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 Liquor Control Act of 1934 is amended by 5 changing Sections 5-1, 5-3, 6-4, and 6-31 as follows:

6 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

9 (a) Manufacturer's license - Class 1. Distiller, Class 2. 10 Rectifier, Class 3. Brewer, Class 4. First Class Wine 11 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6. 12 First Class Winemaker, Class 7. Second Class Winemaker, Class 13 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class 14 10. Class 1 Brewer, Class 11. Class 2 Brewer,

- 15 (b) Distributor's license,
- 16 (c) Importing Distributor's license,
- 17 (d) Retailer's license,
- 18 (e) Special Event Retailer's license (not-for-profit),
- 19 (f) Railroad license,
- 20 (g) Boat license,
- 21 (h) Non-Beverage User's license,
- 22 (i) Wine-maker's premises license,
- 23 (j) Airplane license,

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1 (k) Foreign importer's license, 2 (1) Broker's license, (m) Non-resident dealer's license, 3 (n) Brew Pub license, 4 5 (o) Auction liquor license, 6 (p) Caterer retailer license, 7 (q) Special use permit license, 8 (r) Winery shipper's license, -9 (s) Craft distiller tasting permit.

10 No person, firm, partnership, corporation, or other legal 11 business entity that is engaged in the manufacturing of wine 12 may concurrently obtain and hold a wine-maker's license and a 13 wine manufacturer's license.

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

18 Class 1. A Distiller may make sales and deliveries of 19 alcoholic liquor to distillers, rectifiers, importing 20 distributors, distributors and non-beverage users and to no 21 other licensees.

22 Class 2. A Rectifier, who is not a distiller, as defined 23 herein, may make sales and deliveries of alcoholic liquor to 24 rectifiers, importing distributors, distributors, retailers 25 and non-beverage users and to no other licensees.

26 Class 3. A Brewer may make sales and deliveries of beer to

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importing distributors and distributors and may make sales as
 authorized under subsection (e) of Section 6-4 of this Act.

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

7 Class 5. A second class Wine manufacturer may make sales 8 and deliveries of more than 50,000 gallons of wine to 9 manufacturers, importing distributors and distributors and to 10 no other licensees.

11 Class 6. A first-class wine-maker's license shall allow the 12 manufacture of up to 50,000 gallons of wine per year, and the storage and sale of such wine to distributors in the State and 13 14 to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public 15 16 Act 95-634) this amendatory Act of the 95th General Assembly, 17 is a holder of a first-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who 18 distributes its wine to licensed retailers shall cease this 19 20 practice on or before July 1, 2008 in compliance with Public 21 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 <u>June 1, 2008 (the</u> SB2797 Enrolled - 4 - LRB099 19929 RPS 44328 b

effective date of <u>Public Act 95-634</u>) this amendatory Act of the <u>95th General Assembly</u>, 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 <u>Public Act 95-634</u> this amendatory Act of the 95th General Assembly.

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

12 Class 9. A craft distiller license shall allow the 13 manufacture of up to 100,000 30,000 gallons of spirits by distillation for one year after the effective date of this 14 amendatory Act of the 97th General Assembly and up to 35,000 15 16 gallons of spirits by distillation per year thereafter and the 17 storage of such spirits. If a craft distiller licensee, including a craft distiller licensee who holds more than one 18 craft distiller license, is not affiliated with any other 19 20 manufacturer of spirits, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 21 22 gallons of such spirits to non-licensees to the extent 23 permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act. A craft distiller license holder 24 25 may store such spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder directly 26

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1 <u>or indirectly produce in the aggregate more than 100,000</u> 2 gallons of spirits per year.

3 A craft distiller licensee may hold more than one craft distiller's license. However, a craft distiller that holds more 4 5 than one craft distiller license shall not manufacture, in the aggregate, more than 100,000 gallons of spirits by distillation 6 per year and shall not sell, in the aggregate, more than 2,500 7 8 gallons of such spirits to non-licensees in accordance with an 9 exemption approved by the State Commission pursuant to Section 10 6-4 of this Act.

Any craft distiller licensed under this Act who on <u>July 28</u>, <u>2010 (the effective date of Public Act 96-1367)</u> 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.

16 Class 10. A class 1 brewer license, which may only be 17 issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 930,000 gallons of beer 18 per year provided that the class 1 brewer licensee does not 19 20 manufacture more than a combined 930,000 gallons of beer per year and is not a member of or affiliated with, directly or 21 22 indirectly, a manufacturer that produces more than 930,000 23 gallons of beer per year or any other alcoholic liquor. A class 1 brewer licensee may make sales and deliveries to importing 24 25 distributors and distributors and to retail licensees in 26 accordance with the conditions set forth in paragraph (18) of

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

2 Class 11. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, 3 shall allow the manufacture of up to 3,720,000 gallons of beer 4 5 per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per 6 7 year and is not a member of or affiliated with, directly or 8 indirectly, a manufacturer that produces more than 3,720,000 9 gallons of beer per year or any other alcoholic liquor. A class 10 2 brewer licensee may make sales and deliveries to importing 11 distributors and distributors, but shall not make sales or 12 deliveries to any other licensee. If the State Commission 13 provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that 14 15 class 2 brewer licensee to the premises of a licensed class 2 16 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.

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 the SB2797 Enrolled - 7 - LRB099 19929 RPS 44328 b

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

(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.

19 (c) An importing distributor's license may be issued to and 20 held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with 21 22 the Commission and the Commission shall, without the payment of 23 immediately issue such importing distributor's anv fee, license to the applicant, which shall allow the importation of 24 25 alcoholic liquor by the licensee into this State from any point 26 in the United States outside this State, and the purchase of

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

(d) A retailer's license shall allow the licensee to sell 10 11 and offer for sale at retail, only in the premises specified in 12 the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 this 13 amendatory Act of the 95th General Assembly shall deny, limit, 14 15 remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic liquor to the 16 17 purchaser for use or consumption subject to any applicable local law or ordinance. Any retail license issued to a 18 19 manufacturer shall only permit the manufacturer to sell beer at 20 retail on the premises actually occupied by the manufacturer. 21 For the purpose of further describing the type of business 22 conducted at a retail licensed premises, a retailer's licensee 23 may be designated by the State Commission as (i) an on premise 24 consumption retailer, (ii) an off premise sale retailer, or 25 (iii) a combined on premise consumption and off premise sale 26 retailer.

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

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

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in which event the Commission shall set forth on the special 1 2 event retailer's license a statement to that effect; (ii) 3 submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability 4 5 insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has 6 7 obtained local authority approval.

8 (f) A railroad license shall permit the licensee to import 9 alcoholic liquors into this State from any point in the United 10 States outside this State and to store such alcoholic liquors 11 in this State; to make wholesale purchases of alcoholic liquors 12 directly from manufacturers, foreign importers, distributors 13 and importing distributors from within or outside this State; 14 and to store such alcoholic liquors in this State; provided 15 that the above powers may be exercised only in connection with 16 the importation, purchase or storage of alcoholic liquors to be 17 sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; 18 and provided further, that railroad licensees exercising the 19 20 above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad 21 22 license shall also permit the licensee to sell or dispense 23 alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly 24 25 operated by a common carrier in this State, but shall not 26 permit the sale for resale of any alcoholic liquors to any

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licensee within this State. A license shall be obtained for
 each car in which such sales are made.

3 (g) A boat license shall allow the sale of alcoholic liquor 4 in individual drinks, on any passenger boat regularly operated 5 as a common carrier on navigable waters in this State or on any 6 riverboat operated under the Riverboat Gambling Act, which boat 7 or riverboat maintains a public dining room or restaurant 8 thereon.

9 (h) A non-beverage user's license shall allow the licensee 10 to purchase alcoholic liquor from a licensed manufacturer or 11 importing distributor, without the imposition of any tax upon 12 the business of such licensed manufacturer or importing 13 distributor as to such alcoholic liquor to be used by such 14 licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses 15 16 shall be divided and classified and shall permit the purchase, 17 possession and use of limited and stated quantities of alcoholic liquor as follows: 18

19 Class 1, not to exceed 500 gallons 20 Class 2, not to exceed 1,000 gallons Class 3, not to exceed 5,000 gallons 21 22 Class 4, not to exceed 10,000 gallons 23 (i) A wine-maker's premises license shall allow a licensee 24 25 that concurrently holds a first-class wine-maker's license to 26 sell and offer for sale at retail in the premises specified in

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

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(j) An airplane license shall permit the licensee to import

alcoholic liquors into this State from any point in the United 1 2 States outside this State and to store such alcoholic liquors 3 in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors 4 5 and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided 6 7 that the above powers may be exercised only in connection with 8 the importation, purchase or storage of alcoholic liquors to be 9 sold or dispensed on an airplane; and provided further, that 10 airplane licensees exercising the above powers shall be subject 11 to all provisions of Article VIII of this Act as applied to 12 importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger 13 14 airplane regularly operated by a common carrier in this State, 15 but shall not permit the sale for resale of any alcoholic 16 liquors to any licensee within this State. A single airplane 17 license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual 18 fee for such license shall be as determined in Section 5-3. 19

20 (k) A foreign importer's license shall permit such licensee 21 to purchase alcoholic liquor from Illinois licensed 22 non-resident dealers only, and to import alcoholic liquor other 23 than in bulk from any point outside the United States and to 24 sell such alcoholic liquor to Illinois licensed importing 25 distributors and to no one else in Illinois; provided that (i) 26 the foreign importer registers with the State Commission every SB2797 Enrolled - 14 - LRB099 19929 RPS 44328 b

brand of alcoholic liquor that it proposes to sell to Illinois 1 2 licensees during the license period, (ii) the foreign importer complies with all of the provisions of Section 6-9 of this Act 3 with respect to registration of such Illinois licensees as may 4 5 be granted the right to sell such brands at wholesale, and (iii) the foreign importer complies with the provisions of 6 7 Sections 6-5 and 6-6 of this Act to the same extent that these 8 provisions apply to manufacturers.

9 (1) (i) A broker's license shall be required of all persons 10 who solicit orders for, offer to sell or offer to supply 11 alcoholic liquor to retailers in the State of Illinois, or who 12 offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers 13 14 or any other party within or without the State of Illinois in 15 order that alcoholic liquors be shipped to a distributor, 16 importing distributor or foreign importer, whether such 17 solicitation or offer is consummated within or without the State of Illinois. 18

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.

The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward SB2797 Enrolled - 15 - LRB099 19929 RPS 44328 b

1 to the Illinois Liquor Control Commission a notification of 2 said transaction in such form as the Commission may by 3 regulations prescribe.

(ii) A broker's license shall be required of a person 4 5 within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for 6 7 alcoholic liquor, for use or consumption and not for resale, to 8 be shipped from this State and delivered to residents outside 9 of this State by an express company, common carrier, or 10 contract carrier. This Section does not apply to any person who 11 promotes, solicits, or accepts orders for wine as specifically 12 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.

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

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(m) A non-resident dealer's license shall permit such

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licensee to ship into and warehouse alcoholic liquor into this 1 2 State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and 3 importing distributors and to no one else in this State; 4 5 provided that (i) said non-resident dealer shall register with 6 the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois 7 8 licensees during the license period, (ii) it shall comply with 9 all of the provisions of Section 6-9 hereof with respect to 10 registration of such Illinois licensees as may be granted the 11 right to sell such brands at wholesale, and (iii) the 12 non-resident dealer shall comply with the provisions of 13 Sections 6-5 and 6-6 of this Act to the same extent that these 14 provisions apply to manufacturers.

15 (n) A brew pub license shall allow the licensee to only (i) 16 manufacture up to 155,000 gallons of beer per year only on the 17 premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the 18 Commission, beer manufactured on another brew pub licensed 19 20 premises that is wholly owned and operated by the same licensee to importing distributors, distributors, and to non-licensees 21 22 for use and consumption, (iii) store the beer upon the 23 premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 24 25 155,000 gallons per year so long as such sales are only made in-person, (v) sell and offer for sale at retail for use and 26

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1 consumption on the premises specified in the license any form 2 of alcoholic liquor purchased from a licensed distributor or 3 importing distributor, and (vi) with the prior approval of the 4 Commission, annually transfer no more than 155,000 gallons of 5 beer manufactured on the premises to a licensed brew pub wholly 6 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.

holds a class 2 10 А person who brewer license mav 11 simultaneously hold a brew pub license if the class 2 brewer 12 (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; 13 14 (ii) does not hold more than 3 brew pub licenses in this State; 15 (iii) does not manufacture more than a combined 3,720,000 16 gallons of beer per year, including the beer manufactured at 17 the brew pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 18 19 3,720,000 gallons of beer per year or any other alcoholic 20 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 SB2797 Enrolled - 18 - LRB099 19929 RPS 44328 b

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.

8 (o) A caterer retailer license shall allow the holder to 9 serve alcoholic liquors as an incidental part of a food service 10 that serves prepared meals which excludes the serving of snacks 11 as the primary meal, either on or off-site whether licensed or 12 unlicensed.

13 (p) An auction liquor license shall allow the licensee to 14 sell and offer for sale at auction wine and spirits for use or 15 consumption, or for resale by an Illinois liquor licensee in 16 accordance with provisions of this Act. An auction liquor 17 license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the 18 State. An auction liquor license must be obtained for each 19 20 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 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 SB2797 Enrolled - 19 - LRB099 19929 RPS 44328 b

use or consumption, but not for resale in any form. A special 1 2 use permit license may be granted for the following time 3 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 4 5 special use permit license must also submit with the application proof satisfactory to the State Commission that the 6 applicant will provide dram shop liability insurance to the 7 8 maximum limits and have local authority approval.

9 (r) A winery shipper's license shall allow a person with a 10 first-class or second-class wine manufacturer's license, a 11 first-class or second-class wine-maker's license, or a limited 12 wine manufacturer's license or who is licensed to make wine 13 under the laws of another state to ship wine made by that licensee directly to a resident of this State who is 21 years 14 15 of age or older for that resident's personal use and not for 16 resale. Prior to receiving a winery shipper's license, an 17 applicant for the license must provide the Commission with a true copy of its current license in any state in which it is 18 19 licensed as a manufacturer of wine. An applicant for a winery 20 shipper's license must also complete an application form that provides any other information the Commission deems necessary. 21 22 application form shall include an acknowledgement The 23 consenting to the jurisdiction of the Commission, the Illinois 24 Department of Revenue, and the courts of this State concerning 25 the enforcement of this Act and any related laws, rules, and 26 regulations, including authorizing the Department of Revenue

and the Commission to conduct audits for the purpose of
 ensuring compliance with <u>Public Act 95-634</u> this amendatory Act.

3 A winery shipper licensee must pay to the Department of Revenue the State liquor gallonage tax under Section 8-1 for 4 5 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 6 shipper licensee shall be taxed in the same manner as a 7 8 manufacturer of wine. A licensee who is not otherwise required 9 to register under the Retailers' Occupation Tax Act must 10 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 11 12 by the licensee and shipped to persons in this State. If a 13 licensee fails to remit the tax imposed under this Act in accordance with the provisions of Article VIII of this Act, the 14 15 winery shipper's license shall be revoked in accordance with 16 the provisions of Article VII of this Act. If a licensee fails 17 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 18 19 winery shipper and shipped to persons in this State, the winery 20 shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. 21

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

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1 amendatory Act.

2 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of Section 3-12, the State Commission may receive, respond to, and 3 investigate any complaint and impose any of the remedies 4 5 specified in paragraph (1) of subsection (a) of Section 3-12. 6 (s) A craft distiller tasting permit license shall allow an 7 Illinois licensed craft distiller to transfer a portion of its 8 alcoholic liquor inventory from its craft distiller licensed 9 premises to the premises specified in the license hereby created and to conduct a sampling, only in the premises 10 11 specified in the license hereby created, of the transferred 12 alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor may not be 13 14 sold or resold in any form. An applicant for the craft distiller tasting permit license must also submit with the 15 16 application proof satisfactory to the State Commission that the 17 applicant will provide dram shop liability insurance to the maximum limits and have local authority approval. 18

(Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13; 19 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; revised 10-27-15.) 20

21

(235 ILCS 5/5-3) (from Ch. 43, par. 118)

22 Sec. 5-3. License fees. Except as otherwise provided herein, at the time application is made to the State Commission 23 24 for a license of any class, the applicant shall pay to the 25 State Commission the fee hereinafter provided for the kind of

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1	license applied for.		
2	The fee for licenses issued by the State Commission shall		
3	be as follows:		
4	For a manufacturer's license:		
5	Class 1. Distiller	\$3,600	
6	Class 2. Rectifier	3,600	
7	Class 3. Brewer	900	
8	Class 4. First-class Wine Manufacturer	600	
9	Class 5. Second-class		
10	Wine Manufacturer	1,200	
11	Class 6. First-class wine-maker	600	
12	Class 7. Second-class wine-maker	1200	
13	Class 8. Limited Wine Manufacturer	120	
14	Class 9. Craft Distiller	1,800	
15	Class 10. Class 1 Brewer	25	
16	Class 11. Class 2 Brewer	25	
17	For a Brew Pub License	1,050	
18	For a caterer retailer's license	200	
19	For a foreign importer's license	25	
20	For an importing distributor's license	25	
21	For a distributor's license	270	
22	For a non-resident dealer's license		
23	(500,000 gallons or over)	270	
24	For a non-resident dealer's license		
25	(under 500,000 gallons)	90	
26	For a wine-maker's premises license	100	

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1	For a winery shipper's license	
2	(under 250,000 gallons)	150
3	For a winery shipper's license	
4	(250,000 or over, but under 500,000 gallons)	500
5	For a winery shipper's license	
6	(500,000 gallons or over)	1,000
7	For a wine-maker's premises license,	
8	second location	350
9	For a wine-maker's premises license,	
10	third location	350
11	For a retailer's license	500
12	For a special event retailer's license,	
13	(not-for-profit)	25
14	For a special use permit license,	
15	one day only	50
16	2 days or more	100
17	For a railroad license	60
18	For a boat license	180
19	For an airplane license, times the	
20	licensee's maximum number of aircraft	
21	in flight, serving liquor over the	
22	State at any given time, which either	
23	originate, terminate, or make	
24	an intermediate stop in the State	60
25	For a non-beverage user's license:	
26	Class 1	24

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1	Class 2	60
2	Class 3	120
3	Class 4	240
4	Class 5	600
5	For a broker's license	600
6	For an auction liquor license	50
7	For a homebrewer special event permit	25
8	For a craft distiller tasting permit	<u>25</u>

Fees collected under this Section shall be paid into the 9 10 Dram Shop Fund. On and after July 1, 2003, of the funds received for a retailer's license, in addition to the first 11 12 \$175, an additional \$75 shall be paid into the Dram Shop Fund, 13 and \$250 shall be paid into the General Revenue Fund. Beginning June 30, 1990 and on June 30 of each subsequent year through 14 15 June 29, 2003, any balance over \$5,000,000 remaining in the 16 Dram Shop Fund shall be credited to State liquor licensees and 17 applied against their fees for State liquor licenses for the 18 following year. The amount credited to each licensee shall be a proportion of the balance in the Dram Fund that is the same as 19 20 the proportion of the license fee paid by the licensee under 21 this Section for the period in which the balance was 22 accumulated to the aggregate fees paid by all licensees during 23 that period.

No fee shall be paid for licenses issued by the State Commission to the following non-beverage users:

26

(a) Hospitals, sanitariums, or clinics when their use

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of alcoholic liquor is exclusively medicinal, mechanical
 or scientific.

3 (b) Universities, colleges of learning or schools when
4 their use of alcoholic liquor is exclusively medicinal,
5 mechanical or scientific.

6 (c) Laboratories when their use is exclusively for the 7 purpose of scientific research.

8 (Source: P.A. 98-55, eff. 7-5-13; 99-448, eff. 8-24-15.)

9 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

10 Sec. 6-4. (a) No person licensed by any licensing authority 11 as a distiller, or a wine manufacturer, or any subsidiary or 12 affiliate thereof, or any officer, associate, member, partner, 13 representative, employee, agent or shareholder owning more 14 than 5% of the outstanding shares of such person shall be 15 issued an importing distributor's or distributor's license, 16 nor shall any person licensed by any licensing authority as an importing distributor, distributor or retailer, or 17 anv 18 subsidiary or affiliate thereof, or any officer or associate, 19 member, partner, representative, employee, agent or shareholder owning more than 5% of the outstanding shares of 20 21 such person be issued a distiller's license, craft distiller's 22 license, or a wine manufacturer's license; and no person or 23 persons licensed as a distiller or craft distiller by any 24 licensing authority shall have any interest, directly or 25 indirectly, with such distributor or importing distributor.

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However, an importing distributor or distributor, which on 1 2 January 1, 1985 is owned by a brewer, or any subsidiary or 3 affiliate thereof or any officer, associate, member, partner, representative, employee, agent or shareholder owning more 4 5 than 5% of the outstanding shares of the importing distributor or distributor referred to in this paragraph, may own or 6 acquire an ownership interest of more than 5% of 7 the 8 outstanding shares of a wine manufacturer and be issued a wine 9 manufacturer's license by any licensing authority.

10 (b) The foregoing provisions shall not apply to any person 11 licensed by any licensing authority as a distiller or wine 12 manufacturer, or to any subsidiary or affiliate of any 13 distiller or wine manufacturer who shall have been heretofore licensed by the State Commission as either an importing 14 15 distributor or distributor during the annual licensing period 16 expiring June 30, 1947, and shall actually have made sales 17 regularly to retailers.

(c) Provided, however, that in such instances where a 18 distributor's or importing distributor's license has been 19 20 issued to any distiller or wine manufacturer or to any subsidiary or affiliate of any distiller or wine manufacturer 21 22 who has, during the licensing period ending June 30, 1947, sold 23 or distributed as such licensed distributor or importing distributor alcoholic liquors and wines to retailers, such 24 25 distiller or wine manufacturer or any subsidiary or affiliate 26 of any distiller or wine manufacturer holding such

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

13 It shall be unlawful for any distiller licensed (d) 14 anywhere to have any stock ownership or interest in any 15 distributor's or importing distributor's license wherein any 16 other person has an interest therein who is not a distiller and 17 does not own more than 5% of any stock in any distillery. Nothing herein contained shall apply to such distillers or 18 their subsidiaries or affiliates, who had a distributor's or 19 20 importing distributor's license during the licensing period ending June 30, 1947, which license was owned in whole by such 21 distiller, or subsidiaries or affiliates of such distiller. 22

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

A person licensed as a craft distiller, including a person
 who holds more than one craft distiller license, not affiliated

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with any other person manufacturing spirits may be authorized 1 2 by the Commission to sell up to 2,500 gallons of spirits produced by the person to non-licensees for on or off-premises 3 4 consumption for the premises in which he or she actually 5 conducts business permitting only the retail sale of spirits manufactured at such premises. Such sales shall be limited to 6 on-premises, in-person sales only, for lawful consumption on or 7 off premises, and such authorization shall be considered a 8 9 privilege granted by the craft distiller license. A craft 10 distiller licensed for retail sale shall secure liquor 11 liability insurance coverage in an amount at least equal to the 12 maximum liability amounts set forth in subsection (a) of Section 6-21 of this Act. 13

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 gallons of distilled spirits annually and that the craft 18 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, a26 limited wine manufacturer may sell at retail at its

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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 person duly filing a formal application for a retail license 18 and if that person, within 90 days of the State Commission 19 appearance and recorded vote, first filed an application with 20 appropriate local commission, which application was 21 the 22 subsequently approved by the appropriate local commission 23 prior to consideration by the State Commission of that person's application for a retail license. It is further provided that 24 25 the State Commission may approve the person's application for a retail license or renewals of such license if such person 26

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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 (235 ILCS 5/6-31)

10

Sec. 6-31. Product sampling.

(a) Retailer, distributor, importing distributor, manufacturer and nonresident dealer licensees may conduct product sampling for consumption at a licensed retail location. Up to 3 samples, consisting of no more than (i) 1/4 ounce of distilled spirits, (ii) one ounce of wine, or (iii) 2 ounces of beer may be served to a consumer in one day.

(b) Notwithstanding the provisions of subsection (a), an on-premises retail licensee may offer for sale and serve more than one drink per person for sampling purposes. In any event, all provisions of Section 6-28 shall apply to an on-premises retail licensee that conducts product sampling.

(c) A craft distiller tasting permit licensee may conduct product sampling of distilled spirits for consumption at the location specified in the craft distiller tasting permit license. Up to 3 samples, consisting of no more than 1/4 ounce SB2797 Enrolled - 32 - LRB099 19929 RPS 44328 b

- of distilled spirits, may be served to a consumer in one day.
 (Source: P.A. 99-46, eff. 7-15-15.)
- 3 Section 99. Effective date. This Act takes effect upon4 becoming law.