LRB9207120LDpr

1

AN ACT in relation to alcoholic liquor.

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

Section 5. The Liquor Control Act of 1934 is amended by
changing Section 5-1 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 10 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine 11 Manufacturer, Class 5. Second Class Wine Manufacturer, 12 Class 6. First Class Winemaker, Class 7. Second Class 13 Winemaker, Class 8. Limited Wine Manufacturer,

14 (b) Distributor's license,

15 (c) Importing Distributor's license,

16 (d) Retailer's license,

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

18 (f) Railroad license,

19 (g) Boat license,

20 (h) Non-Beverage User's license,

21 (i) Wine-maker's retail license,

22 (j) Airplane license,

23 (k) Foreign importer's license,

24 (1) Broker's license,

25 (m) Non-resident dealer's license,

26 (n) Brew Pub license,

27 (o) Auction liquor license,

28 (p) Caterer retailer license,

29 (q) Special use permit license.

30 Nothing in this provision, nor in any subsequent 31 provision of this Act shall be interpreted as forbidding an individual or firm from concurrently obtaining and holding a
 Winemaker's and a Wine manufacturer's license.

3 (a) A manufacturer's license shall allow the 4 manufacture, importation in bulk, storage, distribution and 5 sale of alcoholic liquor to persons without the State, as may 6 be permitted by law and to licensees in this State as 7 follows:

8 Class 1. A Distiller may make sales and deliveries of 9 alcoholic liquor to distillers, rectifiers, importing 10 distributors, distributors and non-beverage users and to no 11 other licensees.

12 Class 2. A Rectifier, who is not a distiller, as defined 13 herein, may make sales and deliveries of alcoholic liquor to 14 rectifiers, importing distributors, distributors, retailers 15 and non-beverage users and to no other <u>persons</u> licensees.

16 Class 3. A Brewer may make sales and deliveries of beer 17 to importing distributors, distributors, and to 18 non-licensees, and to retailers provided the brewer obtains 19 an importing distributor's license or distributor's license 20 in accordance with the provisions of this Act.

21 Class 4. A first class wine-manufacturer may make sales 22 and deliveries of between 40,000 and 50,000 gallons of wine 23 to manufacturers, importing distributors and distributors, 24 and to no other licensees.

25 Class 5. A second class Wine manufacturer may make sales 26 and deliveries of more than 50,000 gallons of wine to 27 manufacturers, importing distributors and distributors and to 28 no other licensees.

29 Class 6. A first-class wine-maker's license shall allow 30 the manufacture of less than 20,000 gallons of wine per year, 31 and the storage and sale of such wine to distributors and 32 retailers in the State and to persons without the State, as 33 may be permitted by law.

34 Class 7. A second-class wine-maker's license shall allow

-2-

the manufacture of up to 50,000 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 second-class wine-maker's license shall allow the sale of no more than 10,000 gallons of the licensee's wine directly to retailers.

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

11 (a-1) A manufacturer which is licensed in this State to 12 make sales or deliveries of alcoholic liquor and which 13 enlists agents, representatives, or individuals acting on its 14 behalf who contact licensed retailers on a regular and 15 continual basis in this State must register those agents, 16 representatives, or persons acting on its behalf with the 17 State Commission.

Registration of agents, representatives, or 18 persons 19 acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the 20 Commission and shall include the name and address of the 21 applicant, the name and address of the manufacturer he or she 22 23 represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other 24 25 questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be 26 deemed material, and any person who knowingly misstates any 27 material fact under oath in an application is guilty of a 28 29 Class B misdemeanor. Fraud, misrepresentation, false 30 statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are 31 32 grounds for suspension or revocation of the registration.

33 (b) A distributor's license shall allow the wholesale34 purchase and storage of alcoholic liquors and sale of

-3-

LRB9207120LDpr

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 3 4 and held by those only who are duly licensed distributors, 5 upon the filing of an application by a duly licensed 6 distributor, with the Commission and the Commission shall, 7 without the payment of any fee, immediately issue such 8 importing distributor's license to the applicant, which shall 9 allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside 10 11 this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such 12 alcoholic liquors before resale thereof, but all bottles or 13 containers so filled shall be sealed, labeled, stamped and 14 15 otherwise made to comply with all provisions, rules and 16 regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's 17 18 license shall permit such licensee to purchase alcoholic 19 liquor from Illinois licensed non-resident dealers and foreign importers only. 20

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in such license, alcoholic liquor for use or consumption, but not for resale in any form: Provided that any retail license issued to a manufacturer shall only permit such manufacturer to sell beer at retail on the premises actually occupied by such manufacturer.

After January 1, 1995 there shall be 2 classes of licenses issued under a retailers license.

30 (1) A "retailers on premise consumption license"
31 shall allow the licensee to sell and offer for sale at
32 retail, only on the premises specified in the license,
33 alcoholic liquor for use or consumption on the premises
34 or on and off the premises, but not for resale in any

-4-

form.

1

2 (2) An "off premise sale license" shall allow the 3 licensee to sell, or offer for sale at retail, alcoholic 4 liquor intended only for off premise consumption and not 5 for resale in any form.

6 Notwithstanding any other provision of this subsection 7 (d), a retail licensee may sell alcoholic liquors to a 8 special event retailer licensee for resale to the extent 9 permitted under subsection (e).

(e) A special event retailer's license (not-for-profit) 10 11 shall permit the licensee to purchase alcoholic liquors from Illinois licensed distributor (unless the licensee 12 an purchases less than \$500 of alcoholic liquors for the special 13 event, in which case the licensee may purchase the alcoholic 14 liquors from a licensed retailer) and shall allow the 15 licensee to sell and offer for sale, at retail, alcoholic 16 liquors for use or consumption, but not for resale in any 17 18 form and only at the location and on the specific dates 19 designated for the special event in the license. An applicant for a special event retailer license must (i) 20 21 furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or 22 23 evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid 24 exemption identification number issued under Section 1g of 25 the Retailers' Occupation Tax Act, and a certification to the 26 Commission that the purchase of alcoholic liquors will be 27 а tax-exempt purchase, or (C) a statement that the applicant is 28 not registered under Section 2a of the Retailers' Occupation 29 30 Tax Act, does not hold a resale number under Section 2c of the Retailers' Occupation Tax Act, and does not hold an 31 32 exemption number under Section 1q of the Retailers' Occupation Tax Act, in which event the Commission shall set 33 34 forth on the special event retailer's license a statement to

-5-

1 that effect; (ii) submit with the application proof 2 satisfactory to the State Commission that the applicant will 3 provide dram shop liability insurance in the maximum limits; 4 and (iii) show proof satisfactory to the State Commission 5 that the applicant has obtained local authority approval.

6 (f) A railroad license shall permit the licensee to 7 import alcoholic liquors into this State from any point in 8 the United States outside this State and to store such 9 alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign 10 11 importers, distributors and importing distributors from within or outside this State; and to store such alcoholic 12 13 liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase 14 15 or storage of alcoholic liquors to be sold or dispensed on a 16 club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided 17 further, 18 that railroad licensees exercising the above powers shall be 19 subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall 20 21 also permit the licensee to sell or dispense alcoholic 22 liquors on any club, buffet, lounge or dining car operated on 23 an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale 24 25 for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in 26 which such sales are made. 27

(g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State, which boat maintains a public dining room or restaurant thereon.

33 (h) A non-beverage user's license shall allow the34 licensee to purchase alcoholic liquor from a licensed

-6-

1 manufacturer or importing distributor, without the imposition 2 of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used 3 4 by such licensee solely for the non-beverage purposes set 5 forth in subsection (a) of Section 8-1 of this Act, and such 6 licenses shall be divided and classified and shall permit the 7 purchase, possession and use of limited and stated quantities 8 of alcoholic liquor as follows:

9 Class 1, not to exceed 500 gallons 10 Class 2, not to exceed 1,000 gallons 11 Class 3, not to exceed 5,000 gallons 12 Class 4, not to exceed 10,000 gallons 13 Class 5, not to exceed 50,000 gallons

A wine-maker's retail license shall allow 14 (i) the 15 licensee to sell and offer for sale at retail in the premises 16 specified in such license not more than 50,000 gallons of wine per year for use or consumption, but not for resale in 17 18 any form; this license shall be issued only to a person 19 licensed as a first-class or second-class wine-maker. A wine-maker's retail licensee, upon receiving permission from 20 21 the Commission, may conduct business at a second location 22 that is separate from the location specified in its 23 wine-maker's retail license. One wine-maker's retail license-second location may be issued to a wine-maker's 24 25 retail licensee allowing the licensee to sell and offer for 26 sale at retail in the premises specified in the wine-maker's retail license-second location up to 50,000 gallons of wine 27 that was produced at the licensee's first location per year 28 29 for use and consumption and not for resale.

30 (j) An airplane license shall permit the licensee to 31 import alcoholic liquors into this State from any point in 32 the United States outside this State and to store such 33 alcoholic liquors in this State; to make wholesale purchases 34 of alcoholic liquors directly from manufacturers, foreign

-7-

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

18 (k) A foreign importer's license shall permit such 19 licensee to purchase alcoholic liquor from Illinois licensed 20 non-resident dealers only, and to import alcoholic liquor 21 other than in bulk from any point outside the United States 22 and to sell such alcoholic liquor to Illinois licensed 23 importing distributors and to no one else in Illinois.

(1) (i) A broker's license shall be required of 24 all 25 persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State 26 of Illinois, or who offer to retailers to ship or cause to be 27 shipped or to make contact with distillers, rectifiers, 28 29 brewers or manufacturers or any other party within or without 30 the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign 31 importer, whether such solicitation or offer is consummated 32 within or without the State of Illinois. 33

34 No holder of a retailer's license issued by the Illinois

-8-

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.

5 The broker shall, upon the acceptance by a retailer of 6 the broker's solicitation of an order or offer to sell or 7 supply or deliver or have delivered alcoholic liquors, 8 promptly forward to the Illinois Liquor Control Commission a 9 notification of said transaction in such form as the 10 Commission may by regulations prescribe.

11 (ii) A broker's license shall be required of a person 12 within this State, other than a retail licensee, who, for a 13 fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, 14 to be shipped from this State and delivered to residents 15 16 outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any 17 person who promotes, solicits, or accepts orders for wine as 18 19 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.

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.

33 (m) A non-resident dealer's license shall permit such
34 licensee to ship into and warehouse alcoholic liquor into

-9-

1 this State from any point outside of this State, and to sell 2 such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; 3 4 provided that said non-resident dealer shall register with 5 the Illinois Liquor Control Commission each and every brand 6 of alcoholic liquor which it proposes to sell to Illinois 7 licensees during the license period; and further provided 8 that it shall comply with all of the provisions of Section 9 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at 10 11 wholesale.

(n) A brew pub license shall allow the licensee to 12 13 manufacture beer only on the premises specified in the license, to make sales of the beer manufactured on the 14 15 premises to importing distributors, distributors, and to 16 non-licensees for use and consumption, to store the beer upon the premises, and to sell and offer for sale at retail from 17 the licensed premises, provided that a brew pub licensee 18 19 shall not sell for off-premises consumption more than 50,000 gallons per year. 20

(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 26 to sell and offer for sale at auction wine and spirits for 27 use or consumption, or for resale by an Illinois liquor 28 in accordance with provisions of this Act. An 29 licensee 30 auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction 31 32 anywhere in the State. An auction liquor license must be obtained for each auction at least 14 days in advance of the 33 34 auction date.

-10-

1 (q) A special use permit license shall allow an Illinois 2 licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the 3 4 premises specified in the license hereby created, and to sell 5 or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic 6 7 liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the 8 9 following time periods: one day or less; 2 or more days to a 10 maximum of 15 days per location in any 12 month period. An 11 applicant for the special use permit license must also submit 12 with the application proof satisfactory to the State Commission that the applicant will provide 13 dram shop liability insurance to the maximum limits and have local 14 15 authority approval. (Source: P.A. 90-77, eff. 7-8-97; 90-432, eff. 1-1-98; 16

17 90-596, eff. 6-24-98; 90-655, eff. 7-30-98; 90-739, eff.
18 8-13-98; 91-357, eff. 7-29-99.)

Section 99. Effective date. This Act takes effect uponbecoming law.