

94TH GENERAL ASSEMBLY State of Illinois 2005 and 2006 SB2750

Introduced 1/20/2006, by Sen. David Luechtefeld

SYNOPSIS AS INTRODUCED:

235 ILCS 5/5-1 from Ch. 43, par. 115 235 ILCS 5/5-3 from Ch. 43, par. 118 235 ILCS 5/6-29 from Ch. 43, par. 144e 235 ILCS 5/6-29.1

Amends the Liquor Control Act of 1934. Permits first-class wine-maker licensees to manufacture up to 100,000 (now, 50,000) gallons of wine per year and second-class wine-maker licensees to manufacture between 100,000 and 200,000 (now, 50,000 and 100,000) gallons of wine per year. Permits first-class wine-maker licensees to sell 25,000 (now, 5,000) gallons of the licensee's wine to retailers and second-class wine-maker licensees to sell 50,000 (now, 10,000) gallons of the licensee's wine to retailers. Removes provisions prohibiting (i) the issuance of more than one wine-maker's license to any person, firm, partnership, corporation, or other legal business entity and (ii) a subsidiary or affiliate, officer, associate, member, partner, representative, employee, agent, or shareholder of a first or second-class wine-maker licensee from being issued a wine-maker's license. Permits a special event retailer licensee to purchase up to \$2,000 (now, \$500) of alcoholic liquors from a licensed retailer. Permits a wine-maker's premises licensee that concurrently holds a first-class wine-maker's license to sell at retail on the licensed premises not more than 100,000 (now, 50,000) gallons of wine and a licensee holding a second-class wine-maker's license to sell at retail on the licensed premises not more than 200,000 (now, 100,000) gallons of wine. Permits a wine-maker's premises licensee to sell and offer for sale at up to 10 (now, 2) additional locations for use and consumption and not for resale. Creates an out-of-state shipper's license. Provides that an out-of-state shipper licensee may ship wine sold or manufactured by the licensee directly to a resident of Illinois who is 21 years of age or older for that resident's personal use and not for resale. Requires certain information to be collected and maintained and made available to the Illinois Liquor Control Commission by out-of-state shipper licensees. Provides an annual fee for the license. Provides that a first-class wine-maker licensee, second-class wine-maker licensee, or out-of-state shipper licensee (now, an adult resident or holder of an alcoholic beverage license in a state which affords Illinois licensees or adult residents an equal reciprocal shipping privilege) may ship up to 3 cases of wine per month (now, 2 cases per year) to residents of Illinois. Provides that delivery of a shipment by an out-of-state shipper licensee is deemed to constitute a sale in this State. Requires licensees to require transporters or common carriers who deliver the wine to obtain the signature of a person 21 years of age or older at the delivery address at the time of delivery. Permits wine-makers licensed in other states that ship or transport wine from a point outside of this State to a retailer in this State to ship or transport wine in the amount permitted for a wine-maker licensed in this State. Makes other changes. Effective immediately.

LRB094 18988 LJB 54468 b

FISCAL NOTE ACT MAY APPLY 1 AN ACT concerning liquor.

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

- 4 Section 5. The Liquor Control Act of 1934 is amended by
- 5 changing Sections 5-1, 5-3, 6-29, and 6-29.1 as follows:
- 6 (235 ILCS 5/5-1) (from Ch. 43, par. 115)
- 7 Sec. 5-1. Licenses issued by the Illinois Liquor Control
- 8 Commission shall be of the following classes:
- 9 (a) Manufacturer's license Class 1. Distiller, Class 2.
- 10 Rectifier, Class 3. Brewer, Class 4. First Class Wine
- 11 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
- 12 First Class Winemaker, Class 7. Second Class Winemaker, Class
- 13 8. Limited Wine Manufacturer,
- 14 (b) Distributor's license,
- 15 (c) Importing Distributor's license,
- (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 (1) 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 <u>(r) Out-of-state shipper's license.</u>
- No person, firm, partnership, corporation, or other legal
- 32 business entity that is engaged in the manufacturing of wine

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- 1 may concurrently obtain and hold a wine-maker's license and a
 2 wine manufacturer's license.
- (a) A manufacturer's license shall allow the manufacture, importation in bulk, storage, distribution and sale of alcoholic liquor to persons without the State, as may be permitted by law and to licensees in this State as follows:
- Class 1. A Distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors and non-beverage users and to no other licensees.
- 11 Class 2. A Rectifier, who is not a distiller, as defined 12 herein, may make sales and deliveries of alcoholic liquor to 13 rectifiers, importing distributors, distributors, retailers 14 and non-beverage users and to no other licensees.
 - Class 3. A Brewer may make sales and deliveries of beer to importing distributors, distributors, and to non-licensees, and to retailers provided the brewer obtains an importing distributor's license or distributor's license in accordance with the provisions of this Act.
- Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees.
- Class 5. A second class Wine manufacturer may make sales and deliveries of more than 50,000 gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.
- Class 6. A first-class wine-maker's license shall allow the 28 manufacture of up to 100,000 50,000 gallons of wine per year, 29 30 and the storage and sale of such wine to distributors in the 31 State and to persons without the State, as may be permitted by 32 law. A first-class wine-maker's license shall allow the sale of no more than 25,000 5,000 gallons of the licensee's wine to 33 retailers. A first-class wine-maker's license shall allow the 34 35 direct shipment of the licensee's wine to an adult resident of this State in accordance with the provisions of Section 6-29 of 36

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this Act. The State Commission shall issue only one first-class wine-maker's license to any person, firm, partnership, corporation, or other legal business entity that is engaged in the making of less than 50,000 gallons of wine annually that applies for a first class wine maker's license. No subsidiary or affiliate thereof, nor any officer, associate, member, partner, representative, employee, agent, or shareholder may be issued an additional wine maker's license by the State Commission.

Class 7. A second-class wine-maker's license shall allow the manufacture of between 100,000 50,000 and 200,000 100,000gallons 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. A second-class wine-maker's license shall allow the sale of no more than 50,000 = 10,000 gallons of the licensee's wine directly to retailers. A second-class wine-maker's license shall allow the direct shipment of the licensee's wine to an adult resident of this State in accordance with the provisions of Section 6-29 of this Act. The issue only one Commission shall wine-maker's license to any person, firm, partnership, corporation, or other legal business entity that is engaged in the making of less than 100,000 gallons of wine annually that applies for a second-class wine-maker's license. No subsidiary or affiliate thereof, or any officer, associate, member, partner, representative, employee, agent, or shareholder be issued an additional wine maker's license by the State Commission.

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

(a-1) A manufacturer which is licensed in this State to make sales or deliveries of alcoholic liquor and which enlists agents, representatives, or individuals acting on its behalf who contact licensed retailers on a regular and continual basis

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

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

- (b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law.
- (c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of immediately issue such importing distributor's any fee, license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. importing distributor's license shall permit such licensee to

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purchase alcoholic liquor from Illinois licensed non-resident
dealers and foreign importers only.

- (d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form: Provided that any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.
- Notwithstanding any other provision of this subsection (d), a retail licensee may sell alcoholic liquors to a special event retailer licensee for resale to the extent permitted under subsection (e).
- (e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$2,000 \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that

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

- (f) A railroad license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided further, that railroad licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.
- (g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State or on any riverboat operated under the Riverboat Gambling Act, which boat

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or riverboat maintains a public dining room or restaurant thereon.

(h) A non-beverage user's license shall allow the licensee to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of alcoholic liquor as follows: Class 1, not to exceed 500 gallons Class 2, not to exceed 1,000 gallons Class 3, not to exceed 5,000 gallons Class 4, not to exceed 10,000 gallons Class 5, not to exceed 50,000 gallons (i) A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 100,000 = 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. A wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 200,000 100,000gallons of the second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption but not for resale in any form. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form,

any beer, wine, and spirits purchased from a

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distributor. Upon approval from the State Commission, a
wine-maker's premises license shall allow the licensee to sell
and offer for sale at (i) the wine-maker's licensed premises
and (ii) at up to 10 2 additional locations for use and
consumption and not for resale. Each location shall require
additional licensing per location as specified in Section 5-3
of this Act.

- (j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.
- (k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to sell such alcoholic liquor to Illinois licensed importing distributors and to no one else in Illinois; provided that the foreign importer registers with the State Commission every brand of alcoholic liquor that it proposes to sell to Illinois licensees during the license period and provided further that

1 the foreign importer complies with all of the provisions of

Section 6-9 of this Act with respect to registration of such

3 Illinois licensees as may be granted the right to sell such

4 brands at wholesale.

- (1) (i) A broker's license shall be required of all persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign importer, whether such solicitation or offer is consummated within or without the State of Illinois.
- No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the holder of a valid broker's license.
- The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.
- (ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.
- A broker's license under this subsection (1) shall not entitle the holder to buy or sell any alcoholic liquors for his

own account or to take or deliver title to such alcoholic liquors.

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

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

- (m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois licensees during the license period; and further provided that it shall comply with all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale.
- (n) A brew pub license shall allow the licensee to manufacture beer only on the premises specified in the license, to make sales of the beer manufactured on the premises to importing distributors, distributors, and to non-licensees for use and consumption, to store the beer upon the premises, and to sell and offer for sale at retail from the licensed premises, provided that a brew pub licensee shall not sell for off-premises consumption more than 50,000 gallons per year.
- (o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.

- (p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor licensee must be obtained for each auction at least 14 days in advance of the auction date.
- (q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises specified in the license hereby created, and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12 month period. An applicant for the special use permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.
- (r) An out-of-state shipper's license shall allow a person licensed to sell at retail or manufacture wine under the laws of another state to ship wine sold or manufactured by that licensee directly to a resident of this State who is 21 years of age or older for that resident's personal use and not for resale. Prior to receiving an out-of-state shipper's license, an applicant for the license must provide the State Commission with a true copy of its current license in any state in which it is licensed as a retailer or manufacturer of wine.
- An out-of-state shipper licensee must collect and maintain and make available to the State Commission upon request the following information:
- 35 <u>(1) the name and date of birth of each Illinois</u> 36 <u>purchaser;</u>

1	(2) the full mailing address of each Illinois
2	purchaser, including zip code;
3	(3) the name, total quantity, and total price of wine
4	purchased;
5	(4) the date of purchase;
6	(5) the name and address of the transporter or common
7	carrier delivering the wine;
8	(6) the signature of the person filing the report; and
9	(7) any other information required by the State
10	Commission.
11	An out-of-state shipper licensed under this subsection (r)
12	shall comply with the requirements of Section 6-29 of this Act.
13	(Source: P.A. 92-105, eff. 1-1-02; 92-378, eff. 8-16-01;
14	92-651, eff. 7-11-02; 92-672, eff. 7-16-02; 93-923, eff.
15	8-12-04; 93-1057, eff. 12-2-04; revised 12-6-04.)
16	(235 ILCS 5/5-3) (from Ch. 43, par. 118)
17	Sec. 5-3. License fees. Except as otherwise provided
18	herein, at the time application is made to the State Commission
19	for a license of any class, the applicant shall pay to the
20	State Commission the fee hereinafter provided for the kind of
21	license applied for.
22	The fee for licenses issued by the State Commission shall
23	be as follows:
24	For a manufacturer's license:
25	Class 1. Distiller \$3,600
26	Class 2. Rectifier 3,600
27	Class 3. Brewer 900
28	Class 4. First-class Wine Manufacturer 600
29	Class 5. Second-class
30	Wine Manufacturer
31	Class 6. First-class wine-maker 600
32	Class 7. Second-class wine-maker 1200
33	Class 8. Limited Wine Manufacturer 120
34	For a Brew Pub License
35	For a caterer retailer's license 200

1	For a foreign importer's license	25
2	For an importing distributor's license	25
3	For a distributor's license	270
4	For a non-resident dealer's license	
5	(500,000 gallons or over)	270
6	For a non-resident dealer's license	
7	(under 500,000 gallons)	90
8	For a wine-maker's premises license	100
9	For a wine-maker's premises license,	
10	second location	350
11	For a wine-maker's premises license,	
12	third location	350
13	For a retailer's license	500
14	For a special event retailer's license,	
15	(not-for-profit)	25
16	For a special use permit license,	
17	one day only	50
18	2 days or more	100
19	For a railroad license	60
20	For a boat license	180
21	For an airplane license, times the	
22	licensee's maximum number of aircraft	
23	in flight, serving liquor over the	
24	State at any given time, which either	
25	originate, terminate, or make	
26	an intermediate stop in the State	60
27	For a non-beverage user's license:	
28	Class 1	24
29	Class 2	60
30	Class 3	120
31	Class 4	240
32	Class 5	600
33	For a broker's license	600
34	For an auction liquor license	50
35	For an out-of-state shipper's license	100
36	Fees collected under this Section shall be paid into	the

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Dram Shop Fund. On and after July 1, 2003, of the funds 1 2 received for a retailer's license, in addition to the first \$175, an additional \$75 shall be paid into the Dram Shop Fund, 3 and \$250 shall be paid into the General Revenue Fund. Beginning 4 5 June 30, 1990 and on June 30 of each subsequent year through 6 June 29, 2003, any balance over \$5,000,000 remaining in the Dram Shop Fund shall be credited to State liquor licensees and 7 applied against their fees for State liquor licenses for the 8 following year. The amount credited to each licensee shall be a 9 10 proportion of the balance in the Dram Fund that is the same as 11 the proportion of the license fee paid by the licensee under 12 this Section for the period in which the balance was accumulated to the aggregate fees paid by all licensees during 13 that period. 14

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

- (a) Hospitals, sanitariums, or clinics when their use of alcoholic liquor is exclusively medicinal, mechanical or scientific.
- (b) Universities, colleges of learning or schools when their use of alcoholic liquor is exclusively medicinal, mechanical or scientific.
- 23 (c) Laboratories when their use is exclusively for the 24 purpose of scientific research.
- 25 (Source: P.A. 92-378, eff. 8-16-01; 93-22, eff. 6-20-03.)
- 26 (235 ILCS 5/6-29) (from Ch. 43, par. 144e)
- 27 Sec. 6-29. <u>Consumer</u> Interstate reciprocal wine shipments.
- 28 Notwithstanding any other provision of law, first-class wine-maker licensee, second-class wine-maker 29 30 licensee, or out-of-state shipper licensee an adult resident or holder of an alcoholic beverage license in a state which 31 affords Illinois licensees or adult residents an equal 32 reciprocal shipping privilege may ship, for personal use and 33 not for resale, not more than 3 + 2 cases of wine (each case 34 35 containing not more than 9 liters) per \underline{month} \underline{year} to any adult

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resident of this State. Delivery of a shipment <u>by an</u>

<u>out-of-state shipper licensee</u> pursuant to this Section shall

not be deemed to constitute a sale in this State.

- (b) The shipping container of any wine shipped sent into or out of this State under this Section shall be clearly labeled with the words "CONTAINS ALCOHOL. SIGNATURE OF A PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY." to indicate that the package cannot be delivered to a person under the age of 21 years. A licensee shall require the transporter or common carrier who delivers the wine to obtain the signature of a person 21 years of age or older at the delivery address at the time of delivery.
- (c) No broker within this State shall solicit consumers to engage in interstate reciprocal wine shipments under this Section. No shipper located outside this State may advertise such interstate reciprocal wine shipments in this State.
- (d) It is not the intent of this Section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.
- 21 (Source: P.A. 86-1483.)
- 22 (235 ILCS 5/6-29.1)

23 Sec. 6-29.1. Direct shipments of alcoholic liquor. Pursuant to the Twenty-First Amendment of the United States 24 25 Constitution allowing states to regulate the distribution and 26 sale of alcoholic liquor and pursuant to the 27 Webb-Kenyon Act declaring that alcoholic liquor shipped in 28 interstate commerce must comply with state laws, the General 29 Assembly hereby finds and declares that selling alcoholic 30 liquor from a point outside this State through various direct 31 marketing means, such as catalogs, newspapers, mailers, and the Internet, directly to residents of this State poses a serious 32 threat to the State's efforts to prevent youths from accessing 33 alcoholic liquor; to State revenue collections; and to the 34 35 economy of this State.

Any person manufacturing, distributing, or selling alcoholic liquor who knowingly ships or transports or causes the shipping or transportation of any alcoholic liquor from a point outside this State to a person in this State who does not hold a <u>retailer's</u>, manufacturer's, distributor's, importing distributor's, or non-resident dealer's license issued by the Liquor Control Commission, other than a shipment of sacramental wine to a bona fide religious organization, a shipment authorized by Section 6-29, or any other shipment authorized by this Act, is in violation of this Act. A wine-maker licensed in another state that ships or transports wine from a point outside of this State to a retailer in this State shall ship or transport wine only in the amount permitted for a wine-maker licensed in this State under Section 5-1 of this Act.

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

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

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

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

Section 99. Effective date. This Act takes effect upon

1 becoming law.