

1 AN ACT concerning liquor.

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

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

6 (235 ILCS 5/1-3.38)

7 Sec. 1-3.38. "Craft brewer" means a licensed brewer or
8 licensed non-resident dealer who manufactures up to 930,000
9 ~~465,000~~ gallons of beer per year and who may make sales and
10 deliveries to importing distributors and distributors and to
11 retail licensees in accordance with the conditions set forth in
12 paragraph (18) of subsection (a) of Section 3-12 of this Act.

13 (Source: P.A. 97-5, eff. 6-1-11.)

14 (235 ILCS 5/3-12)

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

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

18 (1) To receive applications and to issue licenses to
19 manufacturers, foreign importers, importing distributors,
20 distributors, non-resident dealers, on premise consumption
21 retailers, off premise sale retailers, special event
22 retailer licensees, special use permit licenses, auction

1 liquor licenses, brew pubs, caterer retailers,
2 non-beverage users, railroads, including owners and
3 lessees of sleeping, dining and cafe cars, airplanes,
4 boats, brokers, and wine maker's premises licensees in
5 accordance with the provisions of this Act, and to suspend
6 or revoke such licenses upon the State commission's
7 determination, upon notice after hearing, that a licensee
8 has violated any provision of this Act or any rule or
9 regulation issued pursuant thereto and in effect for 30
10 days prior to such violation. Except in the case of an
11 action taken pursuant to a violation of Section 6-3, 6-5,
12 or 6-9, any action by the State Commission to suspend or
13 revoke a licensee's license may be limited to the license
14 for the specific premises where the violation occurred.

15 In lieu of suspending or revoking a license, the
16 commission may impose a fine, upon the State commission's
17 determination and notice after hearing, that a licensee has
18 violated any provision of this Act or any rule or
19 regulation issued pursuant thereto and in effect for 30
20 days prior to such violation. The fine imposed under this
21 paragraph may not exceed \$500 for each violation. Each day
22 that the activity, which gave rise to the original fine,
23 continues is a separate violation. The maximum fine that
24 may be levied against any licensee, for the period of the
25 license, shall not exceed \$20,000. The maximum penalty that
26 may be imposed on a licensee for selling a bottle of

1 alcoholic liquor with a foreign object in it or serving
2 from a bottle of alcoholic liquor with a foreign object in
3 it shall be the destruction of that bottle of alcoholic
4 liquor for the first 10 bottles so sold or served from by
5 the licensee. For the eleventh bottle of alcoholic liquor
6 and for each third bottle thereafter sold or served from by
7 the licensee with a foreign object in it, the maximum
8 penalty that may be imposed on the licensee is the
9 destruction of the bottle of alcoholic liquor and a fine of
10 up to \$50.

11 (2) To adopt such rules and regulations consistent with
12 the provisions of this Act which shall be necessary to
13 carry on its functions and duties to the end that the
14 health, safety and welfare of the People of the State of
15 Illinois shall be protected and temperance in the
16 consumption of alcoholic liquors shall be fostered and
17 promoted and to distribute copies of such rules and
18 regulations to all licensees affected thereby.

19 (3) To call upon other administrative departments of
20 the State, county and municipal governments, county and
21 city police departments and upon prosecuting officers for
22 such information and assistance as it deems necessary in
23 the performance of its duties.

24 (4) To recommend to local commissioners rules and
25 regulations, not inconsistent with the law, for the
26 distribution and sale of alcoholic liquors throughout the

1 State.

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

5 (5.1) Upon receipt of a complaint or upon having
6 knowledge that any person is engaged in business as a
7 manufacturer, importing distributor, distributor, or
8 retailer without a license or valid license, to notify the
9 local liquor authority, file a complaint with the State's
10 Attorney's Office of the county where the incident
11 occurred, or initiate an investigation with the
12 appropriate law enforcement officials.

13 (5.2) To issue a cease and desist notice to persons
14 shipping alcoholic liquor into this State from a point
15 outside of this State if the shipment is in violation of
16 this Act.

17 (5.3) To receive complaints from licensees, local
18 officials, law enforcement agencies, organizations, and
19 persons stating that any licensee has been or is violating
20 any provision of this Act or the rules and regulations
21 issued pursuant to this Act. Such complaints shall be in
22 writing, signed and sworn to by the person making the
23 complaint, and shall state with specificity the facts in
24 relation to the alleged violation. If the Commission has
25 reasonable grounds to believe that the complaint
26 substantially alleges a violation of this Act or rules and

1 regulations adopted pursuant to this Act, it shall conduct
2 an investigation. If, after conducting an investigation,
3 the Commission is satisfied that the alleged violation did
4 occur, it shall proceed with disciplinary action against
5 the licensee as provided in this Act.

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

12 (7) The commission shall establish uniform systems of
13 accounts to be kept by all retail licensees having more
14 than 4 employees, and for this purpose the commission may
15 classify all retail licensees having more than 4 employees
16 and establish a uniform system of accounts for each class
17 and prescribe the manner in which such accounts shall be
18 kept. The commission may also prescribe the forms of
19 accounts to be kept by all retail licensees having more
20 than 4 employees, including but not limited to accounts of
21 earnings and expenses and any distribution, payment, or
22 other distribution of earnings or assets, and any other
23 forms, records and memoranda which in the judgment of the
24 commission may be necessary or appropriate to carry out any
25 of the provisions of this Act, including but not limited to
26 such forms, records and memoranda as will readily and

1 accurately disclose at all times the beneficial ownership
2 of such retail licensed business. The accounts, forms,
3 records and memoranda shall be available at all reasonable
4 times for inspection by authorized representatives of the
5 State commission or by any local liquor control
6 commissioner or his or her authorized representative. The
7 commission, may, from time to time, alter, amend or repeal,
8 in whole or in part, any uniform system of accounts, or the
9 form and manner of keeping accounts.

10 (8) In the conduct of any hearing authorized to be held
11 by the commission, to appoint, at the commission's
12 discretion, hearing officers to conduct hearings involving
13 complex issues or issues that will require a protracted
14 period of time to resolve, to examine, or cause to be
15 examined, under oath, any licensee, and to examine or cause
16 to be examined the books and records of such licensee; to
17 hear testimony and take proof material for its information
18 in the discharge of its duties hereunder; to administer or
19 cause to be administered oaths; for any such purpose to
20 issue subpoena or subpoenas to require the attendance of
21 witnesses and the production of books, which shall be
22 effective in any part of this State, and to adopt rules to
23 implement its powers under this paragraph (8).

24 Any Circuit Court may by order duly entered, require
25 the attendance of witnesses and the production of relevant
26 books subpoenaed by the State commission and the court may

1 compel obedience to its order by proceedings for contempt.

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

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

14 (11) To develop industry educational programs related
15 to responsible serving and selling, particularly in the
16 areas of overserving consumers and illegal underage
17 purchasing and consumption of alcoholic beverages.

18 (11.1) To license persons providing education and
19 training to alcohol beverage sellers and servers under the
20 Beverage Alcohol Sellers and Servers Education and
21 Training (BASSET) programs and to develop and administer a
22 public awareness program in Illinois to reduce or eliminate
23 the illegal purchase and consumption of alcoholic beverage
24 products by persons under the age of 21. Application for a
25 license shall be made on forms provided by the State
26 Commission.

1 (12) To develop and maintain a repository of license
2 and regulatory information.

3 (13) On or before January 15, 1994, the Commission
4 shall issue a written report to the Governor and General
5 Assembly that is to be based on a comprehensive study of
6 the impact on and implications for the State of Illinois of
7 Section 1926 of the Federal ADAMHA Reorganization Act of
8 1992 (Public Law 102-321). This study shall address the
9 extent to which Illinois currently complies with the
10 provisions of P.L. 102-321 and the rules promulgated
11 pursuant thereto.

12 As part of its report, the Commission shall provide the
13 following essential information:

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

16 (ii) the number of reported citations and
17 successful convictions, categorized by type and
18 location of retail distributor, for violation of the
19 Prevention of Tobacco Use by Minors and Sale and
20 Distribution of Tobacco Products Act and the Smokeless
21 Tobacco Limitation Act;

22 (iii) the extent and nature of organized
23 educational and governmental activities that are
24 intended to promote, encourage or otherwise secure
25 compliance with any Illinois laws that prohibit the
26 sale or distribution of tobacco products to minors; and

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

3 To obtain the data necessary to comply with the
4 provisions of P.L. 102-321 and the requirements of this
5 report, the Commission shall conduct random, unannounced
6 inspections of a geographically and scientifically
7 representative sample of the State's retail tobacco
8 distributors.

9 The Commission shall consult with the Department of
10 Public Health, the Department of Human Services, the
11 Illinois State Police and any other executive branch
12 agency, and private organizations that may have
13 information relevant to this report.

14 The Commission may contract with the Food and Drug
15 Administration of the U.S. Department of Health and Human
16 Services to conduct unannounced investigations of Illinois
17 tobacco vendors to determine compliance with federal laws
18 relating to the illegal sale of cigarettes and smokeless
19 tobacco products to persons under the age of 18.

20 (14) On or before April 30, 2008 and every 2 years
21 thereafter, the Commission shall present a written report
22 to the Governor and the General Assembly that shall be
23 based on a study of the impact of this amendatory Act of
24 the 95th General Assembly on the business of soliciting,
25 selling, and shipping wine from inside and outside of this
26 State directly to residents of this State. As part of its

1 report, the Commission shall provide all of the following
2 information:

3 (A) The amount of State excise and sales tax
4 revenues generated.

5 (B) The amount of licensing fees received.

6 (C) The number of cases of wine shipped from inside
7 and outside of this State directly to residents of this
8 State.

9 (D) The number of alcohol compliance operations
10 conducted.

11 (E) The number of winery shipper's licenses
12 issued.

13 (F) The number of each of the following: reported
14 violations; cease and desist notices issued by the
15 Commission; notices of violations issued by the
16 Commission and to the Department of Revenue; and
17 notices and complaints of violations to law
18 enforcement officials, including, without limitation,
19 the Illinois Attorney General and the U.S. Department
20 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

21 (15) As a means to reduce the underage consumption of
22 alcoholic liquors, the Commission shall conduct alcohol
23 compliance operations to investigate whether businesses
24 that are soliciting, selling, and shipping wine from inside
25 or outside of this State directly to residents of this
26 State are licensed by this State or are selling or

1 attempting to sell wine to persons under 21 years of age in
2 violation of this Act.

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

10 (17) (A) A person licensed to make wine under the laws
11 of another state who has a winery shipper's license under
12 this amendatory Act and annually produces less than 25,000
13 gallons of wine or a person who has a first-class or
14 second-class wine manufacturer's license, a first-class or
15 second-class wine-maker's license, or a limited wine
16 manufacturer's license under this Act and annually
17 produces less than 25,000 gallons of wine may make
18 application to the Commission for a self-distribution
19 exemption to allow the sale of not more than 5,000 gallons
20 of the exemption holder's wine to retail licensees per
21 year.

22 (B) In the application, which shall be sworn under
23 penalty of perjury, such person shall state (1) the
24 date it was established; (2) its volume of production
25 and sales for each year since its establishment; (3)
26 its efforts to establish distributor relationships;

1 (4) that a self-distribution exemption is necessary to
2 facilitate the marketing of its wine; and (5) that it
3 will comply with the liquor and revenue laws of the
4 United States, this State, and any other state where it
5 is licensed.

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

15 (D) A self-distribution exemption holder shall
16 annually certify to the Commission its production of
17 wine in the previous 12 months and its anticipated
18 production and sales for the next 12 months. The
19 Commission may fine, suspend, or revoke a
20 self-distribution exemption after a hearing if it
21 finds that the exemption holder has made a material
22 misrepresentation in its application, violated a
23 revenue or liquor law of Illinois, exceeded production
24 of 25,000 gallons of wine in any calendar year, or
25 become part of an affiliated group producing more than
26 25,000 gallons of wine or any other alcoholic liquor.

1 (E) Except in hearings for violations of this Act
2 or amendatory Act or a bona fide investigation by duly
3 sworn law enforcement officials, the Commission, or
4 its agents, the Commission shall maintain the
5 production and sales information of a
6 self-distribution exemption holder as confidential and
7 shall not release such information to any person.

8 (F) The Commission shall issue regulations
9 governing self-distribution exemptions consistent with
10 this Section and this Act.

11 (G) Nothing in this subsection (17) shall prohibit
12 a self-distribution exemption holder from entering
13 into or simultaneously having a distribution agreement
14 with a licensed Illinois distributor.

15 (H) It is the intent of this subsection (17) to
16 promote and continue orderly markets. The General
17 Assembly finds that in order to preserve Illinois'
18 regulatory distribution system it is necessary to
19 create an exception for smaller makers of wine as their
20 wines are frequently adjusted in varietals, mixes,
21 vintages, and taste to find and create market niches
22 sometimes too small for distributor or importing
23 distributor business strategies. Limited
24 self-distribution rights will afford and allow smaller
25 makers of wine access to the marketplace in order to
26 develop a customer base without impairing the

1 integrity of the 3-tier system.

2 (18) (A) A craft brewer licensee, who must also be
3 either a licensed brewer or licensed non-resident dealer
4 and annually manufacture less than 930,000 ~~465,000~~ gallons
5 of beer, may make application to the Commission for a
6 self-distribution exemption to allow the sale of not more
7 than 232,500 gallons of the exemption holder's beer to
8 retail licensees per year.

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

20 (C) Any application submitted shall be posted on
21 the Commission's website at least 45 days prior to
22 action by the Commission. The Commission shall approve
23 the application for a self-distribution exemption if
24 the craft brewer licensee: (1) is in compliance with
25 the State, revenue, and alcoholic beverage laws; (2) is
26 not a member of any affiliated group that manufacturers

1 more than 930,000 ~~465,000~~ gallons of beer per annum or
2 produces any other alcoholic beverages; (3) shall not
3 annually manufacture for sale more than 930,000
4 ~~465,000~~ gallons of beer; and (4) shall not annually
5 sell more than 232,500 gallons of its beer to retail
6 licensees.

7 (D) A self-distribution exemption holder shall
8 annually certify to the Commission its manufacture of
9 beer during the previous 12 months and its anticipated
10 manufacture and sales of beer for the next 12 months.
11 The Commission may fine, suspend, or revoke a
12 self-distribution exemption after a hearing if it
13 finds that the exemption holder has made a material
14 misrepresentation in its application, violated a
15 revenue or alcoholic beverage law of Illinois,
16 exceeded the manufacture of 930,000 ~~465,000~~ gallons of
17 beer in any calendar year or became part of an
18 affiliated group manufacturing more than 930,000
19 ~~465,000~~ gallons of beer or any other alcoholic
20 beverage.

21 (E) The Commission shall issue rules and
22 regulations governing self-distribution exemptions
23 consistent with this Act.

24 (F) Nothing in this paragraph (18) shall prohibit a
25 self-distribution exemption holder from entering into
26 or simultaneously having a distribution agreement with

1 a licensed Illinois importing distributor or a
2 distributor. If a self-distribution exemption holder
3 enters into a distribution agreement and has assigned
4 distribution rights to an importing distributor or
5 distributor, then the self-distribution exemption
6 holder's distribution rights in the assigned
7 territories shall cease in a reasonable time not to
8 exceed 60 days.

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

18 (b) On or before April 30, 1999, the Commission shall
19 present a written report to the Governor and the General
20 Assembly that shall be based on a study of the impact of this
21 amendatory Act of 1998 on the business of soliciting, selling,
22 and shipping alcoholic liquor from outside of this State
23 directly to residents of this State.

24 As part of its report, the Commission shall provide the
25 following information:

26 (i) the amount of State excise and sales tax revenues

1 generated as a result of this amendatory Act of 1998;

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

4 (iii) the number of reported violations, the number of
5 cease and desist notices issued by the Commission, the
6 number of notices of violations issued to the Department of
7 Revenue, and the number of notices and complaints of
8 violations to law enforcement officials.

9 (Source: P.A. 96-179, eff. 8-10-09; 96-446, eff. 1-1-10;
10 96-1000, eff. 7-2-10; 97-5, eff. 6-1-11.)

11 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

14 (a) Manufacturer's license - Class 1. Distiller, Class 2.
15 Rectifier, Class 3. Brewer, Class 4. First Class Wine
16 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
17 First Class Winemaker, Class 7. Second Class Winemaker, Class
18 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
19 10. Craft Brewer,

20 (b) Distributor's license,

21 (c) Importing Distributor's license,

22 (d) Retailer's license,

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

24 (f) Railroad license,

25 (g) Boat license,

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

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

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

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

24 Class 2. A Rectifier, who is not a distiller, as defined
25 herein, may make sales and deliveries of alcoholic liquor to
26 rectifiers, importing distributors, distributors, retailers

1 and non-beverage users and to no other licensees.

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

5 Class 4. A first class wine-manufacturer may make sales and
6 deliveries of up to 50,000 gallons of wine to manufacturers,
7 importing distributors and distributors, and to no other
8 licensees.

9 Class 5. A second class Wine manufacturer may make sales
10 and deliveries of more than 50,000 gallons of wine to
11 manufacturers, importing distributors and distributors and to
12 no other licensees.

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

24 Class 7. A second-class wine-maker's license shall allow
25 the manufacture of between 50,000 and 150,000 gallons of wine
26 per year, and the storage and sale of such wine to distributors

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

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

13 Class 9. A craft distiller license shall allow the
14 manufacture of up to 30,000 gallons of spirits by distillation
15 for one year after the effective date of this amendatory Act of
16 the 97th General Assembly and up to 35,000 gallons of spirits
17 by distillation per year thereafter and the storage of such
18 spirits. If a craft distiller licensee is not affiliated with
19 any other manufacturer, then the craft distiller licensee may
20 sell such spirits to distributors in this State and up to 2,500
21 gallons of such spirits to non-licensees to the extent
22 permitted by any exemption approved by the Commission pursuant
23 to Section 6-4 of this Act.

24 Any craft distiller licensed under this Act who on the
25 effective date of this amendatory Act of the 96th General
26 Assembly was licensed as a distiller and manufactured no more

1 spirits than permitted by this Section shall not be required to
2 pay the initial licensing fee.

3 Class 10. A craft brewer's license, which may only be
4 issued to a licensed brewer or licensed non-resident dealer,
5 shall allow the manufacture of up to 930,000 ~~465,000~~ gallons of
6 beer per year. A craft brewer licensee may make sales and
7 deliveries to importing distributors and distributors and to
8 retail licensees in accordance with the conditions set forth in
9 paragraph (18) of subsection (a) of Section 3-12 of this Act.

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

16 Registration of agents, representatives, or persons acting
17 on behalf of a manufacturer is fulfilled by submitting a form
18 to the Commission. The form shall be developed by the
19 Commission and shall include the name and address of the
20 applicant, the name and address of the manufacturer he or she
21 represents, the territory or areas assigned to sell to or
22 discuss pricing terms of alcoholic liquor, and any other
23 questions deemed appropriate and necessary. All statements in
24 the forms required to be made by law or by rule shall be deemed
25 material, and any person who knowingly misstates any material
26 fact under oath in an application is guilty of a Class B

1 misdemeanor. Fraud, misrepresentation, false statements,
2 misleading statements, evasions, or suppression of material
3 facts in the securing of a registration are grounds for
4 suspension or revocation of the registration.

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

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

26 (d) A retailer's license shall allow the licensee to sell

1 and offer for sale at retail, only in the premises specified in
2 the license, alcoholic liquor for use or consumption, but not
3 for resale in any form. Nothing in this amendatory Act of the
4 95th General Assembly shall deny, limit, remove, or restrict
5 the ability of a holder of a retailer's license to transfer,
6 deliver, or ship alcoholic liquor to the purchaser for use or
7 consumption subject to any applicable local law or ordinance.
8 Any retail license issued to a manufacturer shall only permit
9 the manufacturer to sell beer at retail on the premises
10 actually occupied by the manufacturer. For the purpose of
11 further describing the type of business conducted at a retail
12 licensed premises, a retailer's licensee may be designated by
13 the State Commission as (i) an on premise consumption retailer,
14 (ii) an off premise sale retailer, or (iii) a combined on
15 premise consumption and off premise sale retailer.

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

20 (e) A special event retailer's license (not-for-profit)
21 shall permit the licensee to purchase alcoholic liquors from an
22 Illinois licensed distributor (unless the licensee purchases
23 less than \$500 of alcoholic liquors for the special event, in
24 which case the licensee may purchase the alcoholic liquors from
25 a licensed retailer) and shall allow the licensee to sell and
26 offer for sale, at retail, alcoholic liquors for use or

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

23 (f) A railroad license shall permit the licensee to import
24 alcoholic liquors into this State from any point in the United
25 States outside this State and to store such alcoholic liquors
26 in this State; to make wholesale purchases of alcoholic liquors

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

18 (g) A boat license shall allow the sale of alcoholic liquor
19 in individual drinks, on any passenger boat regularly operated
20 as a common carrier on navigable waters in this State or on any
21 riverboat operated under the Riverboat Gambling Act, which boat
22 or riverboat maintains a public dining room or restaurant
23 thereon.

24 (h) A non-beverage user's license shall allow the licensee
25 to purchase alcoholic liquor from a licensed manufacturer or
26 importing distributor, without the imposition of any tax upon

1 the business of such licensed manufacturer or importing
 2 distributor as to such alcoholic liquor to be used by such
 3 licensee solely for the non-beverage purposes set forth in
 4 subsection (a) of Section 8-1 of this Act, and such licenses
 5 shall be divided and classified and shall permit the purchase,
 6 possession and use of limited and stated quantities of
 7 alcoholic liquor as follows:

- 8 Class 1, not to exceed 500 gallons
- 9 Class 2, not to exceed 1,000 gallons
- 10 Class 3, not to exceed 5,000 gallons
- 11 Class 4, not to exceed 10,000 gallons
- 12 Class 5, not to exceed 50,000 gallons

13 (i) A wine-maker's premises license shall allow a licensee
 14 that concurrently holds a first-class wine-maker's license to
 15 sell and offer for sale at retail in the premises specified in
 16 such license not more than 50,000 gallons of the first-class
 17 wine-maker's wine that is made at the first-class wine-maker's
 18 licensed premises per year for use or consumption, but not for
 19 resale in any form. A wine-maker's premises license shall allow
 20 a licensee who concurrently holds a second-class wine-maker's
 21 license to sell and offer for sale at retail in the premises
 22 specified in such license up to 100,000 gallons of the
 23 second-class wine-maker's wine that is made at the second-class
 24 wine-maker's licensed premises per year for use or consumption
 25 but not for resale in any form. A wine-maker's premises license
 26 shall allow a licensee that concurrently holds a first-class

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

15 (j) An airplane license shall permit the licensee to import
16 alcoholic liquors into this State from any point in the United
17 States outside this State and to store such alcoholic liquors
18 in this State; to make wholesale purchases of alcoholic liquors
19 directly from manufacturers, foreign importers, distributors
20 and importing distributors from within or outside this State;
21 and to store such alcoholic liquors in this State; provided
22 that the above powers may be exercised only in connection with
23 the importation, purchase or storage of alcoholic liquors to be
24 sold or dispensed on an airplane; and provided further, that
25 airplane licensees exercising the above powers shall be subject
26 to all provisions of Article VIII of this Act as applied to

1 importing distributors. An airplane licensee shall also permit
2 the sale or dispensing of alcoholic liquors on any passenger
3 airplane regularly operated by a common carrier in this State,
4 but shall not permit the sale for resale of any alcoholic
5 liquors to any licensee within this State. A single airplane
6 license shall be required of an airline company if liquor
7 service is provided on board aircraft in this State. The annual
8 fee for such license shall be as determined in Section 5-3.

9 (k) A foreign importer's license shall permit such licensee
10 to purchase alcoholic liquor from Illinois licensed
11 non-resident dealers only, and to import alcoholic liquor other
12 than in bulk from any point outside the United States and to
13 sell such alcoholic liquor to Illinois licensed importing
14 distributors and to no one else in Illinois; provided that (i)
15 the foreign importer registers with the State Commission every
16 brand of alcoholic liquor that it proposes to sell to Illinois
17 licensees during the license period, (ii) the foreign importer
18 complies with all of the provisions of Section 6-9 of this Act
19 with respect to registration of such Illinois licensees as may
20 be granted the right to sell such brands at wholesale, and
21 (iii) the foreign importer complies with the provisions of
22 Sections 6-5 and 6-6 of this Act to the same extent that these
23 provisions apply to manufacturers.

24 (l) (i) A broker's license shall be required of all persons
25 who solicit orders for, offer to sell or offer to supply
26 alcoholic liquor to retailers in the State of Illinois, or who

1 offer to retailers to ship or cause to be shipped or to make
2 contact with distillers, rectifiers, brewers or manufacturers
3 or any other party within or without the State of Illinois in
4 order that alcoholic liquors be shipped to a distributor,
5 importing distributor or foreign importer, whether such
6 solicitation or offer is consummated within or without the
7 State of Illinois.

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

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

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

1 authorized in Section 6-29 of this Act.

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

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

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

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

1 non-resident dealer shall comply with the provisions of
2 Sections 6-5 and 6-6 of this Act to the same extent that these
3 provisions apply to manufacturers.

4 (n) A brew pub license shall allow the licensee (i) to
5 manufacture beer only on the premises specified in the license,
6 (ii) to make sales of the beer manufactured on the premises or,
7 with the approval of the Commission, beer manufactured on
8 another brew pub licensed premises that is substantially owned
9 and operated by the same licensee to importing distributors,
10 distributors, and to non-licensees for use and consumption,
11 (iii) to store the beer upon the premises, and (iv) to sell and
12 offer for sale at retail from the licensed premises, provided
13 that a brew pub licensee shall not sell for off-premises
14 consumption more than 50,000 gallons per year. A person who
15 holds a brew pub license may simultaneously hold a craft brewer
16 license if he or she otherwise qualifies for the craft brewer
17 license and the craft brewer license is for a location separate
18 from the brew pub's licensed premises. A brew pub license shall
19 permit a person who has received prior approval from the
20 Commission to annually transfer no more than a total of 50,000
21 gallons of beer manufactured on premises to all other licensed
22 brew pubs that are substantially owned and operated by the same
23 person.

24 (o) A caterer retailer license shall allow the holder to
25 serve alcoholic liquors as an incidental part of a food service
26 that serves prepared meals which excludes the serving of snacks

1 as the primary meal, either on or off-site whether licensed or
2 unlicensed.

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

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

25 (r) A winery shipper's license shall allow a person with a
26 first-class or second-class wine manufacturer's license, a

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

19 A winery shipper licensee must pay to the Department of
20 Revenue the State liquor gallonage tax under Section 8-1 for
21 all wine that is sold by the licensee and shipped to a person
22 in this State. For the purposes of Section 8-1, a winery
23 shipper licensee shall be taxed in the same manner as a
24 manufacturer of wine. A licensee who is not otherwise required
25 to register under the Retailers' Occupation Tax Act must
26 register under the Use Tax Act to collect and remit use tax to

1 the Department of Revenue for all gallons of wine that are sold
2 by the licensee and shipped to persons in this State. If a
3 licensee fails to remit the tax imposed under this Act in
4 accordance with the provisions of Article VIII of this Act, the
5 winery shipper's license shall be revoked in accordance with
6 the provisions of Article VII of this Act. If a licensee fails
7 to properly register and remit tax under the Use Tax Act or the
8 Retailers' Occupation Tax Act for all wine that is sold by the
9 winery shipper and shipped to persons in this State, the winery
10 shipper's license shall be revoked in accordance with the
11 provisions of Article VII of this Act.

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

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.