



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/04/04, by Dan Reitz, Brandon W. Phelps

**SYNOPSIS AS INTRODUCED:**

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. Reduces the amount of wine that a second-class wine-maker's licensee may sell from a second premises from 100,000 gallons per year to 50,000 gallons per year. Deletes provisions authorizing a wine-maker's licensee to sell wine from a third location.

LRB093 19025 LRD 44760 b

1 AN ACT concerning alcoholic 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 5-1 and 5-3 as follows:

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

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

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

14 (b) Distributor's license,

15 (c) Importing Distributor's license,

16 (d) Retailer's license,

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

18 (f) Railroad license,

19 (g) Boat license,

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

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

22 (j) Airplane license,

23 (k) Foreign importer's license,

24 (l) Broker's license,

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

26 (n) Brew Pub license,

27 (o) Auction liquor license,

28 (p) Caterer retailer license,

29 (q) Special use permit license.

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

1 wine manufacturer's license.

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

6 Class 1. A Distiller may make sales and deliveries of  
7 alcoholic liquor to distillers, rectifiers, importing  
8 distributors, distributors and non-beverage users and to no  
9 other licensees.

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

14 Class 3. A Brewer may make sales and deliveries of beer to  
15 importing distributors, distributors, and to non-licensees,  
16 and to retailers provided the brewer obtains an importing  
17 distributor's license or distributor's license in accordance  
18 with the provisions of this Act.

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

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

27 Class 6. A first-class wine-maker's license shall allow the  
28 manufacture of up to 50,000 gallons of wine per year, and the  
29 storage and sale of such wine to distributors in the State and  
30 to persons without the State, as may be permitted by law. A  
31 first-class wine-maker's license shall allow the sale of no  
32 more than 5,000 gallons of the licensee's wine to retailers.  
33 The State Commission shall issue only one first-class  
34 wine-maker's license to any person, firm, partnership,  
35 corporation, or other legal business entity that is engaged in  
36 the making of less than 50,000 gallons of wine annually that

1 applies for a first-class wine-maker's license. No subsidiary  
2 or affiliate thereof, nor any officer, associate, member,  
3 partner, representative, employee, agent, or shareholder may  
4 be issued an additional wine-maker's license by the State  
5 Commission.

6 Class 7. A second-class wine-maker's license shall allow  
7 the manufacture of between 50,000 and 100,000 gallons of wine  
8 per year, and the storage and sale of such wine to distributors  
9 in this State and to persons without the State, as may be  
10 permitted by law. A second-class wine-maker's license shall  
11 allow the sale of no more than 10,000 gallons of the licensee's  
12 wine directly to retailers. The State Commission shall issue  
13 only one second-class wine-maker's license to any person, firm,  
14 partnership, corporation, or other legal business entity that  
15 is engaged in the making of less than 100,000 gallons of wine  
16 annually that applies for a second-class wine-maker's license.  
17 No subsidiary or affiliate thereof, or any officer, associate,  
18 member, partner, representative, employee, agent, or  
19 shareholder may be issued an additional wine-maker's license by  
20 the State Commission.

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

25 (a-1) A manufacturer which is licensed in this State to  
26 make sales or deliveries of alcoholic liquor and which enlists  
27 agents, representatives, or individuals acting on its behalf  
28 who contact licensed retailers on a regular and continual basis  
29 in this State must register those agents, representatives, or  
30 persons acting on its behalf with the State Commission.

31 Registration of agents, representatives, or persons acting  
32 on behalf of a manufacturer is fulfilled by submitting a form  
33 to the Commission. The form shall be developed by the  
34 Commission and shall include the name and address of the  
35 applicant, the name and address of the manufacturer he or she  
36 represents, the territory or areas assigned to sell to or

1 discuss pricing terms of alcoholic liquor, and any other  
2 questions deemed appropriate and necessary. All statements in  
3 the forms required to be made by law or by rule shall be deemed  
4 material, and any person who knowingly misstates any material  
5 fact under oath in an application is guilty of a Class B  
6 misdemeanor. Fraud, misrepresentation, false statements,  
7 misleading statements, evasions, or suppression of material  
8 facts in the securing of a registration are grounds for  
9 suspension or revocation of the registration.

10 (b) A distributor's license shall allow the wholesale  
11 purchase and storage of alcoholic liquors and sale of alcoholic  
12 liquors to licensees in this State and to persons without the  
13 State, as may be permitted by law.

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

31 (d) A retailer's license shall allow the licensee to sell  
32 and offer for sale at retail, only in the premises specified in  
33 such license, alcoholic liquor for use or consumption, but not  
34 for resale in any form: Provided that any retail license issued  
35 to a manufacturer shall only permit such manufacturer to sell  
36 beer at retail on the premises actually occupied by such

1 manufacturer.

2 After January 1, 1995 there shall be 2 classes of licenses  
3 issued under a retailers license.

4 (1) A "retailers on premise consumption license" shall  
5 allow the licensee to sell and offer for sale at retail,  
6 only on the premises specified in the license, alcoholic  
7 liquor for use or consumption on the premises or on and off  
8 the premises, but not for resale in any form.

9 (2) An "off premise sale license" shall allow the  
10 licensee to sell, or offer for sale at retail, alcoholic  
11 liquor intended only for off premise consumption and not  
12 for resale in any form.

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

17 (e) A special event retailer's license (not-for-profit)  
18 shall permit the licensee to purchase alcoholic liquors from an  
19 Illinois licensed distributor (unless the licensee purchases  
20 less than \$500 of alcoholic liquors for the special event, in  
21 which case the licensee may purchase the alcoholic liquors from  
22 a licensed retailer) and shall allow the licensee to sell and  
23 offer for sale, at retail, alcoholic liquors for use or  
24 consumption, but not for resale in any form and only at the  
25 location and on the specific dates designated for the special  
26 event in the license. An applicant for a special event retailer  
27 license must (i) furnish with the application: (A) a resale  
28 number issued under Section 2c of the Retailers' Occupation Tax  
29 Act or evidence that the applicant is registered under Section  
30 2a of the Retailers' Occupation Tax Act, (B) a current, valid  
31 exemption identification number issued under Section 1g of the  
32 Retailers' Occupation Tax Act, and a certification to the  
33 Commission that the purchase of alcoholic liquors will be a  
34 tax-exempt purchase, or (C) a statement that the applicant is  
35 not registered under Section 2a of the Retailers' Occupation  
36 Tax Act, does not hold a resale number under Section 2c of the

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

10 (f) A railroad license shall permit the licensee to import  
11 alcoholic liquors into this State from any point in the United  
12 States outside this State and to store such alcoholic liquors  
13 in this State; to make wholesale purchases of alcoholic liquors  
14 directly from manufacturers, foreign importers, distributors  
15 and importing distributors from within or outside this State;  
16 and to store such alcoholic liquors in this State; provided  
17 that the above powers may be exercised only in connection with  
18 the importation, purchase or storage of alcoholic liquors to be  
19 sold or dispensed on a club, buffet, lounge or dining car  
20 operated on an electric, gas or steam railway in this State;  
21 and provided further, that railroad licensees exercising the  
22 above powers shall be subject to all provisions of Article VIII  
23 of this Act as applied to importing distributors. A railroad  
24 license shall also permit the licensee to sell or dispense  
25 alcoholic liquors on any club, buffet, lounge or dining car  
26 operated on an electric, gas or steam railway regularly  
27 operated by a common carrier in this State, but shall not  
28 permit the sale for resale of any alcoholic liquors to any  
29 licensee within this State. A license shall be obtained for  
30 each car in which such sales are made.

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

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

- 11 Class 1, not to exceed ..... 500 gallons
- 12 Class 2, not to exceed ..... 1,000 gallons
- 13 Class 3, not to exceed ..... 5,000 gallons
- 14 Class 4, not to exceed .....10,000 gallons
- 15 Class 5, not to exceed .....50,000 gallons

16 (i) A wine-maker's premises license shall allow a licensee  
 17 that concurrently holds a first-class wine-maker's license or a  
 18 second-class wine maker's license to sell and offer for sale at  
 19 retail from in the licensed premises specified in such license  
 20 ~~not more than 50,000 gallons of the first class wine maker's~~  
 21 ~~wine that is made at the first class wine maker's licensed~~  
 22 ~~premises per year for use or consumption~~, but not for resale in  
 23 any form, up to 50,000 gallons of wine per year for use or  
 24 consumption. ~~A wine-maker's premises license shall allow a~~  
 25 ~~licensee who concurrently holds a second-class wine maker's~~  
 26 ~~license to sell and offer for sale at retail in the premises~~  
 27 ~~specified in such license up to 100,000 gallons of the~~  
 28 ~~second-class wine maker's wine that is made at the second-class~~  
 29 ~~wine maker's licensed premises per year for use or consumption~~  
 30 ~~but not for resale in any form~~. Upon receipt of a wine-maker's  
 31 premises, second location approval from the State Commission, a  
 32 wine-maker's premises license may ~~shall allow the licensee to~~  
 33 sell and offer for sale at retail from the licensed premises  
 34 specified in the wine-maker's premises license, second  
 35 location, up to 50,000 gallons of wine per year that was  
 36 produced at the licensee's first location. ~~(i) the wine-maker's~~



1 ~~licensed premises and (ii) at up to 2 additional locations for~~  
2 ~~use and consumption and not for resale.~~ Each location shall  
3 require additional licensing per location as specified in  
4 Section 5-3 of this Act.

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

25 (k) A foreign importer's license shall permit such licensee  
26 to purchase alcoholic liquor from Illinois licensed  
27 non-resident dealers only, and to import alcoholic liquor other  
28 than in bulk from any point outside the United States and to  
29 sell such alcoholic liquor to Illinois licensed importing  
30 distributors and to no one else in Illinois; provided that the  
31 foreign importer registers with the State Commission every  
32 brand of alcoholic liquor that it proposes to sell to Illinois  
33 licensees during the license period and provided further that  
34 the foreign importer complies with all of the provisions of  
35 Section 6-9 of this Act with respect to registration of such  
36 Illinois licensees as may be granted the right to sell such

1 brands at wholesale.

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

12 No holder of a retailer's license issued by the Illinois  
13 Liquor Control Commission shall purchase or receive any  
14 alcoholic liquor, the order for which was solicited or offered  
15 for sale to such retailer by a broker unless the broker is the  
16 holder of a valid broker's license.

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

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

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

36 This subsection (1) shall not apply to distributors,

1 employees of distributors, or employees of a manufacturer who  
2 has registered the trademark, brand or name of the alcoholic  
3 liquor pursuant to Section 6-9 of this Act, and who regularly  
4 sells such alcoholic liquor in the State of Illinois only to  
5 its registrants thereunder.

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

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

21 (n) A brew pub license shall allow the licensee to  
22 manufacture beer only on the premises specified in the license,  
23 to make sales of the beer manufactured on the premises to  
24 importing distributors, distributors, and to non-licensees for  
25 use and consumption, to store the beer upon the premises, and  
26 to sell and offer for sale at retail from the licensed  
27 premises, provided that a brew pub licensee shall not sell for  
28 off-premises consumption more than 50,000 gallons per year.

29 (o) A caterer retailer license shall allow the holder to  
30 serve alcoholic liquors as an incidental part of a food service  
31 that serves prepared meals which excludes the serving of snacks  
32 as the primary meal, either on or off-site whether licensed or  
33 unlicensed.

34 (p) An auction liquor license shall allow the licensee to  
35 sell and offer for sale at auction wine and spirits for use or  
36 consumption, or for resale by an Illinois liquor licensee in

1 accordance with provisions of this Act. An auction liquor  
 2 license will be issued to a person and it will permit the  
 3 auction liquor licensee to hold the auction anywhere in the  
 4 State. An auction liquor license must be obtained for each  
 5 auction at least 14 days in advance of the auction date.

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

20 (Source: P.A. 91-357, eff. 7-29-99; 92-105, eff. 1-1-02;  
 21 92-378, eff. 8-16-01; 92-651, eff. 7-11-02; 92-672, eff.  
 22 7-16-02.)

23 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

24 Sec. 5-3. License fees. Except as otherwise provided  
 25 herein, at the time application is made to the State Commission  
 26 for a license of any class, the applicant shall pay to the  
 27 State Commission the fee hereinafter provided for the kind of  
 28 license applied for.

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

31 For a manufacturer's license:

32	Class 1. Distiller .....	\$3,600
33	Class 2. Rectifier .....	3,600
34	Class 3. Brewer .....	900
35	Class 4. First-class Wine Manufacturer .....	600

1	Class 5. Second-class	
2	Wine Manufacturer .....	1,200
3	Class 6. First-class wine-maker .....	600
4	Class 7. Second-class wine-maker .....	1200
5	Class 8. Limited Wine Manufacturer .....	120
6	For a Brew Pub License .....	1,050
7	For a caterer retailer's license .....	200
8	For a foreign importer's license .....	25
9	For an importing distributor's license .....	25
10	For a distributor's license .....	270
11	For a non-resident dealer's license	
12	(500,000 gallons or over) .....	270
13	For a non-resident dealer's license	
14	(under 500,000 gallons) .....	90
15	For a wine-maker's premises license .....	100
16	For a wine-maker's premises license,	
17	second location .....	350
18	<del>For a wine maker's premises license,</del>	
19	<del>    third location .....</del>	<del>350</del>
20	For a retailer's license .....	500
21	For a special event retailer's license,	
22	(not-for-profit) .....	25
23	For a special use permit license,	
24	one day only .....	50
25	2 days or more .....	100
26	For a railroad license .....	60
27	For a boat license .....	180
28	For an airplane license, times the	
29	licensee's maximum number of aircraft	
30	in flight, serving liquor over the	
31	State at any given time, which either	
32	originate, terminate, or make	
33	an intermediate stop in the State .....	60
34	For a non-beverage user's license:	
35	Class 1 .....	24
36	Class 2 .....	60

1	Class 3 .....	120
2	Class 4 .....	240
3	Class 5 .....	600
4	For a broker's license .....	600
5	For an auction liquor license .....	50

6 Fees collected under this Section shall be paid into the  
7 Dram Shop Fund. On and after July 1, 2003, of the funds  
8 received for a retailer's license, in addition to the first  
9 \$175, an additional \$75 shall be paid into the Dram Shop Fund,  
10 and \$250 shall be paid into the General Revenue Fund. Beginning  
11 June 30, 1990 and on June 30 of each subsequent year through  
12 June 29, 2003, any balance over \$5,000,000 remaining in the  
13 Dram Shop Fund shall be credited to State liquor licensees and  
14 applied against their fees for State liquor licenses for the  
15 following year. The amount credited to each licensee shall be a  
16 proportion of the balance in the Dram Fund that is the same as  
17 the proportion of the license fee paid by the licensee under  
18 this Section for the period in which the balance was  
19 accumulated to the aggregate fees paid by all licensees during  
20 that period.

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

23 (a) Hospitals, sanitariums, or clinics when their use  
24 of alcoholic liquor is exclusively medicinal, mechanical  
25 or scientific.

26 (b) Universities, colleges of learning or schools when  
27 their use of alcoholic liquor is exclusively medicinal,  
28 mechanical or scientific.

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

31 (Source: P.A. 92-378, eff. 8-16-01; 93-22, eff. 6-20-03.)