



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1588

Introduced 2/9/2017, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

235 ILCS 5/3-12

235 ILCS 5/6-4

from Ch. 43, par. 121

Amends the Liquor Control Act of 1934. In a provision that authorizes a brewer, class 1 brewer, or class 2 brewer to sell on the licensed premises beer manufactured by the brewer, class 1 brewer, or class 2 brewer to non-licensees, provides that the authorization shall not permit the sale of beer manufactured on the licensed premises (i) bearing the name of another brewer, class 1 brewer, or class 2 brewer or (ii) where the brand, trade name, and intellectual property rights to the beer are not owned or controlled by the manufacturing brewer, class 1 brewer, or class 2 brewer. Makes similar changes to provisions concerning craft distillers. Provides that a self-distribution exemption granted to a class 1 brewer shall not permit the self-distribution of beer manufactured on the licensed premises bearing the name of another manufacturer of beer not owned or under the control of the class 1 brewer. Effective immediately.

LRB100 11225 RPS 21553 b

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-12 and 6-4 as follows:

6 (235 ILCS 5/3-12)

7 Sec. 3-12. Powers and duties of State Commission.

8 (a) The State commission shall have the following powers,
9 functions, and duties:

10 (1) To receive applications and to issue licenses to
11 manufacturers, foreign importers, importing distributors,
12 distributors, non-resident dealers, on premise consumption
13 retailers, off premise sale retailers, special event
14 retailer licensees, special use permit licenses, auction
15 liquor licenses, brew pubs, caterer retailers,
16 non-beverage users, railroads, including owners and
17 lessees of sleeping, dining and cafe cars, airplanes,
18 boats, brokers, and wine maker's premises licensees in
19 accordance with the provisions of this Act, and to suspend
20 or revoke such licenses upon the State commission's
21 determination, upon notice after hearing, that a licensee
22 has violated any provision of this Act or any rule or
23 regulation issued pursuant thereto and in effect for 30

1 days prior to such violation. Except in the case of an
2 action taken pursuant to a violation of Section 6-3, 6-5,
3 or 6-9, any action by the State Commission to suspend or
4 revoke a licensee's license may be limited to the license
5 for the specific premises where the violation occurred.

6 In lieu of suspending or revoking a license, the
7 commission may impose a fine, upon the State commission's
8 determination and notice after hearing, that a licensee has
9 violated any provision of this Act or any rule or
10 regulation issued pursuant thereto and in effect for 30
11 days prior to such violation.

12 For the purpose of this paragraph (1), when determining
13 multiple violations for the sale of alcohol to a person
14 under the age of 21, a second or subsequent violation for
15 the sale of alcohol to a person under the age of 21 shall
16 only be considered if it was committed within 5 years after
17 the date when a prior violation for the sale of alcohol to
18 a person under the age of 21 was committed.

19 The fine imposed under this paragraph may not exceed
20 \$500 for each violation. Each day that the activity, which
21 gave rise to the original fine, continues is a separate
22 violation. The maximum fine that may be levied against any
23 licensee, for the period of the license, shall not exceed
24 \$20,000. The maximum penalty that may be imposed on a
25 licensee for selling a bottle of alcoholic liquor with a
26 foreign object in it or serving from a bottle of alcoholic

1 liquor with a foreign object in it shall be the destruction
2 of that bottle of alcoholic liquor for the first 10 bottles
3 so sold or served from by the licensee. For the eleventh
4 bottle of alcoholic liquor and for each third bottle
5 thereafter sold or served from by the licensee with a
6 foreign object in it, the maximum penalty that may be
7 imposed on the licensee is the destruction of the bottle of
8 alcoholic liquor and a fine of up to \$50.

9 (2) To adopt such rules and regulations consistent with
10 the provisions of this Act which shall be necessary to
11 carry on its functions and duties to the end that the
12 health, safety and welfare of the People of the State of
13 Illinois shall be protected and temperance in the
14 consumption of alcoholic liquors shall be fostered and
15 promoted and to distribute copies of such rules and
16 regulations to all licensees affected thereby.

17 (3) To call upon other administrative departments of
18 the State, county and municipal governments, county and
19 city police departments and upon prosecuting officers for
20 such information and assistance as it deems necessary in
21 the performance of its duties.

22 (4) To recommend to local commissioners rules and
23 regulations, not inconsistent with the law, for the
24 distribution and sale of alcoholic liquors throughout the
25 State.

26 (5) To inspect, or cause to be inspected, any premises

1 in this State where alcoholic liquors are manufactured,
2 distributed, warehoused, or sold. Nothing in this Act
3 authorizes an agent of the Commission to inspect private
4 areas within the premises without reasonable suspicion or a
5 warrant during an inspection. "Private areas" include, but
6 are not limited to, safes, personal property, and closed
7 desks.

8 (5.1) Upon receipt of a complaint or upon having
9 knowledge that any person is engaged in business as a
10 manufacturer, importing distributor, distributor, or
11 retailer without a license or valid license, to notify the
12 local liquor authority, file a complaint with the State's
13 Attorney's Office of the county where the incident
14 occurred, or initiate an investigation with the
15 appropriate law enforcement officials.

16 (5.2) To issue a cease and desist notice to persons
17 shipping alcoholic liquor into this State from a point
18 outside of this State if the shipment is in violation of
19 this Act.

20 (5.3) To receive complaints from licensees, local
21 officials, law enforcement agencies, organizations, and
22 persons stating that any licensee has been or is violating
23 any provision of this Act or the rules and regulations
24 issued pursuant to this Act. Such complaints shall be in
25 writing, signed and sworn to by the person making the
26 complaint, and shall state with specificity the facts in

1 relation to the alleged violation. If the Commission has
2 reasonable grounds to believe that the complaint
3 substantially alleges a violation of this Act or rules and
4 regulations adopted pursuant to this Act, it shall conduct
5 an investigation. If, after conducting an investigation,
6 the Commission is satisfied that the alleged violation did
7 occur, it shall proceed with disciplinary action against
8 the licensee as provided in this Act.

9 (6) To hear and determine appeals from orders of a
10 local commission in accordance with the provisions of this
11 Act, as hereinafter set forth. Hearings under this
12 subsection shall be held in Springfield or Chicago, at
13 whichever location is the more convenient for the majority
14 of persons who are parties to the hearing.

15 (7) The commission shall establish uniform systems of
16 accounts to be kept by all retail licensees having more
17 than 4 employees, and for this purpose the commission may
18 classify all retail licensees having more than 4 employees
19 and establish a uniform system of accounts for each class
20 and prescribe the manner in which such accounts shall be
21 kept. The commission may also prescribe the forms of
22 accounts to be kept by all retail licensees having more
23 than 4 employees, including but not limited to accounts of
24 earnings and expenses and any distribution, payment, or
25 other distribution of earnings or assets, and any other
26 forms, records and memoranda which in the judgment of the

1 commission may be necessary or appropriate to carry out any
2 of the provisions of this Act, including but not limited to
3 such forms, records and memoranda as will readily and
4 accurately disclose at all times the beneficial ownership
5 of such retail licensed business. The accounts, forms,
6 records and memoranda shall be available at all reasonable
7 times for inspection by authorized representatives of the
8 State commission or by any local liquor control
9 commissioner or his or her authorized representative. The
10 commission, may, from time to time, alter, amend or repeal,
11 in whole or in part, any uniform system of accounts, or the
12 form and manner of keeping accounts.

13 (8) In the conduct of any hearing authorized to be held
14 by the commission, to appoint, at the commission's
15 discretion, hearing officers to conduct hearings involving
16 complex issues or issues that will require a protracted
17 period of time to resolve, to examine, or cause to be
18 examined, under oath, any licensee, and to examine or cause
19 to be examined the books and records of such licensee; to
20 hear testimony and take proof material for its information
21 in the discharge of its duties hereunder; to administer or
22 cause to be administered oaths; for any such purpose to
23 issue subpoena or subpoenas to require the attendance of
24 witnesses and the production of books, which shall be
25 effective in any part of this State, and to adopt rules to
26 implement its powers under this paragraph (8).

1 Any Circuit Court may by order duly entered, require
2 the attendance of witnesses and the production of relevant
3 books subpoenaed by the State commission and the court may
4 compel obedience to its order by proceedings for contempt.

5 (9) To investigate the administration of laws in
6 relation to alcoholic liquors in this and other states and
7 any foreign countries, and to recommend from time to time
8 to the Governor and through him or her to the legislature
9 of this State, such amendments to this Act, if any, as it
10 may think desirable and as will serve to further the
11 general broad purposes contained in Section 1-2 hereof.

12 (10) To adopt such rules and regulations consistent
13 with the provisions of this Act which shall be necessary
14 for the control, sale or disposition of alcoholic liquor
15 damaged as a result of an accident, wreck, flood, fire or
16 other similar occurrence.

17 (11) To develop industry educational programs related
18 to responsible serving and selling, particularly in the
19 areas of overserving consumers and illegal underage
20 purchasing and consumption of alcoholic beverages.

21 (11.1) To license persons providing education and
22 training to alcohol beverage sellers and servers for
23 mandatory and non-mandatory training under the Beverage
24 Alcohol Sellers and Servers Education and Training
25 (BASSET) programs and to develop and administer a public
26 awareness program in Illinois to reduce or eliminate the

1 illegal purchase and consumption of alcoholic beverage
2 products by persons under the age of 21. Application for a
3 license shall be made on forms provided by the State
4 Commission.

5 (12) To develop and maintain a repository of license
6 and regulatory information.

7 (13) On or before January 15, 1994, the Commission
8 shall issue a written report to the Governor and General
9 Assembly that is to be based on a comprehensive study of
10 the impact on and implications for the State of Illinois of
11 Section 1926 of the federal ~~Federal~~ ADAMHA Reorganization
12 Act of 1992 (Public Law 102-321). This study shall address
13 the extent to which Illinois currently complies with the
14 provisions of P.L. 102-321 and the rules promulgated
15 pursuant thereto.

16 As part of its report, the Commission shall provide the
17 following essential information:

18 (i) the number of retail distributors of tobacco
19 products, by type and geographic area, in the State;

20 (ii) the number of reported citations and
21 successful convictions, categorized by type and
22 location of retail distributor, for violation of the
23 Prevention of Tobacco Use by Minors and Sale and
24 Distribution of Tobacco Products Act and the Smokeless
25 Tobacco Limitation Act;

26 (iii) the extent and nature of organized

1 educational and governmental activities that are
2 intended to promote, encourage or otherwise secure
3 compliance with any Illinois laws that prohibit the
4 sale or distribution of tobacco products to minors; and
5 (iv) the level of access and availability of
6 tobacco products to individuals under the age of 18.

7 To obtain the data necessary to comply with the
8 provisions of P.L. 102-321 and the requirements of this
9 report, the Commission shall conduct random, unannounced
10 inspections of a geographically and scientifically
11 representative sample of the State's retail tobacco
12 distributors.

13 The Commission shall consult with the Department of
14 Public Health, the Department of Human Services, the
15 Illinois State Police and any other executive branch
16 agency, and private organizations that may have
17 information relevant to this report.

18 The Commission may contract with the Food and Drug
19 Administration of the U.S. Department of Health and Human
20 Services to conduct unannounced investigations of Illinois
21 tobacco vendors to determine compliance with federal laws
22 relating to the illegal sale of cigarettes and smokeless
23 tobacco products to persons under the age of 18.

24 (14) On or before April 30, 2008 and every 2 years
25 thereafter, the Commission shall present a written report
26 to the Governor and the General Assembly that shall be

1 based on a study of the impact of Public Act 95-634 ~~this~~
2 ~~amendatory Act of the 95th General Assembly~~ on the business
3 of soliciting, selling, and shipping wine from inside and
4 outside of this State directly to residents of this State.
5 As part of its report, the Commission shall provide all of
6 the following information:

7 (A) The amount of State excise and sales tax
8 revenues generated.

9 (B) The amount of licensing fees received.

10 (C) The number of cases of wine shipped from inside
11 and outside of this State directly to residents of this
12 State.

13 (D) The number of alcohol compliance operations
14 conducted.

15 (E) The number of winery shipper's licenses
16 issued.

17 (F) The number of each of the following: reported
18 violations; cease and desist notices issued by the
19 Commission; notices of violations issued by the
20 Commission and to the Department of Revenue; and
21 notices and complaints of violations to law
22 enforcement officials, including, without limitation,
23 the Illinois Attorney General and the U.S. Department
24 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

25 (15) As a means to reduce the underage consumption of
26 alcoholic liquors, the Commission shall conduct alcohol

1 compliance operations to investigate whether businesses
2 that are soliciting, selling, and shipping wine from inside
3 or outside of this State directly to residents of this
4 State are licensed by this State or are selling or
5 attempting to sell wine to persons under 21 years of age in
6 violation of this Act.

7 (16) The Commission shall, in addition to notifying any
8 appropriate law enforcement agency, submit notices of
9 complaints or violations of Sections 6-29 and 6-29.1 by
10 persons who do not hold a winery shipper's license under
11 this ~~amendatory~~ Act to the Illinois Attorney General and to
12 the U.S. Department of Treasury's Alcohol and Tobacco Tax
13 and Trade Bureau.

14 (17) (A) A person licensed to make wine under the laws
15 of another state who has a winery shipper's license under
16 this ~~amendatory~~ Act and annually produces less than 25,000
17 gallons of wine or a person who has a first-class or
18 second-class wine manufacturer's license, a first-class or
19 second-class wine-maker's license, or a limited wine
20 manufacturer's license under this Act and annually
21 produces less than 25,000 gallons of wine may make
22 application to the Commission for a self-distribution
23 exemption to allow the sale of not more than 5,000 gallons
24 of the exemption holder's wine to retail licensees per
25 year.

26 (B) In the application, which shall be sworn under

1 penalty of perjury, such person shall state (1) the
2 date it was established; (2) its volume of production
3 and sales for each year since its establishment; (3)
4 its efforts to establish distributor relationships;
5 (4) that a self-distribution exemption is necessary to
6 facilitate the marketing of its wine; and (5) that it
7 will comply with the liquor and revenue laws of the
8 United States, this State, and any other state where it
9 is licensed.

10 (C) The Commission shall approve the application
11 for a self-distribution exemption if such person: (1)
12 is in compliance with State revenue and liquor laws;
13 (2) is not a member of any affiliated group that
14 produces more than 25,000 gallons of wine per annum or
15 produces any other alcoholic liquor; (3) will not
16 annually produce for sale more than 25,000 gallons of
17 wine; and (4) will not annually sell more than 5,000
18 gallons of its wine to retail licensees.

19 (D) A self-distribution exemption holder shall
20 annually certify to the Commission its production of
21 wine in the previous 12 months and its anticipated
22 production and sales for the next 12 months. The
23 Commission may fine, suspend, or revoke a
24 self-distribution exemption after a hearing if it
25 finds that the exemption holder has made a material
26 misrepresentation in its application, violated a

1 revenue or liquor law of Illinois, exceeded production
2 of 25,000 gallons of wine in any calendar year, or
3 become part of an affiliated group producing more than
4 25,000 gallons of wine or any other alcoholic liquor.

5 (E) Except in hearings for violations of this Act
6 or Public Act 95-634 ~~amendatory Act~~ or a bona fide
7 investigation by duly sworn law enforcement officials,
8 the Commission, or its agents, the Commission shall
9 maintain the production and sales information of a
10 self-distribution exemption holder as confidential and
11 shall not release such information to any person.

12 (F) The Commission shall issue regulations
13 governing self-distribution exemptions consistent with
14 this Section and this Act.

15 (G) Nothing in this subsection (17) shall prohibit
16 a self-distribution exemption holder from entering
17 into or simultaneously having a distribution agreement
18 with a licensed Illinois distributor.

19 (H) It is the intent of this subsection (17) to
20 promote and continue orderly markets. The General
21 Assembly finds that in order to preserve Illinois'
22 regulatory distribution system it is necessary to
23 create an exception for smaller makers of wine as their
24 wines are frequently adjusted in varietals, mixes,
25 vintages, and taste to find and create market niches
26 sometimes too small for distributor or importing

1 distributor business strategies. Limited
2 self-distribution rights will afford and allow smaller
3 makers of wine access to the marketplace in order to
4 develop a customer base without impairing the
5 integrity of the 3-tier system.

6 (18) (A) A class 1 brewer licensee, who must also be
7 either a licensed brewer or licensed non-resident dealer
8 and annually manufacture less than 930,000 gallons of beer,
9 may make application to the State Commission for a
10 self-distribution exemption to allow the sale of not more
11 than 232,500 gallons of the exemption holder's beer to
12 retail licensees per year; however, such authorization for
13 a self-distribution exemption by the class 1 brewer shall
14 not permit the self-distribution of beer manufactured on
15 the licensed premises bearing the name of another
16 manufacturer of beer not owned or under the control of the
17 class 1 brewer.

18 (B) In the application, which shall be sworn under
19 penalty of perjury, the class 1 brewer licensee shall
20 state (1) the date it was established; (2) its volume
21 of beer manufactured and sold for each year since its
22 establishment; (3) its efforts to establish
23 distributor relationships; (4) that a
24 self-distribution exemption is necessary to facilitate
25 the marketing of its beer; and (5) that it will comply
26 with the alcoholic beverage and revenue laws of the

1 United States, this State, and any other state where it
2 is licensed.

3 (C) Any application submitted shall be posted on
4 the State Commission's website at least 45 days prior
5 to action by the State Commission. The State Commission
6 shall approve the application for a self-distribution
7 exemption if the class 1 brewer licensee: (1) is in
8 compliance with the State, revenue, and alcoholic
9 beverage laws; (2) is not a member of any affiliated
10 group that manufactures ~~manufacturers~~ more than
11 930,000 gallons of beer per annum or produces any other
12 alcoholic beverages; (3) shall not annually
13 manufacture for sale more than 930,000 gallons of beer;
14 (4) shall not annually sell more than 232,500 gallons
15 of its beer to retail licensees; and (5) has
16 relinquished any brew pub license held by the licensee,
17 including any ownership interest it held in the
18 licensed brew pub.

19 (D) A self-distribution exemption holder shall
20 annually certify to the State Commission its
21 manufacture of beer during the previous 12 months and
22 its anticipated manufacture and sales of beer for the
23 next 12 months. The State Commission may fine, suspend,
24 or revoke a self-distribution exemption after a
25 hearing if it finds that the exemption holder has made
26 a material misrepresentation in its application,

1 violated a revenue or alcoholic beverage law of
2 Illinois, exceeded the manufacture of 930,000 gallons
3 of beer in any calendar year or became part of an
4 affiliated group manufacturing more than 930,000
5 gallons of beer or any other alcoholic beverage.

6 (E) The State Commission shall issue rules and
7 regulations governing self-distribution exemptions
8 consistent with this Act.

9 (F) Nothing in this paragraph (18) shall prohibit a
10 self-distribution exemption holder from entering into
11 or simultaneously having a distribution agreement with
12 a licensed Illinois importing distributor or a
13 distributor. If a self-distribution exemption holder
14 enters into a distribution agreement and has assigned
15 distribution rights to an importing distributor or
16 distributor, then the self-distribution exemption
17 holder's distribution rights in the assigned
18 territories shall cease in a reasonable time not to
19 exceed 60 days.

20 (G) It is the intent of this paragraph (18) to
21 promote and continue orderly markets. The General
22 Assembly finds that in order to preserve Illinois'
23 regulatory distribution system, it is necessary to
24 create an exception for smaller manufacturers in order
25 to afford and allow such smaller manufacturers of beer
26 access to the marketplace in order to develop a

1 customer base without impairing the integrity of the
2 3-tier system.

3 (b) On or before April 30, 1999, the Commission shall
4 present a written report to the Governor and the General
5 Assembly that shall be based on a study of the impact of Public
6 Act 90-739 ~~this amendatory Act of 1998~~ on the business of
7 soliciting, selling, and shipping alcoholic liquor from
8 outside of this State directly to residents of this State.

9 As part of its report, the Commission shall provide the
10 following information:

11 (i) the amount of State excise and sales tax revenues
12 generated as a result of Public Act 90-739 ~~this amendatory~~
13 ~~Act of 1998~~;

14 (ii) the amount of licensing fees received as a result
15 of Public Act 90-739 ~~this amendatory Act of 1998~~;

16 (iii) the number of reported violations, the number of
17 cease and desist notices issued by the Commission, the
18 number of notices of violations issued to the Department of
19 Revenue, and the number of notices and complaints of
20 violations to law enforcement officials.

21 (Source: P.A. 98-401, eff. 8-16-13; 98-939, eff. 7-1-15;
22 98-941, eff. 1-1-15; 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;
23 revised 9-13-16.)

24 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

25 Sec. 6-4. (a) No person licensed by any licensing authority

1 as a distiller, or a wine manufacturer, or any subsidiary or
2 affiliate thereof, or any officer, associate, member, partner,
3 representative, employee, agent or shareholder owning more
4 than 5% of the outstanding shares of such person shall be
5 issued an importing distributor's or distributor's license,
6 nor shall any person licensed by any licensing authority as an
7 importing distributor, distributor or retailer, or any
8 subsidiary or affiliate thereof, or any officer or associate,
9 member, partner, representative, employee, agent or
10 shareholder owning more than 5% of the outstanding shares of
11 such person be issued a distiller's license, a craft
12 distiller's license, or a wine manufacturer's license; and no
13 person or persons licensed as a distiller or craft distiller by
14 any licensing authority shall have any interest, directly or
15 indirectly, with such distributor or importing distributor.

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

25 (b) The foregoing provisions shall not apply to any person
26 licensed by any licensing authority as a distiller or wine

1 manufacturer, or to any subsidiary or affiliate of any
2 distiller or wine manufacturer who shall have been heretofore
3 licensed by the State Commission as either an importing
4 distributor or distributor during the annual licensing period
5 expiring June 30, 1947, and shall actually have made sales
6 regularly to retailers.

7 (c) Provided, however, that in such instances where a
8 distributor's or importing distributor's license has been
9 issued to any distiller or wine manufacturer or to any
10 subsidiary or affiliate of any distiller or wine manufacturer
11 who has, during the licensing period ending June 30, 1947, sold
12 or distributed as such licensed distributor or importing
13 distributor alcoholic liquors and wines to retailers, such
14 distiller or wine manufacturer or any subsidiary or affiliate
15 of any distiller or wine manufacturer holding such
16 distributor's or importing distributor's license may continue
17 to sell or distribute to retailers such alcoholic liquors and
18 wines which are manufactured, distilled, processed or marketed
19 by distillers and wine manufacturers whose products it sold or
20 distributed to retailers during the whole or any part of its
21 licensing periods; and such additional brands and additional
22 products may be added to the line of such distributor or
23 importing distributor, provided, that such brands and such
24 products were not sold or distributed by any distributor or
25 importing distributor licensed by the State Commission during
26 the licensing period ending June 30, 1947, but can not sell or

1 distribute to retailers any other alcoholic liquors or wines.

2 (d) It shall be unlawful for any distiller licensed
3 anywhere to have any stock ownership or interest in any
4 distributor's or importing distributor's license wherein any
5 other person has an interest therein who is not a distiller and
6 does not own more than 5% of any stock in any distillery.
7 Nothing herein contained shall apply to such distillers or
8 their subsidiaries or affiliates, who had a distributor's or
9 importing distributor's license during the licensing period
10 ending June 30, 1947, which license was owned in whole by such
11 distiller, or subsidiaries or affiliates of such distiller.

12 (e) Any person licensed as a brewer, class 1 brewer, or
13 class 2 brewer is authorized ~~shall be permitted~~ to sell on the
14 licensed premises to non-licensees for on or off-premises
15 consumption for the premises in which the licensee ~~he or she~~
16 actually conducts such business beer manufactured by the
17 brewer, class 1 brewer, or class 2 brewer; however, such
18 authorization shall not permit the sale of beer manufactured on
19 the licensed premises (i) bearing the name of another brewer,
20 class 1 brewer, or class 2 brewer or (ii) where the brand,
21 trade name, and intellectual property rights to the beer are
22 not owned or controlled by the manufacturing brewer, class 1
23 brewer, or class 2 brewer. Such sales shall be limited to
24 on-premises, in-person sales only, for lawful consumption on or
25 off premises. Such authorization shall be considered a
26 privilege granted by the brewer license and, other than a

1 manufacturer of beer as stated above, no manufacturer or
2 distributor or importing distributor, excluding airplane
3 licensees exercising powers provided in paragraph (i) of
4 Section 5-1 of this Act, or any subsidiary or affiliate
5 thereof, or any officer, associate, member, partner,
6 representative, employee or agent, or shareholder shall be
7 issued a retailer's license, nor shall any person having a
8 retailer's license, excluding airplane licensees exercising
9 powers provided in paragraph (i) of Section 5-1 of this Act, or
10 any subsidiary or affiliate thereof, or any officer, associate,
11 member, partner, representative or agent, or shareholder be
12 issued a manufacturer's license or importing distributor's
13 license.

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

21 A person licensed as a craft distiller, including a person
22 who holds more than one craft distiller license, not affiliated
23 with any other person manufacturing spirits may be authorized
24 by the Commission to sell up to 2,500 gallons of spirits
25 produced by the person to non-licensees for on or off-premises
26 consumption for the premises in which he or she actually

1 conducts business permitting only the retail sale of spirits
2 manufactured at such premises. Such sales shall be limited to
3 on-premises, in-person sales only, for lawful consumption on or
4 off premises, and such authorization shall be considered a
5 privilege granted by the craft distiller license; however, such
6 authorization shall not permit the sale of spirits manufactured
7 on the licensed premises (i) bearing the name of another
8 distiller or (ii) where the brand, trade name, and intellectual
9 property rights are not owned or controlled by the
10 manufacturing craft distiller. A craft distiller licensed for
11 retail sale shall secure liquor liability insurance coverage in
12 an amount at least equal to the maximum liability amounts set
13 forth in subsection (a) of Section 6-21 of this Act.

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

24 (f) (Blank).

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

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

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

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

6 (Source: P.A. 99-47, eff. 7-15-15; 99-448, eff. 8-24-15;
7 99-642, eff. 7-28-16; 99-902, eff. 8-26-16; revised 10-25-16.)

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