



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4350

Introduced 1/3/2006, by Rep. Lou Lang - Jay C. Hoffman - Timothy L. Schmitz

SYNOPSIS AS INTRODUCED:

235 ILCS 5/1-3.28	from Ch. 43, par. 95.28
235 ILCS 5/2-1	from Ch. 43, par. 96
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/5-3	from Ch. 43, par. 118
235 ILCS 5/6-4	from Ch. 43, par. 121
235 ILCS 5/6-29.1	
235 ILCS 5/6-29 rep.	

Amends the Liquor Control Act of 1934. Provides that the holder of a wine-maker's premises license may sell or offer for sale at retail in the wine-maker's licensed premises (now, in the premises specified in the license) the wine-maker's wine. Requires sales at retail to be in person. Defines "in person". Provides that, after the first retail sale in person, the licensee may sell and ship not more than 2 cases per year of the licensee's wine to that purchaser if certain requirements are met. Provides penalties for the violation of those requirements. Creates a wine-maker's tasting room license that permits a licensee concurrently holding a wine-maker's license to sell and offer for sale at retail the licensee's wine at up to 2 locations and requires the sales to be in person. Creates a non-resident wine-maker's license that permits a manufacturer of up to 100,000 gallons of wine per year that is licensed in another state to store and sell the wine in Illinois. Provides that a non-resident wine-maker licensee may sell and ship its wine at retail to residents of Illinois in the same manner as a wine maker's premises licensee. Requires non-resident wine-maker licensees to pay the same State liquor gallonage tax and State retail sales tax as a wine-maker's premises licensee. Sets license fees for wine-maker's tasting room licenses and non-resident wine-maker's licenses. Provides that a limited wine manufacturer licensee may sell wine at retail at the limited wine manufacturer's licensed premises (now, at its manufacturing site) and requires sales to be in person, except that after the first retail purchase in person the limited wine manufacturer may sell and ship wine to that purchaser without an in person purchase. Requires wine-maker premises licensees, non-resident wine-maker licensees, and limited wine manufacturer licensees to secure liquor liability insurance. Repeals a provision allowing interstate reciprocal wine shipments and deletes references to that provision. Effective immediately.

LRB094 16414 LJB 51673 b

FISCAL NOTE ACT
MAY APPLY

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 1-3.28, 2-1, 5-1, 5-3, 6-4, and 6-29.1 as
6 follows:

7 (235 ILCS 5/1-3.28) (from Ch. 43, par. 95.28)

8 Sec. 1-3.28. "Broker" means (i) a person who solicits
9 orders for or offers to sell or supply alcoholic liquors to
10 retailers for a fee or commission, for or on behalf of a person
11 authorized to manufacture or sell at wholesale alcoholic
12 liquors within or without the State or (ii) a person within
13 this State, other than a retail licensee, who, for a fee or
14 commission, promotes, solicits, or accepts orders for
15 alcoholic liquor, for use or consumption and not for resale, to
16 be shipped from this State and delivered to residents outside
17 of this State by an express company, common carrier, or
18 contract carrier. ~~This Section does not apply to any person who~~
19 ~~promotes, solicits, or accepts orders for wine as specifically~~
20 ~~authorized in Section 6-29 of this Act.~~

21 (Source: P.A. 90-739, eff. 8-13-98.)

22 (235 ILCS 5/2-1) (from Ch. 43, par. 96)

23 Sec. 2-1. No person shall manufacture, bottle, blend, sell,
24 barter, transport, transfer into this State from a point
25 outside this State, deliver, furnish or possess any alcoholic
26 liquor for beverage purposes, unless such person has been
27 issued a license by the Commission ~~or except as permitted by~~
28 ~~Section 6-29 of this Act~~ or except as otherwise specifically
29 provided in this Act; provided, however, nothing herein
30 contained shall prevent the possession and transportation of
31 alcoholic liquor by the possessor for the personal use of the

1 possessor, his family and guests, nor prevent the making of
2 wine, cider or other alcoholic liquor by a person from fruits,
3 vegetables or grains, or the products thereof, by simple
4 fermentation and without distillation, if it is made solely for
5 the use of the maker, his family and his guests; and provided
6 further that nothing herein contained shall prevent any duly
7 licensed practicing physician or dentist from possessing or
8 using alcoholic liquor in the strict practice of his
9 profession, or any hospital or other institution caring for
10 sick and diseased persons, from possessing and using alcoholic
11 liquor for the treatment of bona fide patients of such hospital
12 or other institution; and provided further that any drug store
13 employing a licensed pharmacist may possess and use alcoholic
14 liquors in the concoction of prescriptions of duly licensed
15 physicians; and provided further, that the possession and
16 dispensation of wine by an authorized representative of any
17 church for the purpose of conducting any bona fide rite or
18 religious ceremony conducted by such church shall not be
19 prohibited by this Act.

20 (Source: P.A. 90-739, eff. 8-13-98.)

21 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

24 (a) Manufacturer's license - Class 1. Distiller, Class 2.
25 Rectifier, Class 3. Brewer, Class 4. First Class Wine
26 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
27 First Class Winemaker, Class 7. Second Class Winemaker, Class
28 8. Limited Wine Manufacturer,

29 (b) Distributor's license,

30 (c) Importing Distributor's license,

31 (d) Retailer's license,

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

33 (f) Railroad license,

34 (g) Boat license,

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

- 1 (i) Wine-maker's premises license,
2 (j) Airplane license,
3 (k) Foreign importer's license,
4 (l) Broker's license,
5 (m) Non-resident dealer's license,
6 (n) Brew Pub license,
7 (o) Auction liquor license,
8 (p) Caterer retailer license,
9 (q) Special use permit license,
10 (r) Wine-maker's tasting room license,
11 (s) Non-resident wine-maker's license.

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

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

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

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

28 Class 3. A Brewer may make sales and deliveries of beer to
29 importing distributors, distributors, and to non-licensees,
30 and to retailers provided the brewer obtains an importing
31 distributor's license or distributor's license in accordance
32 with the provisions of this Act.

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

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

5 Class 6. A first-class wine-maker's license shall allow the
6 manufacture of up to 50,000 gallons of wine per year, and the
7 storage and sale of such wine to distributors in the State and
8 to persons without the State, as may be permitted by law. A
9 first-class wine-maker's license shall allow the sale of no
10 more than 5,000 gallons of the licensee's wine to retailers.
11 The State Commission shall issue only one first-class
12 wine-maker's license to any person, firm, partnership,
13 corporation, or other legal business entity that is engaged in
14 the making of less than 50,000 gallons of wine annually that
15 applies for a first-class wine-maker's license. No subsidiary
16 or affiliate thereof, nor any officer, associate, member,
17 partner, representative, employee, agent, or shareholder may
18 be issued an additional wine-maker's license by the State
19 Commission.

20 Class 7. A second-class wine-maker's license shall allow
21 the manufacture of between 50,000 and 100,000 gallons of wine
22 per year, and the storage and sale of such wine to distributors
23 in this State and to persons without the State, as may be
24 permitted by law. A second-class wine-maker's license shall
25 allow the sale of no more than 10,000 gallons of the licensee's
26 wine directly to retailers. The State Commission shall issue
27 only one second-class wine-maker's license to any person, firm,
28 partnership, corporation, or other legal business entity that
29 is engaged in the making of less than 100,000 gallons of wine
30 annually that applies for a second-class wine-maker's license.
31 No subsidiary or affiliate thereof, or any officer, associate,
32 member, partner, representative, employee, agent, or
33 shareholder may be issued an additional wine-maker's license by
34 the State Commission.

35 Class 8. A limited wine-manufacturer may make sales and
36 deliveries not to exceed 40,000 gallons of wine per year to

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

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

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

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

28 (c) An importing distributor's license may be issued to and
29 held by those only who are duly licensed distributors, upon the
30 filing of an application by a duly licensed distributor, with
31 the Commission and the Commission shall, without the payment of
32 any fee, immediately issue such importing distributor's
33 license to the applicant, which shall allow the importation of
34 alcoholic liquor by the licensee into this State from any point
35 in the United States outside this State, and the purchase of
36 alcoholic liquor in barrels, casks or other bulk containers and

1 the bottling of such alcoholic liquors before resale thereof,
2 but all bottles or containers so filled shall be sealed,
3 labeled, stamped and otherwise made to comply with all
4 provisions, rules and regulations governing manufacturers in
5 the preparation and bottling of alcoholic liquors. The
6 importing distributor's license shall permit such licensee to
7 purchase alcoholic liquor from Illinois licensed non-resident
8 dealers and foreign importers only.

9 (d) A retailer's license shall allow the licensee to sell
10 and offer for sale at retail, only in the premises specified in
11 the license, alcoholic liquor for use or consumption, but not
12 for resale in any form: Provided that any retail license issued
13 to a manufacturer shall only permit the manufacturer to sell
14 beer at retail on the premises actually occupied by the
15 manufacturer. For the purpose of further describing the type of
16 business conducted at a retail licensed premises, a retailer's
17 licensee may be designated by the State Commission as (i) an on
18 premise consumption retailer, (ii) an off premise sale
19 retailer, or (iii) a combined on premise consumption and off
20 premise sale retailer.

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

25 (e) A special event retailer's license (not-for-profit)
26 shall permit the licensee to purchase alcoholic liquors from an
27 Illinois licensed distributor (unless the licensee purchases
28 less than \$500 of alcoholic liquors for the special event, in
29 which case the licensee may purchase the alcoholic liquors from
30 a licensed retailer) and shall allow the licensee to sell and
31 offer for sale, at retail, alcoholic liquors for use or
32 consumption, but not for resale in any form and only at the
33 location and on the specific dates designated for the special
34 event in the license. An applicant for a special event retailer
35 license must (i) furnish with the application: (A) a resale
36 number issued under Section 2c of the Retailers' Occupation Tax

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

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

1 licensee within this State. A license shall be obtained for
2 each car in which such sales are made.

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

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

- 19 Class 1, not to exceed 500 gallons
- 20 Class 2, not to exceed 1,000 gallons
- 21 Class 3, not to exceed 5,000 gallons
- 22 Class 4, not to exceed 10,000 gallons
- 23 Class 5, not to exceed 50,000 gallons

24 (i) A wine-maker's premises license shall allow a licensee
25 that concurrently holds a first-class wine-maker's license to
26 sell and offer for sale at retail in the first-class
27 wine-maker's licensed premises ~~specified in such license~~ not
28 more than 50,000 gallons of the first-class wine-maker's wine
29 that is made at the first-class wine-maker's licensed premises
30 per year for use or consumption, but not for resale in any
31 form. A wine-maker's premises license shall allow a licensee
32 who concurrently holds a second-class wine-maker's license to
33 sell and offer for sale at retail in the second-class
34 wine-maker's licensed premises ~~specified in such license~~ up to
35 100,000 gallons of the second-class wine-maker's wine that is
36 made at the second-class wine-maker's licensed premises per

1 year for use or consumption but not for resale in any form. A
2 wine-maker's premises license shall allow a licensee that
3 concurrently holds a first-class wine-maker's license or a
4 second-class wine-maker's license to sell and offer for sale at
5 retail at the first-class or second-class wine-maker's
6 licensed premises ~~specified in the wine maker's premises~~
7 ~~license~~, for use or consumption but not for resale in any form,
8 any beer, wine, and spirits purchased from a licensed
9 distributor. All sales at retail must be in person, except as
10 otherwise provided in this subsection (i). For the purposes of
11 this subsection (i), the term "in person" means that the
12 purchaser of the wine-maker's wine must be in the same physical
13 location as the wine-maker at the time of the sale. A
14 wine-maker's premises licensee shall secure liquor liability
15 insurance coverage in an amount at least equal to the maximum
16 liability amounts set forth in subsection (a) of Section 6-21
17 of this Act. ~~Upon approval from the State Commission, a~~
18 ~~wine maker's premises license shall allow the licensee to sell~~
19 ~~and offer for sale at (i) the wine maker's licensed premises~~
20 ~~and (ii) at up to 2 additional locations for use and~~
21 ~~consumption and not for resale. Each location shall require~~
22 ~~additional licensing per location as specified in Section 5-3~~
23 ~~of this Act.~~

24 After the first retail purchase in person by a purchaser, a
25 business relationship is considered established and a
26 wine-maker's premises licensee may sell and ship, without an in
27 person purchase, not more than 2 cases of the wine maker's wine
28 (each case not containing more than 9 liters) per year to that
29 purchaser pursuant to the following requirements:

30 (1) The wine-maker's premises licensee must submit
31 proof to the State Commission that the purchaser previously
32 purchased the wine-maker's wine on a form prescribed by the
33 State Commission that contains the following:

34 (A) the business name and address of the licensee;

35 (B) the date of the sale;

36 (C) the type, brand, and amount of wine purchased;

1 (D) the printed name and signature of the person
2 purchasing the wine;

3 (E) the printed name and signature of the agent,
4 employee, or representative of the licensee; and

5 (F) any other information required by the State
6 Commission.

7 (2) The shipping container of any wine shipped under
8 this subsection (i) must be clearly labeled to indicate (A)
9 that the package contains wine and cannot be delivered to a
10 person under 21 years of age and (B) that the package
11 requires the signature of a person 21 years of age or older
12 at the time of delivery. All packages must include a
13 non-negotiable bill of lading with special instructions
14 that the package contains wine and that the consignee must
15 be 21 years of age or older. Following the delivery of the
16 wine, the licensee, consignee, and State Commission shall
17 receive a copy of the non-negotiable bill of lading from
18 the express company, common carrier, or contract carrier.
19 The express company, common carrier, or contract carrier
20 may submit the non-negotiable bill of lading
21 electronically to the licensee, consignee, or State
22 Commission. In accordance with Section 6-10 of this Act,
23 the licensee shall keep a copy of the non-negotiable bill
24 of lading along with a copy of the relevant invoice of the
25 shipment.

26 (3) A licensee shipping wine pursuant to the provisions
27 of this subsection (i) shall ship only to residential
28 addresses.

29 The State Commission, upon determining after an
30 investigation that a licensee has violated paragraphs (1), (2),
31 or (3) of this subsection (i), shall proceed with disciplinary
32 action against the licensee in accordance with Section 3-12 of
33 this Act.

34 The State Commission, upon determining after an
35 investigation that any person has shipped alcoholic liquor in
36 violation of this Section, shall give notice to the person by

1 certified mail to cease and desist all shipments of alcoholic
2 liquor in this State and to withdraw all shipments of alcoholic
3 liquor then in transit in this State within 5 working days
4 after receipt of the notice.

5 Whenever the State Commission has reason to believe that a
6 person has failed to comply with a notice provided under this
7 subsection (i), it shall notify the Department of Revenue and
8 file a complaint with the State's Attorney of the county where
9 the alcoholic liquor was delivered or with appropriate law
10 enforcement officials.

11 Failure to comply with any notice issued under this
12 subsection (i) constitutes a business offense for which the
13 person shall be fined not more than \$1,000 for a first offense,
14 not more than \$5,000 for a second offense, and not more than
15 \$10,000 for a third or subsequent offense. Each shipment of
16 alcoholic liquor delivered in violation of a cease and desist
17 notice shall constitute a separate offense.

18 (j) An airplane license shall permit the licensee to import
19 alcoholic liquors into this State from any point in the United
20 States outside this State and to store such alcoholic liquors
21 in this State; to make wholesale purchases of alcoholic liquors
22 directly from manufacturers, foreign importers, distributors
23 and importing distributors from within or outside this State;
24 and to store such alcoholic liquors in this State; provided
25 that the above powers may be exercised only in connection with
26 the importation, purchase or storage of alcoholic liquors to be
27 sold or dispensed on an airplane; and provided further, that
28 airplane licensees exercising the above powers shall be subject
29 to all provisions of Article VIII of this Act as applied to
30 importing distributors. An airplane licensee shall also permit
31 the sale or dispensing of alcoholic liquors on any passenger
32 airplane regularly operated by a common carrier in this State,
33 but shall not permit the sale for resale of any alcoholic
34 liquors to any licensee within this State. A single airplane
35 license shall be required of an airline company if liquor
36 service is provided on board aircraft in this State. The annual

1 fee for such license shall be as determined in Section 5-3.

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

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

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

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

36 (ii) A broker's license shall be required of a person

1 within this State, other than a retail licensee, who, for a fee
2 or commission, promotes, solicits, or accepts orders for
3 alcoholic liquor, for use or consumption and not for resale, to
4 be shipped from this State and delivered to residents outside
5 of this State by an express company, common carrier, or
6 contract carrier. ~~This Section does not apply to any person who
7 promotes, solicits, or accepts orders for wine as specifically
8 authorized in Section 6-29 of this Act.~~

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

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

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

22 (m) A non-resident dealer's license shall permit such
23 licensee to ship into and warehouse alcoholic liquor into this
24 State from any point outside of this State, and to sell such
25 alcoholic liquor to Illinois licensed foreign importers and
26 importing distributors and to no one else in this State;
27 provided that said non-resident dealer shall register with the
28 Illinois Liquor Control Commission each and every brand of
29 alcoholic liquor which it proposes to sell to Illinois
30 licensees during the license period; and further provided that
31 it shall comply with all of the provisions of Section 6-9
32 hereof with respect to registration of such Illinois licensees
33 as may be granted the right to sell such brands at wholesale.

34 (n) A brew pub license shall allow the licensee to
35 manufacture beer only on the premises specified in the license,
36 to make sales of the beer manufactured on the premises to

1 importing distributors, distributors, and to non-licensees for
2 use and consumption, to store the beer upon the premises, and
3 to sell and offer for sale at retail from the licensed
4 premises, provided that a brew pub licensee shall not sell for
5 off-premises consumption more than 50,000 gallons per year.

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

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

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

33 (r) A wine-maker's tasting room license shall allow the
34 licensee that concurrently holds a first-class or second-class
35 wine-maker's license to sell and offer for sale the
36 wine-maker's wine at retail on the premises of up to 2

1 locations for use and consumption but not for resale. All sales
2 at retail shall be in person, as defined in subsection (i) of
3 this Section. Each location shall require a separate license.

4 (s) A non-resident wine-maker's license shall allow the
5 manufacturer of up to 100,000 gallons of wine per year that is
6 licensed in another state to store and sell the licensee's wine
7 to distributors in this State, as may be permitted by law. A
8 non-resident wine-maker license holder that meets the
9 qualifications for licensure as a wine-maker's premises
10 licensee under this Act, other than the requirement that the
11 licensee be located in Illinois, may sell and ship wine at
12 retail to residents of this State in the same manner as a
13 wine-maker's premises licensee as provided in subsection (i) of
14 this Section. A non-resident wine-maker licensee shall secure
15 liquor liability insurance coverage in an amount at least equal
16 to the maximum liability amounts set forth in subsection (a) of
17 Section 6-21 of this Act. A non-resident wine-maker licensee
18 shall pay to the Department of Revenue the same State liquor
19 gallonage tax and State retail sales tax that a wine-maker's
20 premises licensee is required to pay for all retail sales of
21 the non-resident wine-maker's wine that are shipped into this
22 State.

23 (Source: P.A. 92-105, eff. 1-1-02; 92-378, eff. 8-16-01;
24 92-651, eff. 7-11-02; 92-672, eff. 7-16-02; 93-923, eff.
25 8-12-04; 93-1057, eff. 12-2-04; revised 12-6-04.)

26 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

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

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

34 For a manufacturer's license:

35 Class 1. Distiller \$3,600

1	Class 2. Rectifier	3,600
2	Class 3. Brewer	900
3	Class 4. First-class Wine Manufacturer	600
4	Class 5. Second-class	
5	Wine Manufacturer	1,200
6	Class 6. First-class wine-maker	600
7	Class 7. Second-class wine-maker	1200
8	Class 8. Limited Wine Manufacturer	120
9	For a Brew Pub License	1,050
10	For a caterer retailer's license	200
11	For a foreign importer's license	25
12	For an importing distributor's license	25
13	For a distributor's license	270
14	For a non-resident dealer's license	
15	(500,000 gallons or over)	270
16	For a non-resident dealer's license	
17	(under 500,000 gallons)	90
18	For a wine-maker's premises license	100
19	<u>For a wine maker's tasting room license</u>	<u>350</u>
20	<u>For a wine maker's tasting room license,</u>	
21	<u> second location</u>	<u>350</u>
22	<u>For a non-resident wine-maker's license</u>	<u>100</u>
23	For a wine maker's premises license,	
24	 second location	350
25	For a wine maker's premises license,	
26	 third location	350
27	For a retailer's license	500
28	For a special event retailer's license,	
29	(not-for-profit)	25
30	For a special use permit license,	
31	one day only	50
32	2 days or more	100
33	For a railroad license	60
34	For a boat license	180
35	For an airplane license, times the	
36	licensee's maximum number of aircraft	

1 in flight, serving liquor over the
2 State at any given time, which either
3 originate, terminate, or make
4 an intermediate stop in the State 60

5 For a non-beverage user's license:

6 Class 1 24
7 Class 2 60
8 Class 3 120
9 Class 4 240
10 Class 5 600

11 For a broker's license 600
12 For an auction liquor license 50

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

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

30 (a) Hospitals, sanitariums, or clinics when their use
31 of alcoholic liquor is exclusively medicinal, mechanical
32 or scientific.

33 (b) Universities, colleges of learning or schools when
34 their use of alcoholic liquor is exclusively medicinal,
35 mechanical or scientific.

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

1 purpose of scientific research.

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

3 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

4 Sec. 6-4. (a) No person licensed by any licensing authority
5 as a distiller, or a wine manufacturer, or any subsidiary or
6 affiliate thereof, or any officer, associate, member, partner,
7 representative, employee, agent or shareholder owning more
8 than 5% of the outstanding shares of such person shall be
9 issued an importing distributor's or distributor's license,
10 nor shall any person licensed by any licensing authority as an
11 importing distributor, distributor or retailer, or any
12 subsidiary or affiliate thereof, or any officer or associate,
13 member, partner, representative, employee, agent or
14 shareholder owning more than 5% of the outstanding shares of
15 such person be issued a distiller's license or a wine
16 manufacturer's license; and no person or persons licensed as a
17 distiller by any licensing authority shall have any interest,
18 directly or indirectly, with such distributor or importing
19 distributor.

20 However, an importing distributor or distributor, which on
21 January 1, 1985 is owned by a brewer, or any subsidiary or
22 affiliate thereof or any officer, associate, member, partner,
23 representative, employee, agent or shareholder owning more
24 than 5% of the outstanding shares of the importing distributor
25 or distributor referred to in this paragraph, may own or
26 acquire an ownership interest of more than 5% of the
27 outstanding shares of a wine manufacturer and be issued a wine
28 manufacturer's license by any licensing authority.

29 (b) The foregoing provisions shall not apply to any person
30 licensed by any licensing authority as a distiller or wine
31 manufacturer, or to any subsidiary or affiliate of any
32 distiller or wine manufacturer who shall have been heretofore
33 licensed by the State Commission as either an importing
34 distributor or distributor during the annual licensing period
35 expiring June 30, 1947, and shall actually have made sales

1 regularly to retailers.

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

23 (d) It shall be unlawful for any distiller licensed
24 anywhere to have any stock ownership or interest in any
25 distributor's or importing distributor's license wherein any
26 other person has an interest therein who is not a distiller and
27 does not own more than 5% of any stock in any distillery.
28 Nothing herein contained shall apply to such distillers or
29 their subsidiaries or affiliates, who had a distributor's or
30 importing distributor's license during the licensing period
31 ending June 30, 1947, which license was owned in whole by such
32 distiller, or subsidiaries or affiliates of such distiller.

33 (e) Any person having been licensed as a manufacturer shall
34 be permitted to receive one retailer's license for the premises
35 in which he actually conducts such business, permitting the
36 sale of beer only on such premises, but no such person shall be

1 entitled to more than one retailer's license in any event, and,
2 other than a manufacturer of beer as stated above, no
3 manufacturer or distributor or importing distributor,
4 excluding airplane licensees exercising powers provided in
5 paragraph (i) of Section 5-1 of this Act, or any subsidiary or
6 affiliate thereof, or any officer, associate, member, partner,
7 representative, employee or agent, or shareholder shall be
8 issued a retailer's license, nor shall any person having a
9 retailer's license, excluding airplane licensees exercising
10 powers provided in paragraph (i) of Section 5-1 of this Act, or
11 any subsidiary or affiliate thereof, or any officer, associate,
12 member, partner, representative or agent, or shareholder be
13 issued a manufacturer's license, importing distributor's
14 license.

15 (f) However, the foregoing prohibitions against any person
16 licensed as a distiller or wine manufacturer being issued a
17 retailer's license shall not apply:

18 (i) to any hotel, motel or restaurant whose principal
19 business is not the sale of alcoholic liquors if said
20 retailer's sales of any alcoholic liquors manufactured, sold,
21 distributed or controlled, directly or indirectly, by any
22 affiliate, subsidiary, officer, associate, member, partner,
23 representative, employee, agent or shareholder owning more
24 than 5% of the outstanding shares of such person does not
25 exceed 10% of the total alcoholic liquor sales of said retail
26 licensee; and

27 (ii) where the Commission determines, having considered
28 the public welfare, the economic impact upon the State and the
29 entirety of the facts and circumstances involved, that the
30 purpose and intent of this Section would not be violated by
31 granting an exemption.

32 (g) Notwithstanding any of the foregoing prohibitions, a
33 limited wine manufacturer may sell at retail at the limited
34 wine manufacturer's licensed premises for use or ~~its~~
35 ~~manufacturing site for on or off premises~~ consumption and may
36 sell to distributors. A limited wine manufacturer licensee

1 shall secure liquor liability insurance coverage in an amount
2 at least equal to the maximum liability amounts set forth in
3 subsection (a) of Section 6-21 of this Act. All sales at retail
4 must be in person, except that after the first retail purchase
5 in person by a purchaser, a business relationship is considered
6 established and a limited wine manufacturer licensee may sell
7 and ship, without an in person purchase, the wine
8 manufacturer's wine to that purchaser in the same manner and
9 under the same requirements and penalties as a wine-maker's
10 premises licensee as provided in subsection (i) of Section 5-1
11 of this Act. For the purposes of this subsection (g), the term
12 "in person" means that the purchaser of the limited wine
13 manufacturer's wine must be in the same physical location as
14 the limited wine manufacturer at the time of the sale.

15 (Source: P.A. 86-858.)

16 (235 ILCS 5/6-29.1)

17 Sec. 6-29.1. Direct shipments of alcoholic liquor.
18 Pursuant to the Twenty-First Amendment of the United States
19 Constitution allowing states to regulate the distribution and
20 sale of alcoholic liquor and pursuant to the federal
21 Webb-Kenyon Act declaring that alcoholic liquor shipped in
22 interstate commerce must comply with state laws, the General
23 Assembly hereby finds and declares that selling alcoholic
24 liquor from a point outside this State through various direct
25 marketing means, such as catalogs, newspapers, mailers, and the
26 Internet, directly to residents of this State poses a serious
27 threat to the State's efforts to prevent youths from accessing
28 alcoholic liquor; to State revenue collections; and to the
29 economy of this State.

30 Any person manufacturing, distributing, or selling
31 alcoholic liquor who knowingly ships or transports or causes
32 the shipping or transportation of any alcoholic liquor from a
33 point outside this State to a person in this State who does not
34 hold a manufacturer's, distributor's, importing distributor's,
35 or non-resident dealer's license issued by the Liquor Control

1 Commission, other than a shipment of sacramental wine to a bona
2 fide religious organization, ~~a shipment authorized by Section~~
3 ~~6-29,~~ or any other shipment authorized by this Act, is in
4 violation of this Act.

5 The Commission, upon determining, after investigation,
6 that a person has violated this Section, shall give notice to
7 the person by certified mail to cease and desist all shipments
8 of alcoholic liquor into this State and to withdraw from this
9 State within 5 working days after receipt of the notice all
10 shipments of alcoholic liquor then in transit.

11 Whenever the Commission has reason to believe that a person
12 has failed to comply with the Commission notice under this
13 Section, it shall notify the Department of Revenue and file a
14 complaint with the State's Attorney of the county where the
15 alcoholic liquor was delivered or with appropriate law
16 enforcement officials.

17 Failure to comply with the notice issued by the Commission
18 under this Section constitutes a business offense for which the
19 person shall be fined not more than \$1,000 for a first offense,
20 not more than \$5,000 for a second offense, and not more than
21 \$10,000 for a third or subsequent offense. Each shipment of
22 alcoholic liquor delivered in violation of the cease and desist
23 notice shall constitute a separate offense.

24 (Source: P.A. 90-739, eff. 8-13-98.)

25 (235 ILCS 5/6-29 rep.)

26 Section 10. The Liquor Control Act of 1934 is amended by
27 repealing Section 6-29.

28 Section 99. Effective date. This Act takes effect upon
29 becoming law.