



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2797

Introduced 2/17/2016, by Sen. Heather A. Steans

#### SYNOPSIS AS INTRODUCED:

230 ILCS 40/5	
235 ILCS 5/5-1	from Ch. 43, par. 115
235 ILCS 5/6-4	from Ch. 43, par. 121

Amends the Liquor Control Act of 1934. Provides that a craft distiller license allows the manufacture of up to 100,000 gallons (instead of 35,000 gallons) of spirits by distillation per year and the storage of those spirits. Provides that a craft distiller license holder may store those spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder, or any subsidiary or affiliate thereof, or any officer, associate, member, partner, representative, employee, agent, or shareholder of that craft distiller license holder directly or indirectly produce in the aggregate more than 100,000 gallons of spirits per year. Requires a craft distiller to affirm in its application that it does not produce more than 100,000 gallons of distilled spirits annually and that it does not sell more than 2,500 gallons of spirits to non-licensees. Prohibits craft distillers from being affiliated with directly or indirectly any other alcoholic liquor manufacturer licensed by any licensing authority. Prohibits distributors, importing distributors, and retailers from being licensed as a craft distiller. Amends the Video Gaming Act. In the definition of "licensed establishment", provides that "licensed establishment" does not include the premises of any manufacturer's licensee, wine maker's premises licensee, or brew pub licensee and adds a cross-reference to a provision in the Liquor Control Act of 1934 that describes a retailer's license. Effective immediately.

LRB099 19929 RPS 44328 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Video Gaming Act is amended by changing  
5 Section 5 as follows:

6 (230 ILCS 40/5)

7 Sec. 5. Definitions. As used in this Act:

8 "Board" means the Illinois Gaming Board.

9 "Credit" means one, 5, 10, or 25 cents either won or  
10 purchased by a player.

11 "Distributor" means an individual, partnership,  
12 corporation, or limited liability company licensed under this  
13 Act to buy, sell, lease, or distribute video gaming terminals  
14 or major components or parts of video gaming terminals to or  
15 from terminal operators.

16 "Electronic card" means a card purchased from a licensed  
17 establishment, licensed fraternal establishment, licensed  
18 veterans establishment, or licensed truck stop establishment  
19 for use in that establishment as a substitute for cash in the  
20 conduct of gaming on a video gaming terminal.

21 "Electronic voucher" means a voucher printed by an  
22 electronic video game machine that is redeemable in the  
23 licensed establishment for which it was issued.

1 "Terminal operator" means an individual, partnership,  
2 corporation, or limited liability company that is licensed  
3 under this Act and that owns, services, and maintains video  
4 gaming terminals for placement in licensed establishments,  
5 licensed truck stop establishments, licensed fraternal  
6 establishments, or licensed veterans establishments.

7 "Licensed technician" means an individual who is licensed  
8 under this Act to repair, service, and maintain video gaming  
9 terminals.

10 "Licensed terminal handler" means a person, including but  
11 not limited to an employee or independent contractor working  
12 for a manufacturer, distributor, supplier, technician, or  
13 terminal operator, who is licensed under this Act to possess or  
14 control a video gaming terminal or to have access to the inner  
15 workings of a video gaming terminal. A licensed terminal  
16 handler does not include an individual, partnership,  
17 corporation, or limited liability company defined as a  
18 manufacturer, distributor, supplier, technician, or terminal  
19 operator under this Act.

20 "Manufacturer" means an individual, partnership,  
21 corporation, or limited liability company that is licensed  
22 under this Act and that manufactures or assembles video gaming  
23 terminals.

24 "Supplier" means an individual, partnership, corporation,  
25 or limited liability company that is licensed under this Act to  
26 supply major components or parts to video gaming terminals to

1 licensed terminal operators.

2 "Net terminal income" means money put into a video gaming  
3 terminal minus credits paid out to players.

4 "Video gaming terminal" means any electronic video game  
5 machine that, upon insertion of cash, electronic cards or  
6 vouchers, or any combination thereof, is available to play or  
7 simulate the play of a video game, including but not limited to  
8 video poker, line up, and blackjack, as authorized by the Board  
9 utilizing a video display and microprocessors in which the  
10 player may receive free games or credits that can be redeemed  
11 for cash. The term does not include a machine that directly  
12 dispenses coins, cash, or tokens or is for amusement purposes  
13 only.

14 "Licensed establishment" means any licensed retail  
15 establishment, as described in subsection (d) of Section 5-1 of  
16 the Liquor Control Act of 1934, where alcoholic liquor is  
17 drawn, poured, mixed, or otherwise served for consumption on  
18 the premises, whether the establishment operates on a nonprofit  
19 or for-profit basis. "Licensed establishment" includes any  
20 such establishment that has a contractual relationship with an  
21 inter-track wagering location licensee licensed under the  
22 Illinois Horse Racing Act of 1975, provided any contractual  
23 relationship shall not include any transfer or offer of revenue  
24 from the operation of video gaming under this Act to any  
25 licensee licensed under the Illinois Horse Racing Act of 1975.  
26 Provided, however, that the licensed establishment that has

1 such a contractual relationship with an inter-track wagering  
2 location licensee may not, itself, be (i) an inter-track  
3 wagering location licensee, (ii) the corporate parent or  
4 subsidiary of any licensee licensed under the Illinois Horse  
5 Racing Act of 1975, or (iii) the corporate subsidiary of a  
6 corporation that is also the corporate parent or subsidiary of  
7 any licensee licensed under the Illinois Horse Racing Act of  
8 1975. "Licensed establishment" does not include a facility  
9 operated by an organization licensee, an inter-track wagering  
10 licensee, or an inter-track wagering location licensee  
11 licensed under the Illinois Horse Racing Act of 1975 or a  
12 riverboat licensed under the Riverboat Gambling Act, except as  
13 provided in this paragraph. The changes made to this definition  
14 by Public Act 98-587 are declarative of existing law. "Licensed  
15 establishment" does not include the premises of any  
16 manufacturer's licensee, wine maker's premises licensee, or  
17 brew pub licensee licensed under the Liquor Control Act of  
18 1934.

19 "Licensed fraternal establishment" means the location  
20 where a qualified fraternal organization that derives its  
21 charter from a national fraternal organization regularly  
22 meets.

23 "Licensed veterans establishment" means the location where  
24 a qualified veterans organization that derives its charter from  
25 a national veterans organization regularly meets.

26 "Licensed truck stop establishment" means a facility (i)

1 that is at least a 3-acre facility with a convenience store,  
2 (ii) with separate diesel islands for fueling commercial motor  
3 vehicles, (iii) that sells at retail more than 10,000 gallons  
4 of diesel or biodiesel fuel per month, and (iv) with parking  
5 spaces for commercial motor vehicles. "Commercial motor  
6 vehicles" has the same meaning as defined in Section 18b-101 of  
7 the Illinois Vehicle Code. The requirement of item (iii) of  
8 this paragraph may be met by showing that estimated future  
9 sales or past sales average at least 10,000 gallons per month.  
10 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;  
11 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.  
12 7-16-14.)

13 Section 10. The Liquor Control Act of 1934 is amended by  
14 changing Sections 5-1 and 6-4 as follows:

15 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

18 (a) Manufacturer's license - Class 1. Distiller, Class 2.  
19 Rectifier, Class 3. Brewer, Class 4. First Class Wine  
20 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.  
21 First Class Winemaker, Class 7. Second Class Winemaker, Class  
22 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class  
23 10. Class 1 Brewer, Class 11. Class 2 Brewer,

24 (b) Distributor's license,

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

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

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

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

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

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

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

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

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

18 Class 6. A first-class wine-maker's license shall allow the  
19 manufacture of up to 50,000 gallons of wine per year, and the  
20 storage and sale of such wine to distributors in the State and  
21 to persons without the State, as may be permitted by law. A  
22 person who, prior to June 1, 2008 (the effective date of Public  
23 Act 95-634) ~~this amendatory Act of the 95th General Assembly,~~  
24 is a holder of a first-class wine-maker's license and annually  
25 produces more than 25,000 gallons of its own wine and who  
26 distributes its wine to licensed retailers shall cease this



1 practice on or before July 1, 2008 in compliance with Public  
2 Act 95-634 ~~this amendatory Act of the 95th General Assembly.~~

3 Class 7. A second-class wine-maker's license shall allow  
4 the manufacture of between 50,000 and 150,000 gallons of wine  
5 per year, and the storage and sale of such wine to distributors  
6 in this State and to persons without the State, as may be  
7 permitted by law. A person who, prior to June 1, 2008 (the  
8 effective date of Public Act 95-634) ~~this amendatory Act of the~~  
9 ~~95th General Assembly,~~ is a holder of a second-class  
10 wine-maker's license and annually produces more than 25,000  
11 gallons of its own wine and who distributes its wine to  
12 licensed retailers shall cease this practice on or before July  
13 1, 2008 in compliance with Public Act 95-634 ~~this amendatory~~  
14 ~~Act of the 95th General Assembly.~~

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

19 Class 9. A craft distiller license shall allow the  
20 manufacture of up to 100,000 ~~30,000~~ gallons of spirits by  
21 distillation ~~for one year after the effective date of this~~  
22 ~~amendatory Act of the 97th General Assembly and up to 35,000~~  
23 ~~gallons of spirits by distillation per year thereafter~~ and the  
24 storage of such spirits. A craft distiller license holder may  
25 store such spirits at a non-contiguous licensed location, but  
26 at no time shall a craft distiller license holder, or any

1 subsidiary or affiliate thereof, or any officer, associate,  
2 member, partner, representative, employee, agent, or  
3 shareholder of that craft distiller license holder directly or  
4 indirectly produce in the aggregate more than 100,000 gallons  
5 of spirits per year. A craft distiller license holder shall not  
6 be affiliated with directly or indirectly any other alcoholic  
7 liquor manufacturer licensed by any licensing authority. A ~~If a~~  
8 ~~craft distiller licensee is not affiliated with any other~~  
9 ~~manufacturer, then the~~ craft distiller licensee may sell such  
10 spirits to distributors in this State and up to 2,500 gallons  
11 of such spirits to non-licensees to the extent permitted by any  
12 exemption approved by the Commission pursuant to Section 6-4 of  
13 this Act.

14 Any craft distiller licensed under this Act who on July 28,  
15 2010 (the effective date of Public Act 96-1367) ~~this amendatory~~  
16 ~~Act of the 96th General Assembly~~ was licensed as a distiller  
17 and manufactured no more spirits than permitted by this Section  
18 shall not be required to pay the initial licensing fee.

19 Class 10. A class 1 brewer license, which may only be  
20 issued to a licensed brewer or licensed non-resident dealer,  
21 shall allow the manufacture of up to 930,000 gallons of beer  
22 per year provided that the class 1 brewer licensee does not  
23 manufacture more than a combined 930,000 gallons of beer per  
24 year and is not a member of or affiliated with, directly or  
25 indirectly, a manufacturer that produces more than 930,000  
26 gallons of beer per year or any other alcoholic liquor. A class

1 1 brewer licensee may make sales and deliveries to importing  
2 distributors and distributors and to retail licensees in  
3 accordance with the conditions set forth in paragraph (18) of  
4 subsection (a) of Section 3-12 of this Act.

5 Class 11. A class 2 brewer license, which may only be  
6 issued to a licensed brewer or licensed non-resident dealer,  
7 shall allow the manufacture of up to 3,720,000 gallons of beer  
8 per year provided that the class 2 brewer licensee does not  
9 manufacture more than a combined 3,720,000 gallons of beer per  
10 year and is not a member of or affiliated with, directly or  
11 indirectly, a manufacturer that produces more than 3,720,000  
12 gallons of beer per year or any other alcoholic liquor. A class  
13 2 brewer licensee may make sales and deliveries to importing  
14 distributors and distributors, but shall not make sales or  
15 deliveries to any other licensee. If the State Commission  
16 provides prior approval, a class 2 brewer licensee may annually  
17 transfer up to 3,720,000 gallons of beer manufactured by that  
18 class 2 brewer licensee to the premises of a licensed class 2  
19 brewer wholly owned and operated by the same licensee.

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

1 Registration of agents, representatives, or persons acting  
2 on behalf of a manufacturer is fulfilled by submitting a form  
3 to the Commission. The form shall be developed by the  
4 Commission and shall include the name and address of the  
5 applicant, the name and address of the manufacturer he or she  
6 represents, the territory or areas assigned to sell to or  
7 discuss pricing terms of alcoholic liquor, and any other  
8 questions deemed appropriate and necessary. All statements in  
9 the forms required to be made by law or by rule shall be deemed  
10 material, and any person who knowingly misstates any material  
11 fact under oath in an application is guilty of a Class B  
12 misdemeanor. Fraud, misrepresentation, false statements,  
13 misleading statements, evasions, or suppression of material  
14 facts in the securing of a registration are grounds for  
15 suspension or revocation of the registration. The State  
16 Commission shall post a list of registered agents on the  
17 Commission's website.

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

22 (c) An importing distributor's license may be issued to and  
23 held by those only who are duly licensed distributors, upon the  
24 filing of an application by a duly licensed distributor, with  
25 the Commission and the Commission shall, without the payment of  
26 any fee, immediately issue such importing distributor's

1 license to the applicant, which shall allow the importation of  
2 alcoholic liquor by the licensee into this State from any point  
3 in the United States outside this State, and the purchase of  
4 alcoholic liquor in barrels, casks or other bulk containers and  
5 the bottling of such alcoholic liquors before resale thereof,  
6 but all bottles or containers so filled shall be sealed,  
7 labeled, stamped and otherwise made to comply with all  
8 provisions, rules and regulations governing manufacturers in  
9 the preparation and bottling of alcoholic liquors. The  
10 importing distributor's license shall permit such licensee to  
11 purchase alcoholic liquor from Illinois licensed non-resident  
12 dealers and foreign importers only.

13 (d) A retailer's license shall allow the licensee to sell  
14 and offer for sale at retail, only in the premises specified in  
15 the license, alcoholic liquor for use or consumption, but not  
16 for resale in any form. Nothing in Public Act 95-634 ~~this~~  
17 ~~amendatory Act of the 95th General Assembly~~ shall deny, limit,  
18 remove, or restrict the ability of a holder of a retailer's  
19 license to transfer, deliver, or ship alcoholic liquor to the  
20 purchaser for use or consumption subject to any applicable  
21 local law or ordinance. Any retail license issued to a  
22 manufacturer shall only permit the manufacturer to sell beer at  
23 retail on the premises actually occupied by the manufacturer.  
24 For the purpose of further describing the type of business  
25 conducted at a retail licensed premises, a retailer's licensee  
26 may be designated by the State Commission as (i) an on premise

1 consumption retailer, (ii) an off premise sale retailer, or  
2 (iii) a combined on premise consumption and off premise sale  
3 retailer.

4 Notwithstanding any other provision of this subsection  
5 (d), a retail licensee may sell alcoholic liquors to a special  
6 event retailer licensee for resale to the extent permitted  
7 under subsection (e).

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

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

11 (f) A railroad license shall permit the licensee to import  
12 alcoholic liquors into this State from any point in the United  
13 States outside this State and to store such alcoholic liquors  
14 in this State; to make wholesale purchases of alcoholic liquors  
15 directly from manufacturers, foreign importers, distributors  
16 and importing distributors from within or outside this State;  
17 and to store such alcoholic liquors in this State; provided  
18 that the above powers may be exercised only in connection with  
19 the importation, purchase or storage of alcoholic liquors to be  
20 sold or dispensed on a club, buffet, lounge or dining car  
21 operated on an electric, gas or steam railway in this State;  
22 and provided further, that railroad licensees exercising the  
23 above powers shall be subject to all provisions of Article VIII  
24 of this Act as applied to importing distributors. A railroad  
25 license shall also permit the licensee to sell or dispense  
26 alcoholic liquors on any club, buffet, lounge or dining car

1 operated on an electric, gas or steam railway regularly  
 2 operated by a common carrier in this State, but shall not  
 3 permit the sale for resale of any alcoholic liquors to any  
 4 licensee within this State. A license shall be obtained for  
 5 each car in which such sales are made.

6 (g) A boat license shall allow the sale of alcoholic liquor  
 7 in individual drinks, on any passenger boat regularly operated  
 8 as a common carrier on navigable waters in this State or on any  
 9 riverboat operated under the Riverboat Gambling Act, which boat  
 10 or riverboat maintains a public dining room or restaurant  
 11 thereon.

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

- 22 Class 1, not to exceed ..... 500 gallons
- 23 Class 2, not to exceed ..... 1,000 gallons
- 24 Class 3, not to exceed ..... 5,000 gallons
- 25 Class 4, not to exceed ..... 10,000 gallons
- 26 Class 5, not to exceed ..... 50,000 gallons



1 (i) A wine-maker's premises license shall allow a licensee  
2 that concurrently holds a first-class wine-maker's license to  
3 sell and offer for sale at retail in the premises specified in  
4 such license not more than 50,000 gallons of the first-class  
5 wine-maker's wine that is made at the first-class wine-maker's  
6 licensed premises per year for use or consumption, but not for  
7 resale in any form. A wine-maker's premises license shall allow  
8 a licensee who concurrently holds a second-class wine-maker's  
9 license to sell and offer for sale at retail in the premises  
10 specified in such license up to 100,000 gallons of the  
11 second-class wine-maker's wine that is made at the second-class  
12 wine-maker's licensed premises per year for use or consumption  
13 but not for resale in any form. A wine-maker's premises license  
14 shall allow a licensee that concurrently holds a first-class  
15 wine-maker's license or a second-class wine-maker's license to  
16 sell and offer for sale at retail at the premises specified in  
17 the wine-maker's premises license, for use or consumption but  
18 not for resale in any form, any beer, wine, and spirits  
19 purchased from a licensed distributor. Upon approval from the  
20 State Commission, a wine-maker's premises license shall allow  
21 the licensee to sell and offer for sale at (i) the wine-maker's  
22 licensed premises and (ii) at up to 2 additional locations for  
23 use and consumption and not for resale. Each location shall  
24 require additional licensing per location as specified in  
25 Section 5-3 of this Act. A wine-maker's premises licensee shall  
26 secure liquor liability insurance coverage in an amount at

1 least equal to the maximum liability amounts set forth in  
2 subsection (a) of Section 6-21 of this Act.

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

23 (k) A foreign importer's license shall permit such licensee  
24 to purchase alcoholic liquor from Illinois licensed  
25 non-resident dealers only, and to import alcoholic liquor other  
26 than in bulk from any point outside the United States and to

1 sell such alcoholic liquor to Illinois licensed importing  
2 distributors and to no one else in Illinois; provided that (i)  
3 the foreign importer registers with the State Commission every  
4 brand of alcoholic liquor that it proposes to sell to Illinois  
5 licensees during the license period, (ii) the foreign importer  
6 complies with all of the provisions of Section 6-9 of this Act  
7 with respect to registration of such Illinois licensees as may  
8 be granted the right to sell such brands at wholesale, and  
9 (iii) the foreign importer complies with the provisions of  
10 Sections 6-5 and 6-6 of this Act to the same extent that these  
11 provisions apply to manufacturers.

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

22 No holder of a retailer's license issued by the Illinois  
23 Liquor Control Commission shall purchase or receive any  
24 alcoholic liquor, the order for which was solicited or offered  
25 for sale to such retailer by a broker unless the broker is the  
26 holder of a valid broker's license.

1           The broker shall, upon the acceptance by a retailer of the  
2 broker's solicitation of an order or offer to sell or supply or  
3 deliver or have delivered alcoholic liquors, promptly forward  
4 to the Illinois Liquor Control Commission a notification of  
5 said transaction in such form as the Commission may by  
6 regulations prescribe.

7           (ii) A broker's license shall be required of a person  
8 within this State, other than a retail licensee, who, for a fee  
9 or commission, promotes, solicits, or accepts orders for  
10 alcoholic liquor, for use or consumption and not for resale, to  
11 be shipped from this State and delivered to residents outside  
12 of this State by an express company, common carrier, or  
13 contract carrier. This Section does not apply to any person who  
14 promotes, solicits, or accepts orders for wine as specifically  
15 authorized in Section 6-29 of this Act.

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

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

26           Any agent, representative, or person subject to

1 registration pursuant to subsection (a-1) of this Section shall  
2 not be eligible to receive a broker's license.

3 (m) A non-resident dealer's license shall permit such  
4 licensee to ship into and warehouse alcoholic liquor into this  
5 State from any point outside of this State, and to sell such  
6 alcoholic liquor to Illinois licensed foreign importers and  
7 importing distributors and to no one else in this State;  
8 provided that (i) said non-resident dealer shall register with  
9 the Illinois Liquor Control Commission each and every brand of  
10 alcoholic liquor which it proposes to sell to Illinois  
11 licensees during the license period, (ii) it shall comply with  
12 all of the provisions of Section 6-9 hereof with respect to  
13 registration of such Illinois licensees as may be granted the  
14 right to sell such brands at wholesale, and (iii) the  
15 non-resident dealer shall comply with the provisions of  
16 Sections 6-5 and 6-6 of this Act to the same extent that these  
17 provisions apply to manufacturers.

18 (n) A brew pub license shall allow the licensee to only (i)  
19 manufacture up to 155,000 gallons of beer per year only on the  
20 premises specified in the license, (ii) make sales of the beer  
21 manufactured on the premises or, with the approval of the  
22 Commission, beer manufactured on another brew pub licensed  
23 premises that is wholly owned and operated by the same licensee  
24 to importing distributors, distributors, and to non-licensees  
25 for use and consumption, (iii) store the beer upon the  
26 premises, (iv) sell and offer for sale at retail from the

1 licensed premises for off-premises consumption no more than  
2 155,000 gallons per year so long as such sales are only made  
3 in-person, (v) sell and offer for sale at retail for use and  
4 consumption on the premises specified in the license any form  
5 of alcoholic liquor purchased from a licensed distributor or  
6 importing distributor, and (vi) with the prior approval of the  
7 Commission, annually transfer no more than 155,000 gallons of  
8 beer manufactured on the premises to a licensed brew pub wholly  
9 owned and operated by the same licensee.

10 A brew pub licensee shall not under any circumstance sell  
11 or offer for sale beer manufactured by the brew pub licensee to  
12 retail licensees.

13 A person who holds a class 2 brewer license may  
14 simultaneously hold a brew pub license if the class 2 brewer  
15 (i) does not, under any circumstance, sell or offer for sale  
16 beer manufactured by the class 2 brewer to retail licensees;  
17 (ii) does not hold more than 3 brew pub licenses in this State;  
18 (iii) does not manufacture more than a combined 3,720,000  
19 gallons of beer per year, including the beer manufactured at  
20 the brew pub; and (iv) is not a member of or affiliated with,  
21 directly or indirectly, a manufacturer that produces more than  
22 3,720,000 gallons of beer per year or any other alcoholic  
23 liquor.

24 Notwithstanding any other provision of this Act, a licensed  
25 brewer, class 2 brewer, or non-resident dealer who before July  
26 1, 2015 manufactured less than ~~than~~ 3,720,000 gallons of beer

1 per year and held a brew pub license on or before July 1, 2015  
2 may (i) continue to qualify for and hold that brew pub license  
3 for the licensed premises and (ii) manufacture more than  
4 3,720,000 gallons of beer per year and continue to qualify for  
5 and hold that brew pub license if that brewer, class 2 brewer,  
6 or non-resident dealer does not simultaneously hold a class 1  
7 brewer license and is not a member of or affiliated with,  
8 directly or indirectly, a manufacturer that produces more than  
9 3,720,000 gallons of beer per year or that produces any other  
10 alcoholic liquor.

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

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

24 (q) A special use permit license shall allow an Illinois  
25 licensed retailer to transfer a portion of its alcoholic liquor  
26 inventory from its retail licensed premises to the premises

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

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



1 Department of Revenue, and the courts of this State concerning  
2 the enforcement of this Act and any related laws, rules, and  
3 regulations, including authorizing the Department of Revenue  
4 and the Commission to conduct audits for the purpose of  
5 ensuring compliance with Public Act 95-634 ~~this amendatory Act~~.

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

25 A winery shipper licensee must collect, maintain, and  
26 submit to the Commission on a semi-annual basis the total

1 number of cases per resident of wine shipped to residents of  
2 this State. A winery shipper licensed under this subsection (r)  
3 must comply with the requirements of Section 6-29 of this  
4 ~~amendatory~~ Act.

5 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of  
6 Section 3-12, the State Commission may receive, respond to, and  
7 investigate any complaint and impose any of the remedies  
8 specified in paragraph (1) of subsection (a) of Section 3-12.

9 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;  
10 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; revised 10-27-15.)

11 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

12 Sec. 6-4. (a) No person licensed by any licensing authority  
13 as a distiller, or a wine manufacturer, or any subsidiary or  
14 affiliate thereof, or any officer, associate, member, partner,  
15 representative, employee, agent or shareholder owning more  
16 than 5% of the outstanding shares of such person shall be  
17 issued an importing distributor's or distributor's license,  
18 nor shall any person licensed by any licensing authority as an  
19 importing distributor, distributor or retailer, or any  
20 subsidiary or affiliate thereof, or any officer or associate,  
21 member, partner, representative, employee, agent or  
22 shareholder owning more than 5% of the outstanding shares of  
23 such person be issued a distiller's license, craft distiller's  
24 license, or a wine manufacturer's license; and no person or  
25 persons licensed as a distiller or craft distiller by any

1 licensing authority shall have any interest, directly or  
2 indirectly, with such distributor or importing distributor.

3 However, an importing distributor or distributor, which on  
4 January 1, 1985 is owned by a brewer, or any subsidiary or  
5 affiliate thereof or any officer, associate, member, partner,  
6 representative, employee, agent or shareholder owning more  
7 than 5% of the outstanding shares of the importing distributor  
8 or distributor referred to in this paragraph, may own or  
9 acquire an ownership interest of more than 5% of the  
10 outstanding shares of a wine manufacturer and be issued a wine  
11 manufacturer's license by any licensing authority.

12 (b) The foregoing provisions shall not apply to any person  
13 licensed by any licensing authority as a distiller or wine  
14 manufacturer, or to any subsidiary or affiliate of any  
15 distiller or wine manufacturer who shall have been heretofore  
16 licensed by the State Commission as either an importing  
17 distributor or distributor during the annual licensing period  
18 expiring June 30, 1947, and shall actually have made sales  
19 regularly to retailers.

20 (c) Provided, however, that in such instances where a  
21 distributor's or importing distributor's license has been  
22 issued to any distiller or wine manufacturer or to any  
23 subsidiary or affiliate of any distiller or wine manufacturer  
24 who has, during the licensing period ending June 30, 1947, sold  
25 or distributed as such licensed distributor or importing  
26 distributor alcoholic liquors and wines to retailers, such

1 distiller or wine manufacturer or any subsidiary or affiliate  
2 of any distiller or wine manufacturer holding such  
3 distributor's or importing distributor's license may continue  
4 to sell or distribute to retailers such alcoholic liquors and  
5 wines which are manufactured, distilled, processed or marketed  
6 by distillers and wine manufacturers whose products it sold or  
7 distributed to retailers during the whole or any part of its  
8 licensing periods; and such additional brands and additional  
9 products may be added to the line of such distributor or  
10 importing distributor, provided, that such brands and such  
11 products were not sold or distributed by any distributor or  
12 importing distributor licensed by the State Commission during  
13 the licensing period ending June 30, 1947, but can not sell or  
14 distribute to retailers any other alcoholic liquors or wines.

15 (d) It shall be unlawful for any distiller licensed  
16 anywhere to have any stock ownership or interest in any  
17 distributor's or importing distributor's license wherein any  
18 other person has an interest therein who is not a distiller and  
19 does not own more than 5% of any stock in any distillery.  
20 Nothing herein contained shall apply to such distillers or  
21 their subsidiaries or affiliates, who had a distributor's or  
22 importing distributor's license during the licensing period  
23 ending June 30, 1947, which license was owned in whole by such  
24 distiller, or subsidiaries or affiliates of such distiller.

25 (e) Any person licensed as a brewer, class 1 brewer, or  
26 class 2 brewer shall be permitted to sell on the licensed

1 premises to non-licensees for on or off-premises consumption  
2 for the premises in which he or she actually conducts such  
3 business beer manufactured by the brewer, class 1 brewer, or  
4 class 2 brewer. Such sales shall be limited to on-premises,  
5 in-person sales only, for lawful consumption on or off  
6 premises. Such authorization shall be considered a privilege  
7 granted by the brewer license and, other than a manufacturer of  
8 beer as stated above, no manufacturer or distributor or  
9 importing distributor, excluding airplane licensees exercising  
10 powers provided in paragraph (i) of Section 5-1 of this Act, or  
11 any subsidiary or affiliate thereof, or any officer, associate,  
12 member, partner, representative, employee or agent, or  
13 shareholder shall be issued a retailer's license, nor shall any  
14 person having a retailer's license, excluding airplane  
15 licensees exercising powers provided in paragraph (i) of  
16 Section 5-1 of this Act, or any subsidiary or affiliate  
17 thereof, or any officer, associate, member, partner,  
18 representative or agent, or shareholder be issued a  
19 manufacturer's license or importing distributor's license.

20 A person who holds a class 1 or class 2 brewer license and  
21 is authorized by this Section to sell beer to non-licensees  
22 shall not sell beer to non-licensees from more than 3 total  
23 brewer or commonly owned brew pub licensed locations in this  
24 State. The class 1 or class 2 brewer shall designate to the  
25 State Commission the brewer or brew pub locations from which it  
26 will sell beer to non-licensees.

1           A person licensed as a craft distiller not affiliated with  
2 any other person manufacturing spirits may be authorized by the  
3 Commission to sell up to 2,500 gallons of spirits produced by  
4 the person to non-licensees for on or off-premises consumption  
5 for the premises in which he or she actually conducts business  
6 permitting only the retail sale of spirits manufactured at such  
7 premises. Such sales shall be limited to on-premises, in-person  
8 sales only, for lawful consumption on or off premises, and such  
9 authorization shall be considered a privilege granted by the  
10 craft distiller license. A craft distiller licensed for retail  
11 sale shall secure liquor liability insurance coverage in an  
12 amount at least equal to the maximum liability amounts set  
13 forth in subsection (a) of Section 6-21 of this Act.

14           A craft distiller license holder shall not deliver any  
15 alcoholic liquor to any non-licensee off the licensed premises.  
16 A craft distiller shall affirm in its annual craft distiller's  
17 license application that it does not produce more than 100,000  
18 gallons of distilled spirits annually and that the craft  
19 distiller does not sell more than 2,500 gallons of spirits to  
20 non-licensees for on or off-premises consumption. In the  
21 application, which shall be sworn under penalty of perjury, the  
22 craft distiller shall state the volume of production and sales  
23 for each year since the craft distiller's establishment.

24           (f) (Blank).

25           (g) Notwithstanding any of the foregoing prohibitions, a  
26 limited wine manufacturer may sell at retail at its

1 manufacturing site for on or off premises consumption and may  
2 sell to distributors. A limited wine manufacturer licensee  
3 shall secure liquor liability insurance coverage in an amount  
4 at least equal to the maximum liability amounts set forth in  
5 subsection (a) of Section 6-21 of this Act.

6 (h) The changes made to this Section by Public Act 99-47  
7 ~~this amendatory Act of the 99th General Assembly~~ shall not  
8 diminish or impair the rights of any person, whether a  
9 distiller, wine manufacturer, agent, or affiliate thereof, who  
10 requested in writing and submitted documentation to the State  
11 Commission on or before February 18, 2015 to be approved for a  
12 retail license pursuant to what has heretofore been subsection  
13 (f); provided that, on or before that date, the State  
14 Commission considered the intent of that person to apply for  
15 the retail license under that subsection and, by recorded vote,  
16 the State Commission approved a resolution indicating that such  
17 a license application could be lawfully approved upon that  
18 person duly filing a formal application for a retail license  
19 and if that person, within 90 days of the State Commission  
20 appearance and recorded vote, first filed an application with  
21 the appropriate local commission, which application was  
22 subsequently approved by the appropriate local commission  
23 prior to consideration by the State Commission of that person's  
24 application for a retail license. It is further provided that  
25 the State Commission may approve the person's application for a  
26 retail license or renewals of such license if such person

1 continues to diligently adhere to all representations made in  
2 writing to the State Commission on or before February 18, 2015,  
3 or thereafter, or in the affidavit filed by that person with  
4 the State Commission to support the issuance of a retail  
5 license and to abide by all applicable laws and duly adopted  
6 rules.

7 (Source: P.A. 99-47, eff. 7-15-15; 99-448, eff. 8-24-15;  
8 revised 10-30-15.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.