations and restrictions: (i) the transfer
14 shall not annually exceed more than 5,000 gallons; (ii) the
15 annual amount transferred shall reduce the distilling pub's
16 annual permitted production limit; (iii) all spirits
17 transferred shall be subject to Article VIII of this Act; (iv)
18 a written record shall be maintained by the distiller and
19 distilling pub specifying the amount, date of delivery, and
20 receipt of the product by the distilling pub; and (v) the
21 distilling pub shall be located no farther than 80 miles from
22 the class 2 craft distiller's licensed location.

23 A class 2 craft distiller shall, prior to transferring
24 spirits to a distilling pub wholly owned by the class 2 craft
25 distiller, furnish a written notice to the State Commission of
26 intent to transfer spirits setting forth the name and address

1 of the distilling pub and shall annually submit to the State
2 Commission a verified report identifying the total gallons of
3 spirits transferred to the distilling pub wholly owned by the
4 class 2 craft distiller.

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

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

1 wine-maker's license, shall not manufacture more than 50,000
2 gallons of wine per year, and shall not be a member of or
3 affiliated with, directly or indirectly, a manufacturer that
4 produces more than 50,000 gallons of wine per year. A class 1
5 brewer licensee may make sales and deliveries to importing
6 distributors and distributors and to retail licensees in
7 accordance with the conditions set forth in paragraph (18) of
8 subsection (a) of Section 3-12 of this Act. If the State
9 Commission provides prior approval, a class 1 brewer may
10 annually transfer up to 930,000 gallons of beer manufactured
11 by that class 1 brewer to the premises of a licensed class 1
12 brewer wholly owned and operated by the same licensee.

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

1 craft distiller manufactures wine, it shall also obtain and
2 shall only be eligible for, in addition to any current
3 license, a second-class wine-maker's license, shall not
4 manufacture more than 150,000 gallons of wine per year, and
5 shall not be a member of or affiliated with, directly or
6 indirectly, a manufacturer that produces more than 150,000
7 gallons of wine a year. A class 2 brewer licensee may make
8 sales and deliveries to importing distributors and
9 distributors, but shall not make sales or deliveries to any
10 other licensee. If the State Commission provides prior
11 approval, a class 2 brewer licensee may annually transfer up
12 to 3,720,000 gallons of beer manufactured by that class 2
13 brewer licensee to the premises of a licensed class 2 brewer
14 wholly owned and operated by the same licensee.

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

26 A class 2 brewer shall, prior to transferring beer to a

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

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

1 3 brewer shall manufacture beer at the brewer's class 3
2 designated licensed premises, and may sell beer as otherwise
3 provided in this Act.

4 Class 15. A third-class wine-maker's license shall allow
5 the manufacture of up to 250,000 gallons of wine per year and
6 the storage and sale of such wine to distributors in this State
7 and to persons without the State, as may be permitted by law.

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
13 basis in this State must register those agents,
14 representatives, or persons acting on its behalf with the
15 State Commission.

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

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

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

22 (c) An importing distributor's license may be issued to
23 and held by those only who are duly licensed distributors,
24 upon the filing of an application by a duly licensed
25 distributor, with the Commission and the Commission shall,
26 without the payment of any fee, immediately issue such

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

15 (d) A retailer's license shall allow the licensee to sell
16 and offer for sale at retail, only in the premises specified in
17 the license, alcoholic liquor for use or consumption, but not
18 for resale in any form. Except as provided in Section 6-16,
19 6-29, or 6-29.1, nothing in this Act shall deny, limit,
20 remove, or restrict the ability of a holder of a retailer's
21 license to transfer or ship alcoholic liquor to the purchaser
22 for use or consumption subject to any applicable local law or
23 ordinance. For the purposes of this Section, "shipping" means
24 the movement of alcoholic liquor from a licensed retailer to a
25 consumer via a common carrier. Except as provided in Section
26 6-16, 6-29, or 6-29.1, nothing in this Act shall deny, limit,

1 remove, or restrict the ability of a holder of a retailer's
2 license to deliver alcoholic liquor to the purchaser for use
3 or consumption. The delivery shall be made only within 12
4 hours from the time the alcoholic liquor leaves the licensed
5 premises of the retailer for delivery. For the purposes of
6 this Section, "delivery" means the movement of alcoholic
7 liquor purchased from a licensed retailer to a consumer
8 through the following methods:

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

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

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

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

18 Any retail license issued to a manufacturer shall only
19 permit the manufacturer to sell beer at retail on the premises
20 actually occupied by the manufacturer. For the purpose of
21 further describing the type of business conducted at a retail
22 licensed premises, a retailer's licensee may be designated by
23 the State Commission as (i) an on premise consumption
24 retailer, (ii) an off premise sale retailer, or (iii) a
25 combined on premise consumption and off premise sale retailer.

26 Except for a municipality with a population of more than

1 1,000,000 inhabitants, a home rule unit may not regulate the
2 delivery of alcoholic liquor inconsistent with this
3 subsection. This paragraph is a limitation under subsection
4 (i) of Section 6 of Article VII of the Illinois Constitution on
5 the concurrent exercise by home rule units of powers and
6 functions exercised by the State.

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

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

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

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

21 (f) A railroad license shall permit the licensee to import
22 alcoholic liquors into this State from any point in the United
23 States outside this State and to store such alcoholic liquors
24 in this State; to make wholesale purchases of alcoholic
25 liquors directly from manufacturers, foreign importers,
26 distributors and importing distributors from within or outside

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

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

22 (h) A non-beverage user's license shall allow the licensee
23 to purchase alcoholic liquor from a licensed manufacturer or
24 importing distributor, without the imposition of any tax upon
25 the business of such licensed manufacturer or importing
26 distributor as to such alcoholic liquor to be used by such

1 licensee solely for the non-beverage purposes set forth in
 2 subsection (a) of Section 8-1 of this Act, and such licenses
 3 shall be divided and classified and shall permit the purchase,
 4 possession and use of limited and stated quantities of
 5 alcoholic liquor as follows:

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

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

1 250,000 gallons of the third-class wine-maker's wine that is
2 made at the third-class wine-maker's licensed premises per
3 year for use or consumption but not for resale in any form. A
4 ~~first-class wine-maker that concurrently holds a class 1~~
5 ~~brewer license or a class 1 craft distiller license shall not~~
6 ~~be eligible to hold a wine maker's premises license. A~~
7 wine-maker's premises license shall allow a licensee that
8 concurrently holds a first-class wine-maker's license, ~~or~~ a
9 second-class wine-maker's license, or a third-class
10 wine-maker's license to sell and offer for sale at retail at
11 the premises specified in the wine-maker's premises license,
12 for use or consumption but not for resale in any form, any
13 beer, wine, and spirits purchased from a licensed distributor.
14 Upon approval from the State Commission, a wine-maker's
15 premises license shall allow the licensee to sell and offer
16 for sale at (i) the wine-maker's licensed premises and (ii) at
17 up to 3 ~~2~~ additional locations for use and consumption and not
18 for resale. Each location shall require additional licensing
19 per location as specified in Section 5-3 of this Act. A
20 wine-maker's premises licensee shall secure liquor liability
21 insurance coverage in an amount at least equal to the maximum
22 liability amounts set forth in subsection (a) of Section 6-21
23 of this Act.

24 (j) An airplane license shall permit the licensee to
25 import alcoholic liquors into this State from any point in the
26 United States outside this State and to store such alcoholic

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

19 (k) A foreign importer's license shall permit such
20 licensee to purchase alcoholic liquor from Illinois licensed
21 non-resident dealers only, and to import alcoholic liquor
22 other than in bulk from any point outside the United States and
23 to sell such alcoholic liquor to Illinois licensed importing
24 distributors and to no one else in Illinois; provided that (i)
25 the foreign importer registers with the State Commission every
26 brand of alcoholic liquor that it proposes to sell to Illinois

1 licensees during the license period, (ii) the foreign importer
2 complies with all of the provisions of Section 6-9 of this Act
3 with respect to registration of such Illinois licensees as may
4 be granted the right to sell such brands at wholesale, and
5 (iii) the foreign importer complies with the provisions of
6 Sections 6-5 and 6-6 of this Act to the same extent that these
7 provisions apply to manufacturers.

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

18 No holder of a retailer's license issued by the Illinois
19 Liquor Control Commission shall purchase or receive any
20 alcoholic liquor, the order for which was solicited or offered
21 for sale to such retailer by a broker unless the broker is the
22 holder of a valid broker's license.

23 The broker shall, upon the acceptance by a retailer of the
24 broker's solicitation of an order or offer to sell or supply or
25 deliver or have delivered alcoholic liquors, promptly forward
26 to the Illinois Liquor Control Commission a notification of

1 said transaction in such form as the Commission may by
2 regulations prescribe.

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

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

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

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

25 (m) A non-resident dealer's license shall permit such
26 licensee to ship into and warehouse alcoholic liquor into this

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

18 (n) A brew pub license shall allow the licensee to only (i)
19 manufacture up to 155,000 gallons of beer per year only on the
20 premises specified in the license, (ii) make sales of the beer
21 manufactured on the premises or, with the approval of the
22 Commission, beer manufactured on another brew pub licensed
23 premises that is wholly owned and operated by the same
24 licensee to importing distributors, distributors, and to
25 non-licensees for use and consumption, (iii) store the beer
26 upon the premises, (iv) sell and offer for sale at retail from

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

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

18 A person who holds a class 2 brewer license may
19 simultaneously hold a brew pub license if the class 2 brewer
20 (i) does not, under any circumstance, sell or offer for sale
21 beer manufactured by the class 2 brewer to retail licensees;
22 (ii) does not hold more than 3 brew pub licenses in this State;
23 (iii) does not manufacture more than a combined 3,720,000
24 gallons of beer per year, including the beer manufactured at
25 the brew pub; and (iv) is not a member of or affiliated with,
26 directly or indirectly, a manufacturer that produces more than

1 3,720,000 gallons of beer per year or any other alcoholic
2 liquor.

3 Notwithstanding any other provision of this Act, a
4 licensed brewer, class 2 brewer, or non-resident dealer who
5 before July 1, 2015 manufactured less than 3,720,000 gallons
6 of beer per year and held a brew pub license on or before July
7 1, 2015 may (i) continue to qualify for and hold that brew pub
8 license for the licensed premises and (ii) manufacture more
9 than 3,720,000 gallons of beer per year and continue to
10 qualify for and hold that brew pub license if that brewer,
11 class 2 brewer, or non-resident dealer does not simultaneously
12 hold a class 1 brewer license and is not a member of or
13 affiliated with, directly or indirectly, a manufacturer that
14 produces more than 3,720,000 gallons of beer per year or that
15 produces any other alcoholic liquor.

16 A brew pub licensee may apply for a class 3 brewer license
17 and, upon ~~meeting~~ ~~(i)~~ meeting all applicable qualifications of this
18 Act, ~~and~~ relinquishing all commonly owned brew pub or retail
19 licenses, shall be issued a class 3 brewer license. Nothing in
20 this Act shall prohibit the issuance of a class 3 brewer
21 license if the applicant:

22 (1) has a valid retail license on or before May 1,
23 2021;

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

26 (3) the brew pub licensee applies for a class 3 brewer

1 license on or before October 1, 2022 and relinquishes all
2 commonly owned brew pub licenses; and

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

5 If a brew pub licensee is issued a class 3 brewer license,
6 the class 3 brewer license shall expire on the same date as the
7 existing brew pub license and the State Commission shall not
8 require a class 3 brewer licensee to obtain a brewer license,
9 or in the alternative to pay a fee for a brewer license, until
10 the date the brew pub license of the applicant would have
11 expired.

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

22 Nothing in this Act prohibits a distributor or importing
23 distributor from offering credit or a refund for unused,
24 salable beer to a holder of a caterer retailer license or a
25 caterer retailer licensee from accepting a credit or refund
26 for unused, salable beer, in the event an act of God is the

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

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

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

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

26 A special use permit license shall allow the holder to

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

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

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

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

18 Except for a common carrier, a third-party provider
19 shipping wine on behalf of a winery shipper's license holder
20 is the agent of the winery shipper's license holder and, as
21 such, a winery shipper's license holder is responsible for the
22 acts and omissions of the third-party provider acting on
23 behalf of the license holder. A third-party provider, except
24 for a common carrier, that engages in shipping wine into
25 Illinois on behalf of a winery shipper's license holder shall
26 consent to the jurisdiction of the State Commission and the

1 State. Any third-party, except for a common carrier, holding
2 such an appointment shall, by February 1 of each calendar year
3 and upon request by the State Commission or the Department of
4 Revenue, file with the State Commission a statement detailing
5 each shipment made to an Illinois resident. The statement
6 shall include the name and address of the third-party provider
7 filing the statement, the time period covered by the
8 statement, and the following information:

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

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

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

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

1 enforcement of the provisions of this paragraph is guilty of a
2 Class C misdemeanor. In case of a continuing violation, each
3 day's continuance thereof shall be a separate and distinct
4 offense.

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

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

1 or the Retailers' Occupation Tax Act for all wine that is sold
2 by the winery shipper and shipped to persons in this State, the
3 winery shipper's license shall be revoked in accordance with
4 the provisions of Article VII of this Act.

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

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

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

20 (s) A craft distiller tasting permit license shall allow
21 an Illinois licensed class 1 craft distiller or class 2 craft
22 distiller to transfer a portion of its alcoholic liquor
23 inventory from its class 1 craft distiller or class 2 craft
24 distiller licensed premises to the premises specified in the
25 license hereby created and to conduct a sampling, only in the
26 premises specified in the license hereby created, of the

1 transferred alcoholic liquor in accordance with subsection (c)
2 of Section 6-31 of this Act. The transferred alcoholic liquor
3 may not be sold or resold in any form. An applicant for the
4 craft distiller tasting permit license must also submit with
5 the application proof satisfactory to the State Commission
6 that the applicant will provide dram shop liability insurance
7 to the maximum limits and have local authority approval.

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

21 (u) A distilling pub license shall allow the licensee to
22 only (i) manufacture up to 5,000 gallons of spirits per year
23 only on the premises specified in the license, (ii) make sales
24 of the spirits manufactured on the premises or, with the
25 approval of the State Commission, spirits manufactured on
26 another distilling pub licensed premises that is wholly owned

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

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

17 A person who holds a class 2 craft distiller license may
18 simultaneously hold a distilling pub license if the class 2
19 craft distiller (i) does not, under any circumstance, sell or
20 offer for sale spirits manufactured by the class 2 craft
21 distiller to retail licensees; (ii) does not hold more than 3
22 distilling pub licenses in this State; (iii) does not
23 manufacture more than a combined 100,000 gallons of spirits
24 per year, including the spirits manufactured at the distilling
25 pub; and (iv) is not a member of or affiliated with, directly
26 or indirectly, a manufacturer that produces more than 100,000

1 gallons of spirits per year or any other alcoholic liquor.

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

10 (w) A beer showcase permit license shall allow an
11 Illinois-licensed distributor to transfer a portion of its
12 beer inventory from its licensed premises to the premises
13 specified in the beer showcase permit license, and, in the
14 case of a class 3 brewer, transfer only beer the class 3 brewer
15 manufactures from its licensed premises to the premises
16 specified in the beer showcase permit license; and to sell or
17 offer for sale at retail, only in the premises specified in the
18 beer showcase permit license, the transferred or delivered
19 beer for on or off premise consumption, but not for resale in
20 any form and to sell to non-licensees not more than 96 fluid
21 ounces of beer per person. A beer showcase permit license may
22 be granted for the following time periods: one day or less; or
23 2 or more days to a maximum of 15 days per location in any
24 12-month period. An applicant for a beer showcase permit
25 license must also submit with the application proof
26 satisfactory to the State Commission that the applicant will

1 provide dram shop liability insurance to the maximum limits
2 and have local authority approval. The State Commission shall
3 require the beer showcase applicant to comply with Section
4 6-27.1.

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

9 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

10 Sec. 5-3. License fees. Except as otherwise provided
11 herein, at the time application is made to the State
12 Commission for a license of any class, the applicant shall pay
13 to the State Commission the fee hereinafter provided for the
14 kind of license applied for.

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

	Online	Initial
	renewal	license
		or
		non-online
		renewal

22 For a manufacturer's license:

23	Class 1. Distiller	\$4,000	\$5,000
24	Class 2. Rectifier	4,000	5,000
25	Class 3. Brewer	1,200	1,500

1	Class 4. First-class Wine		
2	Manufacturer	1,200	1,500
3	Class 5. Second-class		
4	Wine Manufacturer.....	1,500	1,750
5	Class 6. First-class wine-maker....	1,200	1,500
6	Class 7. Second-class wine-maker ..	1,500	1,750
7	Class 8. Limited Wine		
8	Manufacturer	250	350
9	Class 9. Craft Distiller	2,000	2,500
10	Class 10. Class 1 Craft Distiller ..	50	75
11	Class 11. Class 2 Craft Distiller ..	75	100
12	Class 12. Class 1 Brewer	50	75
13	Class 13. Class 2 Brewer	75	100
14	Class 14. Class 3 Brewer	25	50
15	<u>Class 15. Third-class wine-maker ..</u>	<u>1,500</u>	<u>1,750</u>
16	For a Brew Pub License	1,200	1,500
17	For a Distilling Pub License	1,200	1,500
18	For a caterer retailer's license ..	350	500
19	For a foreign importer's license ..	25	25
20	For an importing distributor's		
21	license.....	25	25
22	For a distributor's license		
23	(11,250,000 gallons		
24	or over)	1,450	2,200
25	For a distributor's license		
26	(over 4,500,000 gallons, but		

1	under 11,250,000 gallons)	950	1,450
2	For a distributor's license		
3	(4,500,000 gallons or under) ..	300	450
4	For a non-resident dealer's license		
5	(500,000 gallons or over)		
6	or with self-distribution		
7	privileges	1,200	1,500
8	For a non-resident dealer's license		
9	(under 500,000 gallons)	250	350
10	For a wine-maker's premises		
11	license.....	250	500
12	For a winery shipper's license		
13	(under 250,000 gallons)	200	350
14	For a winery shipper's license		
15	(250,000 or over, but		
16	under 500,000 gallons)	750	1,000
17	For a winery shipper's license		
18	(500,000 gallons or over)	1,200	1,500
19	For a wine-maker's premises		
20	license, second location	500	1,000
21	For a wine-maker's premises		
22	license, third location.....	500	1,000
23	<u>For a wine-maker's premises</u>		
24	<u>license, fourth location</u>	<u>500</u>	<u>1,000</u>
25	For a retailer's license	600	750
26	For a special event retailer's		

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

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

10 Fees collected under this Section shall be paid into the
11 Dram Shop Fund. The State Commission shall waive license
12 renewal fees for those retailers' licenses that are designated
13 as "1A" by the State Commission and expire on or after July 1,
14 2022, and on or before June 30, 2023. One-half of the funds
15 received for a retailer's license shall be paid into the Dram
16 Shop Fund and one-half of the funds received for a retailer's
17 license shall be paid into the General Revenue Fund.

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

20 (a) Hospitals, sanitariums, or clinics when their use
21 of alcoholic liquor is exclusively medicinal, mechanical
22 or scientific.

23 (b) Universities, colleges of learning or schools when
24 their use of alcoholic liquor is exclusively medicinal,
25 mechanical or scientific.

26 (c) Laboratories when their use is exclusively for the

1 purpose of scientific research.

2 (Source: P.A. 101-482, eff. 8-23-19; 101-615, eff. 12-20-19;
3 102-442, eff. 8-20-21; 102-558, eff. 8-20-21; 102-699, eff.
4 4-19-22; revised 2-6-23.)