



Sen. Donne E. Trotter

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LRB097 04475 ASK 54391 a

1 AMENDMENT TO SENATE BILL 754

2 AMENDMENT NO. _____. Amend Senate Bill 754 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-12, 5-1, and 5-3 and by adding Section
6 1-3.38 as follows:

7 (235 ILCS 5/1-3.38 new)

8 Sec. 1-3.38. "Craft brewer" means a licensed brewer or
9 licensed non-resident dealer who manufactures up to 465,000
10 gallons of beer per year and who may make sales and deliveries
11 to importing distributors and distributors and to retail
12 licensees in accordance with the conditions set forth in
13 paragraph (18) of subsection (a) of Section 3-12 of this Act.

14 (235 ILCS 5/3-12)

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

1 (a) The State commission shall have the following powers,
2 functions and duties:

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

22 In lieu of suspending or revoking a license, the
23 commission may impose a fine, upon the State commission's
24 determination and notice after hearing, that a licensee has
25 violated any provision of this Act or any rule or
26 regulation issued pursuant thereto and in effect for 30

1 days prior to such violation. The fine imposed under this
2 paragraph may not exceed \$500 for each violation. Each day
3 that the activity, which gave rise to the original fine,
4 continues is a separate violation. The maximum fine that
5 may be levied against any licensee, for the period of the
6 license, shall not exceed \$20,000. The maximum penalty that
7 may be imposed on a licensee for selling a bottle of
8 alcoholic liquor with a foreign object in it or serving
9 from a bottle of alcoholic liquor with a foreign object in
10 it shall be the destruction of that bottle of alcoholic
11 liquor for the first 10 bottles so sold or served from by
12 the licensee. For the eleventh bottle of alcoholic liquor
13 and for each third bottle thereafter sold or served from by
14 the licensee with a foreign object in it, the maximum
15 penalty that may be imposed on the licensee is the
16 destruction of the bottle of alcoholic liquor and a fine of
17 up to \$50.

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

26 (3) To call upon other administrative departments of

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

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

9 (5) To inspect, or cause to be inspected, any premises
10 in this State where alcoholic liquors are manufactured,
11 distributed, warehoused, or sold.

12 (5.1) Upon receipt of a complaint or upon having
13 knowledge that any person is engaged in business as a
14 manufacturer, importing distributor, distributor, or
15 retailer without a license or valid license, to notify the
16 local liquor authority, file a complaint with the State's
17 Attorney's Office of the county where the incident
18 occurred, or initiate an investigation with the
19 appropriate law enforcement officials.

20 (5.2) To issue a cease and desist notice to persons
21 shipping alcoholic liquor into this State from a point
22 outside of this State if the shipment is in violation of
23 this Act.

24 (5.3) To receive complaints from licensees, local
25 officials, law enforcement agencies, organizations, and
26 persons stating that any licensee has been or is violating

1 any provision of this Act or the rules and regulations
2 issued pursuant to this Act. Such complaints shall be in
3 writing, signed and sworn to by the person making the
4 complaint, and shall state with specificity the facts in
5 relation to the alleged violation. If the Commission has
6 reasonable grounds to believe that the complaint
7 substantially alleges a violation of this Act or rules and
8 regulations adopted pursuant to this Act, it shall conduct
9 an investigation. If, after conducting an investigation,
10 the Commission is satisfied that the alleged violation did
11 occur, it shall proceed with disciplinary action against
12 the licensee as provided in this Act.

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

19 (7) The commission shall establish uniform systems of
20 accounts to be kept by all retail licensees having more
21 than 4 employees, and for this purpose the commission may
22 classify all retail licensees having more than 4 employees
23 and establish a uniform system of accounts for each class
24 and prescribe the manner in which such accounts shall be
25 kept. The commission may also prescribe the forms of
26 accounts to be kept by all retail licensees having more

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

17 (8) In the conduct of any hearing authorized to be held
18 by the commission, to appoint, at the commission's
19 discretion, hearing officers to conduct hearings involving
20 complex issues or issues that will require a protracted
21 period of time to resolve, to examine, or cause to be
22 examined, under oath, any licensee, and to examine or cause
23 to be examined the books and records of such licensee; to
24 hear testimony and take proof material for its information
25 in the discharge of its duties hereunder; to administer or
26 cause to be administered oaths; for any such purpose to

1 issue subpoena or subpoenas to require the attendance of
2 witnesses and the production of books, which shall be
3 effective in any part of this State, and to adopt rules to
4 implement its powers under this paragraph (8).

5 Any Circuit Court may by order duly entered, require
6 the attendance of witnesses and the production of relevant
7 books subpoenaed by the State commission and the court may
8 compel obedience to its order by proceedings for contempt.

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

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

21 (11) To develop industry educational programs related
22 to responsible serving and selling, particularly in the
23 areas of overserving consumers and illegal underage
24 purchasing and consumption of alcoholic beverages.

25 (11.1) To license persons providing education and
26 training to alcohol beverage sellers and servers under the

1 Beverage Alcohol Sellers and Servers Education and
2 Training (BASSET) programs and to develop and administer a
3 public awareness program in Illinois to reduce or eliminate
4 the illegal purchase and consumption of alcoholic beverage
5 products by persons under the age of 21. Application for a
6 license shall be made on forms provided by the State
7 Commission.

8 (12) To develop and maintain a repository of license
9 and regulatory information.

10 (13) On or before January 15, 1994, the Commission
11 shall issue a written report to the Governor and General
12 Assembly that is to be based on a comprehensive study of
13 the impact on and implications for the State of Illinois of
14 Section 1926 of the Federal ADAMHA Reorganization Act of
15 1992 (Public Law 102-321). This study shall address the
16 extent to which Illinois currently complies with the
17 provisions of P.L. 102-321 and the rules promulgated
18 pursuant thereto.

19 As part of its report, the Commission shall provide the
20 following essential information:

21 (i) the number of retail distributors of tobacco
22 products, by type and geographic area, in the State;

23 (ii) the number of reported citations and
24 successful convictions, categorized by type and
25 location of retail distributor, for violation of the
26 Prevention of Tobacco Use by Minors and Sale and

1 Distribution of Tobacco Products Act and the Smokeless
2 Tobacco Limitation Act;

3 (iii) the extent and nature of organized
4 educational and governmental activities that are
5 intended to promote, encourage or otherwise secure
6 compliance with any Illinois laws that prohibit the
7 sale or distribution of tobacco products to minors; and

8 (iv) the level of access and availability of
9 tobacco products to individuals under the age of 18.

10 To obtain the data necessary to comply with the
11 provisions of P.L. 102-321 and the requirements of this
12 report, the Commission shall conduct random, unannounced
13 inspections of a geographically and scientifically
14 representative sample of the State's retail tobacco
15 distributors.

16 The Commission shall consult with the Department of
17 Public Health, the Department of Human Services, the
18 Illinois State Police and any other executive branch
19 agency, and private organizations that may have
20 information relevant to this report.

21 The Commission may contract with the Food and Drug
22 Administration of the U.S. Department of Health and Human
23 Services to conduct unannounced investigations of Illinois
24 tobacco vendors to determine compliance with federal laws
25 relating to the illegal sale of cigarettes and smokeless
26 tobacco products to persons under the age of 18.

1 (14) On or before April 30, 2008 and every 2 years
2 thereafter, the Commission shall present a written report
3 to the Governor and the General Assembly that shall be
4 based on a study of the impact of this amendatory Act of
5 the 95th General Assembly on the business of soliciting,
6 selling, and shipping wine from inside and outside of this
7 State directly to residents of this State. As part of its
8 report, the Commission shall provide all of the following
9 information:

10 (A) The amount of State excise and sales tax
11 revenues generated.

12 (B) The amount of licensing fees received.

13 (C) The number of cases of wine shipped from inside
14 and outside of this State directly to residents of this
15 State.

16 (D) The number of alcohol compliance operations
17 conducted.

18 (E) The number of winery shipper's licenses
19 issued.

20 (F) The number of each of the following: reported
21 violations; cease and desist notices issued by the
22 Commission; notices of violations issued by the
23 Commission and to the Department of Revenue; and
24 notices and complaints of violations to law
25 enforcement officials, including, without limitation,
26 the Illinois Attorney General and the U.S. Department

1 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

2 (15) As a means to reduce the underage consumption of
3 alcoholic liquors, the Commission shall conduct alcohol
4 compliance operations to investigate whether businesses
5 that are soliciting, selling, and shipping wine from inside
6 or outside of this State directly to residents of this
7 State are licensed by this State or are selling or
8 attempting to sell wine to persons under 21 years of age in
9 violation of this Act.

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

17 (17) (A) A person licensed to make wine under the laws
18 of another state who has a winery shipper's license under
19 this amendatory Act and annually produces less than 25,000
20 gallons of wine or a person who has a first-class or
21 second-class wine manufacturer's license, a first-class or
22 second-class wine-maker's license, or a limited wine
23 manufacturer's license under this Act and annually
24 produces less than 25,000 gallons of wine may make
25 application to the Commission for a self-distribution
26 exemption to allow the sale of not more than 5,000 gallons

1 of the exemption holder's wine to retail licensees per
2 year.

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

13 (C) The Commission shall approve the application
14 for a self-distribution exemption if such person: (1)
15 is in compliance with State revenue and liquor laws;
16 (2) is not a member of any affiliated group that
17 produces more than 25,000 gallons of wine per annum or
18 produces any other alcoholic liquor; (3) will not
19 annually produce for sale more than 25,000 gallons of
20 wine; and (4) will not annually sell more than 5,000
21 gallons of its wine to retail licensees.

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

1 self-distribution exemption after a hearing if it
2 finds that the exemption holder has made a material
3 misrepresentation in its application, violated a
4 revenue or liquor law of Illinois, exceeded production
5 of 25,000 gallons of wine in any calendar year, or
6 become part of an affiliated group producing more than
7 25,000 gallons of wine or any other alcoholic liquor.

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

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

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

22 (H) It is the intent of this subsection (17) to
23 promote and continue orderly markets. The General
24 Assembly finds that in order to preserve Illinois'
25 regulatory distribution system it is necessary to
26 create an exception for smaller makers of wine as their

1 wines are frequently adjusted in varietals, mixes,
2 vintages, and taste to find and create market niches
3 sometimes too small for distributor or importing
4 distributor business strategies. Limited
5 self-distribution rights will afford and allow smaller
6 makers of wine access to the marketplace in order to
7 develop a customer base without impairing the
8 integrity of the 3-tier system.

9 (18)(A) A craft brewer licensee, who must also be
10 either a licensed brewer or licensed non-resident dealer
11 and annually manufacture less than 465,000 gallons of beer,
12 may make application to the Commission for a
13 self-distribution exemption to allow the sale of not more
14 than 232,500 gallons of the exemption holder's beer to
15 retail licensees per year.

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

1 (C) Any application submitted shall be posted on
2 the Commission's website at least 45 days prior to
3 action by the Commission. The Commission shall approve
4 the application for a self-distribution exemption if
5 the craft brewer licensee: (1) is in compliance with
6 the State, revenue, and alcoholic beverage laws; (2) is
7 not a member of any affiliated group that manufacturers
8 more than 465,000 gallons of beer per annum or produces
9 any other alcoholic beverages; (3) shall not annually
10 manufacture for sale more than 465,000 gallons of beer;
11 and (4) shall not annually sell more than 232,500
12 gallons of its beer to retail licensees.

13 (D) A self-distribution exemption holder shall
14 annually certify to the Commission its manufacture of
15 beer during the previous 12 months and its anticipated
16 manufacture and sales of beer for the next 12 months.
17 The Commission may fine, suspend, or revoke a
18 self-distribution exemption after a hearing if it
19 finds that the exemption holder has made a material
20 misrepresentation in its application, violated a
21 revenue or alcoholic beverage law of Illinois,
22 exceeded the manufacture of 465,000 gallons of beer in
23 any calendar year or became part of an affiliated group
24 manufacturing more than 465,000 gallons of beer or any
25 other alcoholic beverage.

26 (E) The Commission shall issue rules and

1 regulations governing self-distribution exemptions
2 consistent with this Act.

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

14 (G) It is the intent of this paragraph (18) to
15 promote and continue orderly markets. The General
16 Assembly finds that in order to preserve Illinois'
17 regulatory distribution system it is necessary to
18 create an exception for smaller manufacturers in order
19 to afford and allow such smaller manufacturers of beer
20 access to the marketplace in order to develop a
21 customer base without impairing the integrity of the
22 3-tier system.

23 (b) On or before April 30, 1999, the Commission shall
24 present a written report to the Governor and the General
25 Assembly that shall be based on a study of the impact of this
26 amendatory Act of 1998 on the business of soliciting, selling,

1 and shipping alcoholic liquor from outside of this State
2 directly to residents of this State.

3 As part of its report, the Commission shall provide the
4 following information:

5 (i) the amount of State excise and sales tax revenues
6 generated as a result of this amendatory Act of 1998;

7 (ii) the amount of licensing fees received as a result
8 of this amendatory Act of 1998;

9 (iii) the number of reported violations, the number of
10 cease and desist notices issued by the Commission, the
11 number of notices of violations issued to the Department of
12 Revenue, and the number of notices and complaints of
13 violations to law enforcement officials.

14 (Source: P.A. 95-634, eff. 6-1-08; 96-179, eff. 8-10-09;
15 96-446, eff. 1-1-10; 96-1000, eff. 7-2-10.)

16 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

19 (a) Manufacturer's license - Class 1. Distiller, Class 2.
20 Rectifier, Class 3. Brewer, Class 4. First Class Wine
21 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
22 First Class Winemaker, Class 7. Second Class Winemaker, Class
23 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
24 10. Craft Brewer,

25 (b) Distributor's license,

- 1 (c) Importing Distributor's license,
- 2 (d) Retailer's license,
- 3 (e) Special Event Retailer's license (not-for-profit),
- 4 (f) Railroad license,
- 5 (g) Boat license,
- 6 (h) Non-Beverage User's license,
- 7 (i) Wine-maker's premises license,
- 8 (j) Airplane license,
- 9 (k) Foreign importer's license,
- 10 (l) Broker's license,
- 11 (m) Non-resident dealer's license,
- 12 (n) Brew Pub license,
- 13 (o) Auction liquor license,
- 14 (p) Caterer retailer license,
- 15 (q) Special use permit license,
- 16 (r) Winery shipper's license.

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

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

25 Class 1. A Distiller may make sales and deliveries of
26 alcoholic liquor to distillers, rectifiers, importing

1 distributors, distributors and non-beverage users and to no
2 other licensees.

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

7 Class 3. A Brewer may make sales and deliveries of beer to
8 importing distributors ~~and~~ distributors and may make sales as
9 authorized under subsection (e) of Section 6-4 of this Act ~~and~~
10 ~~and to non-licensees, and to retailers provided the brewer~~
11 ~~obtains an importing distributor's license or distributor's~~
12 ~~license in accordance with the provisions of this Act.~~

13 Class 4. A first class wine-manufacturer may make sales and
14 deliveries of up to 50,000 gallons of wine to manufacturers,
15 importing distributors and distributors, and to no other
16 licensees.

17 Class 5. A second class Wine manufacturer may make sales
18 and deliveries of more than 50,000 gallons of wine to
19 manufacturers, importing distributors and distributors and to
20 no other licensees.

21 Class 6. A first-class wine-maker's license shall allow the
22 manufacture of up to 50,000 gallons of wine per year, and the
23 storage and sale of such wine to distributors in the State and
24 to persons without the State, as may be permitted by law. A
25 person who, prior to the effective date of this amendatory Act
26 of the 95th General Assembly, is a holder of a first-class

1 wine-maker's license and annually produces more than 25,000
2 gallons of its own wine and who distributes its wine to
3 licensed retailers shall cease this practice on or before July
4 1, 2008 in compliance with this amendatory Act of the 95th
5 General Assembly.

6 Class 7. A second-class wine-maker's license shall allow
7 the manufacture of between 50,000 and 150,000 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 person who, prior to the effective date of
11 this amendatory Act of the 95th General Assembly, is a holder
12 of a second-class wine-maker's license and annually produces
13 more than 25,000 gallons of its own wine and who distributes
14 its wine to licensed retailers shall cease this practice on or
15 before July 1, 2008 in compliance with this amendatory Act of
16 the 95th General Assembly.

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

21 Class 9. A craft distiller license shall allow the
22 manufacture of up to 5,000 gallons of spirits by distillation
23 per year and the storage of such spirits. If a craft distiller
24 licensee is not affiliated with any other manufacturer, then
25 the craft distiller licensee may sell such spirits to
26 distributors in this State and non-licensees to the extent

1 permitted by any exemption approved by the Commission pursuant
2 to Section 6-4 of this Act.

3 Any craft distiller licensed under this Act who on the
4 effective date of this amendatory Act of the 96th General
5 Assembly was licensed as a distiller and manufactured no more
6 spirits than permitted by this Section shall not be required to
7 pay the initial licensing fee.

8 Class 10. A craft brewer's license, which may only be
9 issued to a licensed brewer or licensed non-resident dealer,
10 shall allow the manufacture of up to 465,000 gallons of beer
11 per year. A craft brewer licensee may make sales and deliveries
12 to importing distributors and distributors and to retail
13 licensees in accordance with the conditions set forth in
14 paragraph (18) of subsection (a) of Section 3-12 of this Act.

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

21 Registration of agents, representatives, or persons acting
22 on behalf of a manufacturer is fulfilled by submitting a form
23 to the Commission. The form shall be developed by the
24 Commission and shall include the name and address of the
25 applicant, the name and address of the manufacturer he or she
26 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

1 the preparation and bottling of alcoholic liquors. The
2 importing distributor's license shall permit such licensee to
3 purchase alcoholic liquor from Illinois licensed non-resident
4 dealers and foreign importers only.

5 (d) A retailer's license shall allow the licensee to sell
6 and offer for sale at retail, only in the premises specified in
7 the license, alcoholic liquor for use or consumption, but not
8 for resale in any form. Nothing in this amendatory Act of the
9 95th General Assembly shall deny, limit, remove, or restrict
10 the ability of a holder of a retailer's license to transfer,
11 deliver, or ship alcoholic liquor to the purchaser for use or
12 consumption subject to any applicable local law or ordinance.
13 Any retail license issued to a manufacturer shall only permit
14 the manufacturer to sell beer at retail on the premises
15 actually occupied by the manufacturer. For the purpose of
16 further describing the type of business conducted at a retail
17 licensed premises, a retailer's licensee may be designated by
18 the State Commission as (i) an on premise consumption retailer,
19 (ii) an off premise sale retailer, or (iii) a combined on
20 premise consumption and off 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

1 Illinois licensed distributor (unless the licensee purchases
2 less than \$500 of alcoholic liquors for the special event, in
3 which case the licensee may purchase the alcoholic liquors from
4 a licensed retailer) and shall allow the licensee to sell and
5 offer for sale, at retail, alcoholic liquors for use or
6 consumption, but not for resale in any form and only at the
7 location and on the specific dates designated for the special
8 event in the license. An applicant for a special event retailer
9 license must (i) furnish with the application: (A) a resale
10 number issued under Section 2c of the Retailers' Occupation Tax
11 Act or evidence that the applicant is registered under Section
12 2a of the Retailers' Occupation Tax Act, (B) a current, valid
13 exemption identification number issued under Section 1g of the
14 Retailers' Occupation Tax Act, and a certification to the
15 Commission that the purchase of alcoholic liquors will be a
16 tax-exempt purchase, or (C) a statement that the applicant is
17 not registered under Section 2a of the Retailers' Occupation
18 Tax Act, does not hold a resale number under Section 2c of the
19 Retailers' Occupation Tax Act, and does not hold an exemption
20 number under Section 1g of the Retailers' Occupation Tax Act,
21 in which event the Commission shall set forth on the special
22 event retailer's license a statement to that effect; (ii)
23 submit with the application proof satisfactory to the State
24 Commission that the applicant will provide dram shop liability
25 insurance in the maximum limits; and (iii) show proof
26 satisfactory to the State Commission that the applicant has

1 obtained local authority approval.

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

23 (g) A boat license shall allow the sale of alcoholic liquor
24 in individual drinks, on any passenger boat regularly operated
25 as a common carrier on navigable waters in this State or on any
26 riverboat operated under the Riverboat Gambling Act, which boat

1 or riverboat maintains a public dining room or restaurant
2 thereon.

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

- 13 Class 1, not to exceed 500 gallons
- 14 Class 2, not to exceed 1,000 gallons
- 15 Class 3, not to exceed 5,000 gallons
- 16 Class 4, not to exceed 10,000 gallons
- 17 Class 5, not to exceed 50,000 gallons

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

1 specified in such license up to 100,000 gallons of the
2 second-class wine-maker's wine that is made at the second-class
3 wine-maker's licensed premises per year for use or consumption
4 but not for resale in any form. A wine-maker's premises license
5 shall allow a licensee that concurrently holds a first-class
6 wine-maker's license or a second-class wine-maker's license to
7 sell and offer for sale at retail at the premises specified in
8 the wine-maker's premises license, for use or consumption but
9 not for resale in any form, any beer, wine, and spirits
10 purchased from a licensed distributor. Upon approval from the
11 State Commission, a wine-maker's premises license shall allow
12 the licensee to sell and offer for sale at (i) the wine-maker's
13 licensed premises and (ii) at up to 2 additional locations for
14 use and consumption and not for resale. Each location shall
15 require additional licensing per location as specified in
16 Section 5-3 of this Act. A wine-maker's premises licensee shall
17 secure liquor liability insurance coverage in an amount at
18 least equal to the maximum liability amounts set forth in
19 subsection (a) of Section 6-21 of this Act.

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

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

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

1 Sections 6-5 and 6-6 of this Act to the same extent that these
2 provisions apply to manufacturers.

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

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

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

24 (ii) A broker's license shall be required of a person
25 within this State, other than a retail licensee, who, for a fee
26 or commission, promotes, solicits, or accepts orders for

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

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

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

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

20 (m) A non-resident dealer's license shall permit such
21 licensee to ship into and warehouse alcoholic liquor into this
22 State from any point outside of this State, and to sell such
23 alcoholic liquor to Illinois licensed foreign importers and
24 importing distributors and to no one else in this State;
25 provided that (i) said non-resident dealer shall register with
26 the Illinois Liquor Control Commission each and every brand of

1 alcoholic liquor which it proposes to sell to Illinois
2 licensees during the license period, (ii) it shall comply with
3 all of the provisions of Section 6-9 hereof with respect to
4 registration of such Illinois licensees as may be granted the
5 right to sell such brands at wholesale, and (iii) the
6 non-resident dealer shall comply with the provisions of
7 Sections 6-5 and 6-6 of this Act to the same extent that these
8 provisions apply to manufacturers.

9 (n) A brew pub license shall allow the licensee to
10 manufacture beer only on the premises specified in the license,
11 to make sales of the beer manufactured on the premises to
12 importing distributors, distributors, and to non-licensees for
13 use and consumption, to store the beer upon the premises, and
14 to sell and offer for sale at retail from the licensed
15 premises, provided that a brew pub licensee shall not sell for
16 off-premises consumption more than 50,000 gallons per year.

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

22 (p) An auction liquor license shall allow the licensee to
23 sell and offer for sale at auction wine and spirits for use or
24 consumption, or for resale by an Illinois liquor licensee in
25 accordance with provisions of this Act. An auction liquor
26 license will be issued to a person and it will permit the

1 auction liquor licensee to hold the auction anywhere in the
2 State. An auction liquor license must be obtained for each
3 auction at least 14 days in advance of the auction date.

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

18 (r) A winery shipper's license shall allow a person with a
19 first-class or second-class wine manufacturer's license, a
20 first-class or second-class wine-maker's license, or a limited
21 wine manufacturer's license or who is licensed to make wine
22 under the laws of another state to ship wine made by that
23 licensee directly to a resident of this State who is 21 years
24 of age or older for that resident's personal use and not for
25 resale. Prior to receiving a winery shipper's license, an
26 applicant for the license must provide the Commission with a

1 true copy of its current license in any state in which it is
2 licensed as a manufacturer of wine. An applicant for a winery
3 shipper's license must also complete an application form that
4 provides any other information the Commission deems necessary.
5 The application form shall include an acknowledgement
6 consenting to the jurisdiction of the Commission, the Illinois
7 Department of Revenue, and the courts of this State concerning
8 the enforcement of this Act and any related laws, rules, and
9 regulations, including authorizing the Department of Revenue
10 and the Commission to conduct audits for the purpose of
11 ensuring compliance with this amendatory Act.

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

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

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

11 (Source: P.A. 95-331, eff. 8-21-07; 95-634, eff. 6-1-08;
 12 95-769, eff. 7-29-08; 96-1367, eff. 7-28-10.)

13 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

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

19 The fee for licenses issued by the State Commission shall
 20 be as follows:

21 For a manufacturer's license:

22	Class 1. Distiller	\$3,600
23	Class 2. Rectifier	3,600
24	Class 3. Brewer	900
25	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	Class 9. Craft Distiller	1,800
7	<u>Class 10. Craft Brewer</u>	<u>25</u>
8	For a Brew Pub License	1,050
9	For a caterer retailer's license	200
10	For a foreign importer's license	25
11	For an importing distributor's license	25
12	For a distributor's license	270
13	For a non-resident dealer's license	
14	(500,000 gallons or over)	270
15	For a non-resident dealer's license	
16	(under 500,000 gallons)	90
17	For a wine-maker's premises license	100
18	For a winery shipper's license	
19	(under 250,000 gallons)	150
20	For a winery shipper's license	
21	(250,000 or over, but under 500,000 gallons)	500
22	For a winery shipper's license	
23	(500,000 gallons or over)	1,000
24	For a wine-maker's premises license,	
25	second location	350
26	For a wine-maker's premises license,	

1	third location	350
2	For a retailer's license	500
3	For a special event retailer's license,	
4	(not-for-profit)	25
5	For a special use permit license,	
6	one day only	50
7	2 days or more	100
8	For a railroad license	60
9	For a boat license	180
10	For an airplane license, times the	
11	licensee's maximum number of aircraft	
12	in flight, serving liquor over the	
13	State at any given time, which either	
14	originate, terminate, or make	
15	an intermediate stop in the State	60
16	For a non-beverage user's license:	
17	Class 1	24
18	Class 2	60
19	Class 3	120
20	Class 4	240
21	Class 5	600
22	For a broker's license	600
23	For an auction liquor license	50
24	Fees collected under this Section shall be paid into the	
25	Dram Shop Fund. On and after July 1, 2003, of the funds	
26	received for a retailer's license, in addition to the first	

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

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

15 (a) Hospitals, sanitariums, or clinics when their use
16 of alcoholic liquor is exclusively medicinal, mechanical
17 or scientific.

18 (b) Universities, colleges of learning or schools when
19 their use of alcoholic liquor is exclusively medicinal,
20 mechanical or scientific.

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

23 (Source: P.A. 95-634, eff. 6-1-08; 96-1367, eff. 7-28-10.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."