



Rep. Lou Lang

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LRB098 07025 MGM 42229 a

1 AMENDMENT TO HOUSE BILL 1573

2 AMENDMENT NO. _____. Amend House Bill 1573 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 Section 5-1 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, Class 9. Craft Distiller, Class
14 10. Craft Brewer,

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

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

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

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

24 Class 1. A Distiller may make sales and deliveries of
25 alcoholic liquor to distillers, rectifiers, importing
26 distributors, distributors and non-beverage users and to no

1 other licensees.

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

6 Class 3. A Brewer may make sales and deliveries of beer to
7 importing distributors and distributors and may make sales as
8 authorized under subsection (e) of Section 6-4 of this Act.

9 Class 4. A first class wine-manufacturer may make sales and
10 deliveries of up to 50,000 gallons of wine to manufacturers,
11 importing distributors and distributors, and to no other
12 licensees.

13 Class 5. A second class Wine manufacturer may make sales
14 and deliveries of more than 50,000 gallons of wine to
15 manufacturers, importing distributors and distributors and to
16 no other licensees.

17 Class 6. A first-class wine-maker's license shall allow the
18 manufacture of up to 50,000 gallons of wine per year, and the
19 storage and sale of such wine to distributors in the State and
20 to persons without the State, as may be permitted by law. A
21 person who, prior to the effective date of this amendatory Act
22 of the 95th General Assembly, is a holder of a first-class
23 wine-maker's license and annually produces more than 25,000
24 gallons of its own wine and who distributes its wine to
25 licensed retailers shall cease this practice on or before July
26 1, 2008 in compliance with this amendatory Act of the 95th

1 General Assembly.

2 Class 7. A second-class wine-maker's license shall allow
3 the manufacture of between 50,000 and 150,000 gallons of wine
4 per year, and the storage and sale of such wine to distributors
5 in this State and to persons without the State, as may be
6 permitted by law. A person who, prior to the effective date of
7 this amendatory Act of the 95th General Assembly, is a holder
8 of a second-class wine-maker's license and annually produces
9 more than 25,000 gallons of its own wine and who distributes
10 its wine to licensed retailers shall cease this practice on or
11 before July 1, 2008 in compliance with this amendatory Act of
12 the 95th General Assembly.

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

17 Class 9. A craft distiller license shall allow the
18 manufacture of up to 30,000 gallons of spirits by distillation
19 for one year after the effective date of this amendatory Act of
20 the 97th General Assembly and up to 35,000 gallons of spirits
21 by distillation per year thereafter and the storage of such
22 spirits. If a craft distiller licensee is not affiliated with
23 any other manufacturer, then the craft distiller licensee may
24 sell such spirits to distributors in this State and up to 2,500
25 gallons of such spirits to non-licensees to the extent
26 permitted by any exemption approved by the Commission pursuant

1 to Section 6-4 of this Act.

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

7 Class 10. A craft brewer's license, which may only be
8 issued to a licensed brewer or licensed non-resident dealer,
9 shall allow the manufacture of up to 465,000 gallons of beer
10 per year. A craft brewer licensee 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 (a-1) A manufacturer which is licensed in this State to
15 make sales or deliveries of alcoholic liquor to licensed
16 distributors or importing distributors 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. The Commission
10 shall post a list of registered agents on the Commission's
11 website.

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

16 (c) An importing distributor's license may be issued to and
17 held by those only who are duly licensed distributors, upon the
18 filing of an application by a duly licensed distributor, with
19 the Commission and the Commission shall, without the payment of
20 any fee, immediately issue such importing distributor's
21 license to the applicant, which shall allow the importation of
22 alcoholic liquor by the licensee into this State from any point
23 in the United States outside this State, and the purchase of
24 alcoholic liquor in barrels, casks or other bulk containers and
25 the bottling of such alcoholic liquors before resale thereof,
26 but all bottles or containers so filled shall be sealed,

1 labeled, stamped and otherwise made to comply with all
2 provisions, rules and regulations governing manufacturers in
3 the preparation and bottling of alcoholic liquors. The
4 importing distributor's license shall permit such licensee to
5 purchase alcoholic liquor from Illinois licensed non-resident
6 dealers and foreign importers only.

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

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

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

1 insurance in the maximum limits; and (iii) show proof
2 satisfactory to the State Commission that the applicant has
3 obtained local authority approval.

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

25 (g) A boat license shall allow the sale of alcoholic liquor
26 in individual drinks, on any passenger boat regularly operated

1 as a common carrier on navigable waters in this State or on any
 2 riverboat operated under the Riverboat Gambling Act, which boat
 3 or riverboat maintains a public dining room or restaurant
 4 thereon.

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

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

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

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

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

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

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

1 be granted the right to sell such brands at wholesale, and
2 (iii) the foreign importer complies with the provisions of
3 Sections 6-5 and 6-6 of this Act to the same extent that these
4 provisions apply to manufacturers.

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

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

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

26 (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;

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

11 (n) A brew pub license shall allow the licensee (i) to
12 manufacture beer only on the premises specified in the license,
13 (ii) to make sales of the beer manufactured on the premises or,
14 with the approval of the Commission, beer manufactured on
15 another brew pub licensed premises that is substantially owned
16 and operated by the same licensee to importing distributors,
17 distributors, and to non-licensees for use and consumption,
18 (iii) to store the beer upon the premises, and (iv) to sell and
19 offer for sale at retail from the licensed premises, provided
20 that a brew pub licensee shall not sell for off-premises
21 consumption more than 50,000 gallons per year. A person who
22 holds a brew pub license may simultaneously hold a craft brewer
23 license if he or she otherwise qualifies for the craft brewer
24 license and the craft brewer license is for a location separate
25 from the brew pub's licensed premises. A brew pub license shall
26 permit a person who has received prior approval from the

1 Commission to annually transfer no more than a total of 50,000
2 gallons of beer manufactured on premises to all other licensed
3 brew pubs that are substantially owned and operated by the same
4 person.

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

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

18 (q) A special use permit license shall allow an Illinois
19 licensed retailer to transfer a portion of its alcoholic liquor
20 inventory from its retail licensed premises to the premises
21 specified in the license hereby created, and to sell or offer
22 for sale at retail, only in the premises specified in the
23 license hereby created, the transferred alcoholic liquor for
24 use or consumption, but not for resale in any form. A special
25 use permit license may be granted for the following time
26 periods: one day or less; 2 or more days to a maximum of 15 days

1 per location in any 12 month period. An applicant for the
2 special use permit license must also submit with the
3 application proof satisfactory to the State Commission that the
4 applicant will provide dram shop liability insurance to the
5 maximum limits and have local authority approval.

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

26 A winery shipper licensee must pay to the Department of

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

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

25 (Source: P.A. 96-1367, eff. 7-28-10; 97-5, eff. 6-1-11; 97-455,
26 eff. 8-19-11; 97-813, eff. 7-13-12; 97-1166, eff. 3-1-13.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".