

AN ACT concerning 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 adding Sections 1-3.40, 1-3.41, and 6-6.3 as follows:

(235 ILCS 5/1-3.40 new)

Sec. 1-3.40. Manufacturer class license holder.
"Manufacturer class license holder" means any holder of a
Manufacturer's license as provided in Section 5-1 of this Act.
The Manufacturer's licenses are: a Class 1. Distiller, a Class
2. Rectifier, a Class 3. Brewer, a Class 4. First Class Wine
Manufacturer, a Class 5. Second Class Wine Manufacturer, a
Class 6. First Class Winemaker, a Class 7. Second Class
Winemaker, a Class 8. Limited Wine Manufacturer, a Class 9.
Craft Distiller, and a Class 10. Craft Brewer and any future
Manufacturer's licenses established by law.

(235 ILCS 5/1-3.41 new)

Sec. 1-3.41. Non-alcoholic merchandise. "Non-alcoholic
merchandise" means any good or commodity that contains less
than 0.5 percent alcohol by volume. For purposes of this Act,
"non-alcoholic merchandise" does not include trade fixtures,
equipment, or furnishings that are used or intended for the

limited purpose of storing, servicing, displaying, advertising, furnishing, selling, or aiding in the sale of alcoholic liquors.

(235 ILCS 5/6-6.3 new)

Sec. 6-6.3. Non-alcoholic merchandise.

(a) Nothing in this Act shall authorize the Illinois Liquor Control Commission to regulate or exercise jurisdiction over any action, transaction, and business of manufacturers, distributors, or retailers engaged in any transaction involving the furnishing, selling, or offering for sale of non-alcoholic merchandise by manufacturers, distributors, or retailers, unless the transaction involves expressed or implied agreements or understandings prohibited by this Act.

(b) Non-alcoholic merchandise may be sold by a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor to a retail licensee if:

(1) the manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor is also in business as a bona fide producer or vendor of other merchandise;

(2) the merchandise is sold at its fair market value;

(3) the non-alcoholic merchandise is not sold in combination with alcoholic liquor or conditioned on the sale of alcoholic liquor;

(4) the manufacturer class license holder's,

non-resident dealer's, foreign importer's, importing distributor's, or distributor's acquisition or production costs of the non-alcoholic merchandise appear on the manufacturer class license holder's, non-resident dealer's, foreign importer's, importing distributor's, or distributor's purchase invoices or other records;

(5) the individual selling prices of the non-alcoholic merchandise and alcoholic liquor sold in a single transaction can be determined from commercial documents covering the sales transaction if non-alcoholic merchandise is sold in the same transaction as alcoholic liquor; and

(6) the price is collected by the manufacturer class license holder, non-resident dealer, foreign importer, or distributor within 30 days of the date of the sale, unless other terms are established in writing between the parties.

(c) The State Commission may not prohibit the sale of non-alcoholic merchandise if it is sold in the manner in which the non-alcoholic merchandise is sold by a manufacturer or distributor that is not licensed by the State Commission; provided, however, that all invoices for non-alcoholic merchandise sold by a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor that is also in business as a bona fide producer or vendor of other merchandise must be in compliance with the books and records requirements of 11 Ill. Adm. Code 100.130. If

the non-alcoholic merchandise is sold on the same invoice as an alcoholic liquor product, the 30-day merchandising credit provisions of Section 6-5 of this Act shall apply to the entire transaction, including the non-alcoholic merchandise.

(d) Except as provided in subsection (f), a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor that is also in business as a bona fide producer or vendor of non-alcoholic merchandise shall not condition the sale of its alcoholic liquor on the sale of its non-alcoholic merchandise and shall not combine the sale of its alcoholic liquor with the sale of its non-alcoholic merchandise. A manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor that is also in business as a bona fide producer or vendor of non-alcoholic merchandise may sell, market, and promote non-alcoholic merchandise in the same manner in which the non-alcoholic merchandise is sold, marketed, or promoted by a manufacturer or distributor not licensed by the State Commission.

(e) Notwithstanding the prohibited furnishing or providing of fixtures, equipment, and furnishings to retailers as contained in Section 6-6 of this Act, the act of a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor furnishing or providing retailers with fixtures, equipment, or furnishings for the limited purpose of storing, servicing, displaying,

advertising, furnishing, selling, or aiding in the sale of non-alcoholic merchandise is permitted, only to the extent allowed by this Section, and such fixtures, equipment, and furnishings shall not be used by the retail licensee to store, service, display, advertise, furnish, sell, or aid in the sale of alcoholic liquors. All such fixtures, equipment, or furnishings shall be identified by the retail licensee as being furnished by a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor licensed by the State Commission and, if purchased by the retail licensee and sold on the same invoice as alcoholic liquor products, the price must be collected by the manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor selling the same within 30 days of the date of sale.

(f) Notwithstanding any provision of this Act to the contrary, a manufacturer class license holder, non-resident dealer, foreign importer, importing distributor, or distributor may package and distribute alcoholic liquor in combination with other non-alcoholic merchandise products if the alcoholic liquor and non-alcoholic merchandise was originally packaged together for ultimate sale to consumers by the manufacturer or agent of the manufacturer as originally packaged by the manufacturer or agent of the manufacturer for ultimate sale to consumers.

Section 99. Effective date. This Act takes effect upon

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HB4018 Enrolled

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becoming law.