1 AN ACT concerning liquor.

Be it enacted by the People of the State of Illinois, 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.
- "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
- or major components or parts of video gaming terminals to or
- from terminal operators.
- "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.

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

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

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

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

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

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1 licensed terminal operators.

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

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

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

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such a contractual relationship with an inter-track wagering 1 2 location licensee may not, itself, be (i) an inter-track 3 wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse 5 Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of 6 7 any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility 8 9 operated by an organization licensee, an inter-track wagering 10 licensee, or an inter-track wagering location 11 licensed under the Illinois Horse Racing Act of 1975 or a 12 riverboat licensed under the Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition 13 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.

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

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

"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
- 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 (q) 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 (1) 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.
- No person, firm, partnership, corporation, or other legal
- business entity that is engaged in the manufacturing of wine
- 19 may concurrently obtain and hold a wine-maker's license and a
- 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:
- Class 1. A Distiller may make sales and deliveries of
- 26 alcoholic liquor to distillers, rectifiers, importing

- 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
- 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
- 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,
- 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

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

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

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

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

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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. A craft distiller license holder shall not be affiliated with, directly or indirectly, any other alcoholic liquor manufacturer licensed by any licensing authority. A If a craft distiller licensee is not affiliated with any other manufacturer, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 gallons of such spirits to non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act.

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

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

subsection (a) of Section 3-12 of this Act.

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

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

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

- (b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law.
- (c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's

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

dealers and foreign importers only.

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 this amendatory Act of the 95th General Assembly shall deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic liquor to the purchaser for use or consumption subject to any applicable local law or ordinance. Any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee 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 a licensed retailer) and shall allow the licensee to sell and 13 offer for sale, at retail, alcoholic liquors for use or 14 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 license must (i) furnish with the application: (A) a resale 18 number issued under Section 2c of the Retailers' Occupation Tax 19 20 Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid 21 22 exemption identification number issued under Section 1g of the 23 Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a 24 25 tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation 26

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

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

(i) A wine-maker's premises license shall allow a licensee 1 2 that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in 3 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 licensed premises per year for use or consumption, but not for 6 resale in any form. A wine-maker's premises license shall allow 7 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 but not for resale in any form. A wine-maker's premises license 13 14 shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to 15 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 not for resale in any form, any beer, wine, and spirits 18 19 purchased from a licensed distributor. Upon approval from the 20 State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's 21 22 licensed premises and (ii) at up to 2 additional locations for 23 use and consumption and not for resale. Each location shall require additional licensing per location as specified in 24 25 Section 5-3 of this Act. A wine-maker's premises licensee shall

secure liquor liability insurance coverage in an amount at

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

- (j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.
- (k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to

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

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

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

2 broker's solicitation of an order or offer to sell or supply or

deliver or have delivered alcoholic liquors, promptly forward

to the Illinois Liquor Control Commission a notification of

said transaction in such form as the Commission may by

6 regulations prescribe.

- (ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.
- A broker's license under this subsection (1) shall not entitle the holder to buy or sell any alcoholic liquors for his own account or to take or deliver title to such alcoholic liquors.
- This subsection (1) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder.
- 26 Any agent, representative, or person subject to

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- registration pursuant to subsection (a-1) of this Section shall not be eligible to receive a broker's license.
 - (m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that (i) said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois licensees during the license period, (ii) it shall comply with all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale, and (iii) the non-resident dealer shall comply with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers.
 - (n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the Commission, beer manufactured on another brew pub licensed premises that is wholly owned and operated by the same licensee to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the

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

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

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

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

- per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or that produces any other alcoholic liquor.
 - (o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.
 - (p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor licensee must be obtained for each auction at least 14 days in advance of the auction date.
 - (q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises

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

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

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Department of Revenue, and the courts of this State concerning the enforcement of this Act and any related laws, rules, and regulations, including authorizing the Department of Revenue and the Commission to conduct audits for the purpose of

5 ensuring compliance with <u>Public Act 95-634</u> this amendatory Act.

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

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

- 1 number of cases per resident of wine shipped to residents of
- 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
- 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
- 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
- shareholder owning more than 5% of the outstanding shares of
- such person be issued a distiller's license, craft distiller's
- license, or a wine manufacturer's license; and no person or
- 25 persons licensed as a distiller or craft distiller by any

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

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

- (b) The foregoing provisions shall not apply to any person licensed by any licensing authority as a distiller or wine manufacturer, or to any subsidiary or affiliate of any distiller or wine manufacturer who shall have been heretofore licensed by the State Commission as either an importing distributor or distributor during the annual licensing period expiring June 30, 1947, and shall actually have made sales regularly to retailers.
- (c) Provided, however, that in such instances where a distributor's or importing distributor's license has been issued to any distiller or wine manufacturer or to any subsidiary or affiliate of any distiller or wine manufacturer who has, during the licensing period ending June 30, 1947, sold or distributed as such licensed distributor or importing distributor alcoholic liquors and wines to retailers, such

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- distiller or wine manufacturer or any subsidiary or affiliate wine of anv distiller or manufacturer holding such distributor's or importing distributor's license may continue to sell or distribute to retailers such alcoholic liquors and wines which are manufactured, distilled, processed or marketed by distillers and wine manufacturers whose products it sold or distributed to retailers during the whole or any part of its licensing periods; and such additional brands and additional products may be added to the line of such distributor or importing distributor, provided, that such brands and such products were not sold or distributed by any distributor or importing distributor licensed by the State Commission during the licensing period ending June 30, 1947, but can not sell or distribute to retailers any other alcoholic liquors or wines.
- anywhere to have any stock ownership or interest in any distributor's or importing distributor's license wherein any other person has an interest therein who is not a distiller and does not own more than 5% of any stock in any distillery. Nothing herein contained shall apply to such distillers or their subsidiaries or affiliates, who had a distributor's or importing distributor's license during the licensing period ending June 30, 1947, which license was owned in whole by such distiller, or subsidiaries or affiliates of such distiller.
- (e) Any person licensed as a brewer, class 1 brewer, or class 2 brewer shall be permitted to sell on the licensed

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

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

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A person licensed as a craft distiller not affiliated with

any other person manufacturing spirits may be authorized by the

Commission to sell up to 2,500 gallons of spirits produced by

the person to non-licensees for on or off-premises consumption

for the premises in which he or she actually conducts business

permitting only the retail sale of spirits manufactured at such

premises. Such sales shall be limited to on-premises, in-person

sales only, for lawful consumption on or off premises, and such

authorization shall be considered a privilege granted by the

craft distiller license. A craft distiller licensed for retail

sale shall secure liquor liability insurance coverage in an

amount at least equal to the maximum liability amounts set

forth in subsection (a) of Section 6-21 of this Act.

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

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

for each year since the craft distiller's establishment.

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

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

- 1 continues to diligently adhere to all representations made in
- writing to the State Commission on or before February 18, 2015, 2
- 3 or thereafter, or in the affidavit filed by that person with
- the State Commission to support the issuance of a retail
- 5 license and to abide by all applicable laws and duly adopted
- 6 rules.
- (Source: P.A. 99-47, eff. 7-15-15; 99-448, eff. 8-24-15; 7
- 8 revised 10-30-15.)
- 9 Section 99. Effective date. This Act takes effect upon
- becoming law. 10