



Sen. Antonio Muñoz

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LRB098 07025 MGM 46605 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 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.

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 930,000 ~~465,000~~ gallons  
12          of beer, 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 930,000 ~~465,000~~ gallons of beer per annum or  
9 produces any other alcoholic beverages; (3) shall not  
10 annually manufacture for sale more than 930,000  
11 ~~465,000~~ gallons of beer; and (4) shall not annually  
12 sell more than 232,500 gallons of its beer to retail  
13 licensees.

14 (D) A self-distribution exemption holder shall  
15 annually certify to the Commission its manufacture of  
16 beer during the previous 12 months and its anticipated  
17 manufacture and sales of beer for the next 12 months.  
18 The Commission may fine, suspend, or revoke a  
19 self-distribution exemption after a hearing if it  
20 finds that the exemption holder has made a material  
21 misrepresentation in its application, violated a  
22 revenue or alcoholic beverage law of Illinois,  
23 exceeded the manufacture of 930,000 ~~465,000~~ gallons of  
24 beer in any calendar year or became part of an  
25 affiliated group manufacturing more than 930,000  
26 ~~465,000~~ gallons of beer or any other alcoholic

1 beverage.

2 (E) The Commission shall issue rules and  
3 regulations governing self-distribution exemptions  
4 consistent with this Act.

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

16 (G) It is the intent of this paragraph (18) to  
17 promote and continue orderly markets. The General  
18 Assembly finds that in order to preserve Illinois'  
19 regulatory distribution system, it is necessary to  
20 create an exception for smaller manufacturers in order  
21 to afford and allow such smaller manufacturers of beer  
22 access to the marketplace in order to develop a  
23 customer base without impairing the integrity of the  
24 3-tier system.

25 (b) On or before April 30, 1999, the Commission shall  
26 present a written report to the Governor and the General



1 Assembly that shall be based on a study of the impact of this  
2 amendatory Act of 1998 on the business of soliciting, selling,  
3 and shipping alcoholic liquor from outside of this State  
4 directly to residents of this State.

5 As part of its report, the Commission shall provide the  
6 following information:

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

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

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

16 (Source: P.A. 96-179, eff. 8-10-09; 96-446, eff. 1-1-10;  
17 96-1000, eff. 7-2-10; 97-5, eff. 6-1-11.)

18 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

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

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

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

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

1           Class 1. A Distiller may make sales and deliveries of  
2 alcoholic liquor to distillers, rectifiers, importing  
3 distributors, distributors and non-beverage users and to no  
4 other licensees.

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

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

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

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

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

1 gallons of its own wine and who distributes its wine to  
2 licensed retailers shall cease this practice on or before July  
3 1, 2008 in compliance with this amendatory Act of the 95th  
4 General Assembly.

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

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

20 Class 9. A craft distiller license shall allow the  
21 manufacture of up to 30,000 gallons of spirits by distillation  
22 for one year after the effective date of this amendatory Act of  
23 the 97th General Assembly and up to 35,000 gallons of spirits  
24 by distillation per year thereafter and the storage of such  
25 spirits. If a craft distiller licensee is not affiliated with  
26 any other manufacturer, then the craft distiller licensee may

1 sell such spirits to distributors in this State and up to 2,500  
2 gallons of such spirits to non-licensees to the extent  
3 permitted by any exemption approved by the Commission pursuant  
4 to Section 6-4 of this Act.

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

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

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

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

1 applicant, the name and address of the manufacturer he or she  
2 represents, the territory or areas assigned to sell to or  
3 discuss pricing terms of alcoholic liquor, and any other  
4 questions deemed appropriate and necessary. All statements in  
5 the forms required to be made by law or by rule shall be deemed  
6 material, and any person who knowingly misstates any material  
7 fact under oath in an application is guilty of a Class B  
8 misdemeanor. Fraud, misrepresentation, false statements,  
9 misleading statements, evasions, or suppression of material  
10 facts in the securing of a registration are grounds for  
11 suspension or revocation of the registration.

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.".