



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB4957

Introduced 2/18/2020, by Rep. Gregory Harris

#### SYNOPSIS AS INTRODUCED:

235 ILCS 5/3-12

235 ILCS 5/5-1

from Ch. 43, par. 115

Amends the Liquor Control Act of 1934. In provisions concerning self-distribution exemptions for certain wine manufacturers, provides that those wine manufacturers may not be granted a self-distribution exemption if they are part of an affiliated group producing more than 25,000 gallons of wine, 930,000 gallons of beer, or 50,000 gallons of spirits (instead of 25,000 gallons of wine or any other liquor). Provides that a class 1 craft distiller may not be a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 50,000 gallons of spirits per year, 930,000 gallons of beer per year, or 25,000 gallons of wine per year (instead of 50,000 gallons of spirits per year or any other alcoholic liquor). Provides that a class 2 craft distiller may not be a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 50,000 gallons of spirits per year, 3,720,000 gallons of beer per year, or 25,000 gallons of wine per year (instead of 100,000 gallons of spirits per year or any other alcoholic liquor). Provides that a class 1 brewer may not be a member of or affiliated with a manufacturer that produces more than 930,000 gallons of beer per year, 50,000 gallons of spirits per year, or 25,000 gallons of wine per year (instead of 930,000 gallons of beer per year or any other alcoholic liquor). Provides that class 2 brewers may not be a member of or affiliated with a manufacturer that produces more than 3,720,000 gallons of beer per year, 100,000 gallons of spirits per year, or 25,000 gallons of wine per year (instead of 3,720,000 gallons of beer per year or any other alcoholic liquor). Makes related changes in provisions concerning brew pub licensees, distilling pub licensees, and self-distribution exemptions. Effective immediately.

LRB101 20404 RPS 69954 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 5-1 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. An  
6 action for a violation of this Act shall be commenced by  
7 the State Commission within 2 years after the date the  
8 State Commission becomes aware of the violation.

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

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

22 The fine imposed under this paragraph may not exceed  
23 \$500 for each violation. Each day that the activity, which  
24 gave rise to the original fine, continues is a separate  
25 violation. The maximum fine that may be levied against any  
26 licensee, for the period of the license, shall not exceed

1           \$20,000. The maximum penalty that may be imposed on a  
2           licensee for selling a bottle of alcoholic liquor with a  
3           foreign object in it or serving from a bottle of alcoholic  
4           liquor with a foreign object in it shall be the destruction  
5           of that bottle of alcoholic liquor for the first 10 bottles  
6           so sold or served from by the licensee. For the eleventh  
7           bottle of alcoholic liquor and for each third bottle  
8           thereafter sold or served from by the licensee with a  
9           foreign object in it, the maximum penalty that may be  
10          imposed on the licensee is the destruction of the bottle of  
11          alcoholic liquor and a fine of up to \$50.

12           Any notice issued by the State Commission to a licensee  
13          for a violation of this Act or any notice with respect to  
14          settlement or offer in compromise shall include the field  
15          report, photographs, and any other supporting  
16          documentation necessary to reasonably inform the licensee  
17          of the nature and extent of the violation or the conduct  
18          alleged to have occurred. The failure to include such  
19          required documentation shall result in the dismissal of the  
20          action.

21           (2) To adopt such rules and regulations consistent with  
22          the provisions of this Act which shall be necessary to  
23          carry on its functions and duties to the end that the  
24          health, safety and welfare of the People of the State of  
25          Illinois shall be protected and temperance in the  
26          consumption of alcoholic liquors shall be fostered and

1 promoted and to distribute copies of such rules and  
2 regulations to all licensees affected thereby.

3 (3) To call upon other administrative departments of  
4 the State, county and municipal governments, county and  
5 city police departments and upon prosecuting officers for  
6 such information and assistance as it deems necessary in  
7 the performance of its duties.

8 (4) To recommend to local commissioners rules and  
9 regulations, not inconsistent with the law, for the  
10 distribution and sale of alcoholic liquors throughout the  
11 State.

12 (5) To inspect, or cause to be inspected, any premises  
13 in this State where alcoholic liquors are manufactured,  
14 distributed, warehoused, or sold. Nothing in this Act  
15 authorizes an agent of the State Commission to inspect  
16 private areas within the premises without reasonable  
17 suspicion or a warrant during an inspection. "Private  
18 areas" include, but are not limited to, safes, personal  
19 property, and closed desks.

20 (5.1) Upon receipt of a complaint or upon having  
21 knowledge that any person is engaged in business as a  
22 manufacturer, importing distributor, distributor, or  
23 retailer without a license or valid license, to conduct an  
24 investigation. If, after conducting an investigation, the  
25 State Commission is satisfied that the alleged conduct  
26 occurred or is occurring, it may issue a cease and desist

1 notice as provided in this Act, impose civil penalties as  
2 provided in this Act, notify the local liquor authority, or  
3 file a complaint with the State's Attorney's Office of the  
4 county where the incident occurred or the Attorney General.

5 (5.2) Upon receipt of a complaint or upon having  
6 knowledge that any person is shipping alcoholic liquor into  
7 this State from a point outside of this State if the  
8 shipment is in violation of this Act, to conduct an  
9 investigation. If, after conducting an investigation, the  
10 State Commission is satisfied that the alleged conduct  
11 occurred or is occurring, it may issue a cease and desist  
12 notice as provided in this Act, impose civil penalties as  
13 provided in this Act, notify the foreign jurisdiction, or  
14 file a complaint with the State's Attorney's Office of the  
15 county where the incident occurred or the Attorney General.

16 (5.3) To receive complaints from licensees, local  
17 officials, law enforcement agencies, organizations, and  
18 persons stating that any licensee has been or is violating  
19 any provision of this Act or the rules and regulations  
20 issued pursuant to this Act. Such complaints shall be in  
21 writing, signed and sworn to by the person making the  
22 complaint, and shall state with specificity the facts in  
23 relation to the alleged violation. If the State Commission  
24 has reasonable grounds to believe that the complaint  
25 substantially alleges a violation of this Act or rules and  
26 regulations adopted pursuant to this Act, it shall conduct

1 an investigation. If, after conducting an investigation,  
2 the State Commission is satisfied that the alleged  
3 violation did occur, it shall proceed with disciplinary  
4 action against the licensee as provided in this Act.

5 (5.4) To make arrests and issue notices of civil  
6 violations where necessary for the enforcement of this Act.

7 (5.5) To investigate any and all unlicensed activity.

8 (5.6) To impose civil penalties or fines to any person  
9 who, without holding a valid license, engages in conduct  
10 that requires a license pursuant to this Act, in an amount  
11 not to exceed \$20,000 for each offense as determined by the  
12 State Commission. A civil penalty shall be assessed by the  
13 State Commission after a hearing is held in accordance with  
14 the provisions set forth in this Act regarding the  
15 provision of a hearing for the revocation or suspension of  
16 a license.

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

23 (7) The State Commission shall establish uniform  
24 systems of accounts to be kept by all retail licensees  
25 having more than 4 employees, and for this purpose the  
26 State Commission may classify all retail licensees having

1 more than 4 employees and establish a uniform system of  
2 accounts for each class and prescribe the manner in which  
3 such accounts shall be kept. The State Commission may also  
4 prescribe the forms of accounts to be kept by all retail  
5 licensees having more than 4 employees, including, but not  
6 limited to, accounts of earnings and expenses and any  
7 distribution, payment, or other distribution of earnings  
8 or assets, and any other forms, records, and memoranda  
9 which in the judgment of the commission may be necessary or  
10 appropriate to carry out any of the provisions of this Act,  
11 including, but not limited to, such forms, records, and  
12 memoranda as will readily and accurately disclose at all  
13 times the beneficial ownership of such retail licensed  
14 business. The accounts, forms, records, and memoranda  
15 shall be available at all reasonable times for inspection  
16 by authorized representatives of the State Commission or by  
17 any local liquor control commissioner or his or her  
18 authorized representative. The commission may, from time  
19 to time, alter, amend, or repeal, in whole or in part, any  
20 uniform system of accounts, or the form and manner of  
21 keeping accounts.

22 (8) In the conduct of any hearing authorized to be held  
23 by the State Commission, to appoint, at the commission's  
24 discretion, hearing officers to conduct hearings involving  
25 complex issues or issues that will require a protracted  
26 period of time to resolve, to examine, or cause to be



1 examined, under oath, any licensee, and to examine or cause  
2 to be examined the books and records of such licensee; to  
3 hear testimony and take proof material for its information  
4 in the discharge of its duties hereunder; to administer or  
5 cause to be administered oaths; for any such purpose to  
6 issue subpoena or subpoenas to require the attendance of  
7 witnesses and the production of books, which shall be  
8 effective in any part of this State, and to adopt rules to  
9 implement its powers under this paragraph (8).

10 Any circuit court may, l by order duly entered, require  
11 the attendance of witnesses and the production of relevant  
12 books subpoenaed by the State Commission and the court may  
13 compel obedience to its order by proceedings for contempt.

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

21 (10) To adopt such rules and regulations consistent  
22 with the provisions of this Act which shall be necessary  
23 for the control, sale, l or disposition of alcoholic liquor  
24 damaged as a result of an accident, wreck, flood, fire, l or  
25 other similar occurrence.

26 (11) To develop industry educational programs related

1 to responsible serving and selling, particularly in the  
2 areas of overserving consumers and illegal underage  
3 purchasing and consumption of alcoholic beverages.

4 (11.1) To license persons providing education and  
5 training to alcohol beverage sellers and servers for  
6 mandatory and non-mandatory training under the Beverage  
7 Alcohol Sellers and Servers Education and Training  
8 (BASSET) programs and to develop and administer a public  
9 awareness program in Illinois to reduce or eliminate the  
10 illegal purchase and consumption of alcoholic beverage  
11 products by persons under the age of 21. Application for a  
12 license shall be made on forms provided by the State  
13 Commission.

14 (12) To develop and maintain a repository of license  
15 and regulatory information.

16 (13) (Blank).

17 (14) On or before April 30, 2008 and every 2 years  
18 thereafter, the State Commission shall present a written  
19 report to the Governor and the General Assembly that shall  
20 be based on a study of the impact of Public Act 95-634 on  
21 the business of soliciting, selling, and shipping wine from  
22 inside and outside of this State directly to residents of  
23 this State. As part of its report, the State Commission  
24 shall provide all of the following information:

25 (A) The amount of State excise and sales tax  
26 revenues generated.

1 (B) The amount of licensing fees received.

2 (C) The number of cases of wine shipped from inside  
3 and outside of this State directly to residents of this  
4 State.

5 (D) The number of alcohol compliance operations  
6 conducted.

7 (E) The number of winery shipper's licenses  
8 issued.

9 (F) The number of each of the following: reported  
10 violations; cease and desist notices issued by the  
11 Commission; notices of violations issued by the  
12 Commission and to the Department of Revenue; and  
13 notices and complaints of violations to law  
14 enforcement officials, including, without limitation,  
15 the Illinois Attorney General and the U.S. Department  
16 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

17 (15) As a means to reduce the underage consumption of  
18 alcoholic liquors, the State Commission shall conduct  
19 alcohol compliance operations to investigate whether  
20 businesses that are soliciting, selling, and shipping wine  
21 from inside or outside of this State directly to residents  
22 of this State are licensed by this State or are selling or  
23 attempting to sell wine to persons under 21 years of age in  
24 violation of this Act.

25 (16) The State Commission shall, in addition to  
26 notifying any appropriate law enforcement agency, submit

1 notices of complaints or violations of Sections 6-29 and  
2 6-29.1 by persons who do not hold a winery shipper's  
3 license under this Act to the Illinois Attorney General and  
4 to the U.S. Department of Treasury's Alcohol and Tobacco  
5 Tax and Trade Bureau.

6 (17) (A) A person licensed to make wine under the laws  
7 of another state who has a winery shipper's license under  
8 this Act and annually produces less than 25,000 gallons of  
9 wine or a person who has a first-class or second-class wine  
10 manufacturer's license, a first-class or second-class  
11 wine-maker's license, or a limited wine manufacturer's  
12 license under this Act and annually produces less than  
13 25,000 gallons of wine may make application to the  
14 Commission for a self-distribution exemption to allow the  
15 sale of not more than 5,000 gallons of the exemption  
16 holder's wine to retail licensees per year.

17 (B) In the application, which shall be sworn under  
18 penalty of perjury, such person shall state (1) the date it  
19 was established; (2) its volume of production and sales for  
20 each year since its establishment; (3) its efforts to  
21 establish distributor relationships; (4) that a  
22 self-distribution exemption is necessary to facilitate the  
23 marketing of its wine; and (5) that it will comply with the  
24 liquor and revenue laws of the United States, this State,  
25 and any other state where it is licensed.

26 (C) The State Commission shall approve the application

1 for a self-distribution exemption if such person: (1) is in  
2 compliance with State revenue and liquor laws; (2) is not a  
3 member of any affiliated group that produces more than  
4 25,000 gallons of wine per annum or produces any other  
5 alcoholic liquor; (3) will not annually produce for sale  
6 more than 25,000 gallons of wine; and (4) will not annually  
7 sell more than 5,000 gallons of its wine to retail  
8 licensees.

9 (D) A self-distribution exemption holder shall  
10 annually certify to the State Commission its production of  
11 wine in the previous 12 months and its anticipated  
12 production and sales for the next 12 months. The State  
13 Commission may fine, suspend, or revoke a  
14 self-distribution exemption after a hearing if it finds  
15 that the exemption holder has made a material  
16 misrepresentation in its application, violated a revenue  
17 or liquor law of Illinois, exceeded production of 25,000  
18 gallons of wine in any calendar year, or become part of an  
19 affiliated group producing more than 25,000 gallons of  
20 wine, 930,000 gallons of beer, or 50,000 gallons of spirits  
21 ~~or any other alcoholic liquor.~~

22 (E) Except in hearings for violations of this Act or  
23 Public Act 95-634 or a bona fide investigation by duly  
24 sworn law enforcement officials, the State Commission, or  
25 its agents, the State Commission shall maintain the  
26 production and sales information of a self-distribution

1 exemption holder as confidential and shall not release such  
2 information to any person.

3 (F) The State Commission shall issue regulations  
4 governing self-distribution exemptions consistent with  
5 this Section and this Act.

6 (G) Nothing in this paragraph (17) shall prohibit a  
7 self-distribution exemption holder from entering into or  
8 simultaneously having a distribution agreement with a  
9 licensed Illinois distributor.

10 (H) It is the intent of this paragraph (17) to promote  
11 and continue orderly markets. The General Assembly finds  
12 that, in order to preserve Illinois' regulatory  
13 distribution system, it is necessary to create an exception  
14 for smaller makers of wine as their wines are frequently  
15 adjusted in varietals, mixes, vintages, and taste to find  
16 and create market niches sometimes too small for  
17 distributor or importing distributor business strategies.  
18 Limited self-distribution rights will afford and allow  
19 smaller makers of wine access to the marketplace in order  
20 to develop a customer base without impairing the integrity  
21 of the 3-tier system.

22 (18)(A) A class 1 brewer licensee, who must also be  
23 either a licensed brewer or licensed non-resident dealer  
24 and annually manufacture less than 930,000 gallons of beer,  
25 may make application to the State Commission for a  
26 self-distribution exemption to allow the sale of not more

1 than 232,500 gallons of the exemption holder's beer per  
2 year to retail licensees and to brewers, class 1 brewers,  
3 and class 2 brewers that, pursuant to subsection (e) of  
4 Section 6-4 of this Act, sell beer, cider, or both beer and  
5 cider to non-licensees at their breweries.

6 (B) In the application, which shall be sworn under  
7 penalty of perjury, the class 1 brewer licensee shall state  
8 (1) the date it was established; (2) its volume of beer  
9 manufactured and sold for each year since its  
10 establishment; (3) its efforts to establish distributor  
11 relationships; (4) that a self-distribution exemption is  
12 necessary to facilitate the marketing of its beer; and (5)  
13 that it will comply with the alcoholic beverage and revenue  
14 laws of the United States, this State, and any other state  
15 where it is licensed.

16 (C) Any application submitted shall be posted on the  
17 State Commission's website at least 45 days prior to action  
18 by the State Commission. The State Commission shall approve  
19 the application for a self-distribution exemption if the  
20 class 1 brewer licensee: (1) is in compliance with the  
21 State, revenue, and alcoholic beverage laws; (2) is not a  
22 member of any affiliated group that manufactures more than  
23 930,000 gallons of beer per annum, 25,000 gallons of wine  
24 per annum, or 50,000 gallons of spirits per annum ~~or~~  
25 ~~produces any other alcoholic beverages~~; (3) shall not  
26 annually manufacture for sale more than 930,000 gallons of

1 beer; (4) shall not annually sell more than 232,500 gallons  
2 of its beer to retail licensees or to brewers, class 1  
3 brewers, and class 2 brewers that, pursuant to subsection  
4 (e) of Section 6-4 of this Act, sell beer, cider, or both  
5 beer and cider to non-licensees at their breweries; and (5)  
6 has relinquished any brew pub license held by the licensee,  
7 including any ownership interest it held in the licensed  
8 brew pub.

9 (D) A self-distribution exemption holder shall  
10 annually certify to the State Commission its manufacture of  
11 beer during the previous 12 months and its anticipated  
12 manufacture and sales of beer for the next 12 months. The  
13 State Commission may fine, suspend, or revoke a  
14 self-distribution exemption after a hearing if it finds  
15 that the exemption holder has made a material  
16 misrepresentation in its application, violated a revenue  
17 or alcoholic beverage law of Illinois, exceeded the  
18 manufacture of 930,000 gallons of beer in any calendar year  
19 or became part of an affiliated group manufacturing more  
20 than 930,000 gallons of beer or any other alcoholic  
21 beverage.

22 (E) The State Commission shall issue rules and  
23 regulations governing self-distribution exemptions  
24 consistent with this Act.

25 (F) Nothing in this paragraph (18) shall prohibit a  
26 self-distribution exemption holder from entering into or



1 simultaneously having a distribution agreement with a  
2 licensed Illinois importing distributor or a distributor.  
3 If a self-distribution exemption holder enters into a  
4 distribution agreement and has assigned distribution  
5 rights to an importing distributor or distributor, then the  
6 self-distribution exemption holder's distribution rights  
7 in the assigned territories shall cease in a reasonable  
8 time not to exceed 60 days.

9 (G) It is the intent of this paragraph (18) to promote  
10 and continue orderly markets. The General Assembly finds  
11 that in order to preserve Illinois' regulatory  
12 distribution system, it is necessary to create an exception  
13 for smaller manufacturers in order to afford and allow such  
14 smaller manufacturers of beer access to the marketplace in  
15 order to develop a customer base without impairing the  
16 integrity of the 3-tier system.

17 (19)(A) A class 1 craft distiller licensee or a  
18 non-resident dealer who manufactures less than 50,000  
19 gallons of distilled spirits per year may make application  
20 to the State Commission for a self-distribution exemption  
21 to allow the sale of not more than 5,000 gallons of the  
22 exemption holder's spirits to retail licensees per year.

23 (B) In the application, which shall be sworn under  
24 penalty of perjury, the class 1 craft distiller licensee or  
25 non-resident dealer shall state (1) the date it was  
26 established; (2) its volume of spirits manufactured and

1 sold for each year since its establishment; (3) its efforts  
2 to establish distributor relationships; (4) that a  
3 self-distribution exemption is necessary to facilitate the  
4 marketing of its spirits; and (5) that it will comply with  
5 the alcoholic beverage and revenue laws of the United  
6 States, this State, and any other state where it is  
7 licensed.

8 (C) Any application submitted shall be posted on the  
9 State Commission's website at least 45 days prior to action  
10 by the State Commission. The State Commission shall approve  
11 the application for a self-distribution exemption if the  
12 applicant: (1) is in compliance with State revenue and  
13 alcoholic beverage laws; (2) is not a member of any  
14 affiliated group that produces more than 50,000 gallons of  
15 spirits per annum, 930,000 gallons of beer per annum, or  
16 25,000 gallons of wine per annum ~~or produces any other~~  
17 ~~alcoholic liquor~~; (3) does not annually manufacture for  
18 sale more than 50,000 gallons of spirits; and (4) does not  
19 annually sell more than 5,000 gallons of its spirits to  
20 retail licensees.

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

1           that the exemption holder has made a material  
2           misrepresentation in its application, violated a revenue  
3           or alcoholic beverage law of Illinois, exceeded the  
4           manufacture of 50,000 gallons of spirits in any calendar  
5           year, or has become part of an affiliated group  
6           manufacturing more than 50,000 gallons of spirits or any  
7           other alcoholic beverage.

8           (E) The State Commission shall adopt rules governing  
9           self-distribution exemptions consistent with this Act.

10           (F) Nothing in this paragraph (19) shall prohibit a  
11           self-distribution exemption holder from entering into or  
12           simultaneously having a distribution agreement with a  
13           licensed Illinois importing distributor or a distributor.

14           (G) It is the intent of this paragraph (19) to promote  
15           and continue orderly markets. The General Assembly finds  
16           that in order to preserve Illinois' regulatory  
17           distribution system, it is necessary to create an exception  
18           for smaller manufacturers in order to afford and allow such  
19           smaller manufacturers of spirits access to the marketplace  
20           in order to develop a customer base without impairing the  
21           integrity of the 3-tier system.

22           (b) On or before April 30, 1999, the Commission shall  
23           present a written report to the Governor and the General  
24           Assembly that shall be based on a study of the impact of Public  
25           Act 90-739 on the business of soliciting, selling, and shipping  
26           alcoholic liquor from outside of this State directly to

1 residents of this State.

2 As part of its report, the Commission shall provide the  
3 following information:

4 (i) the amount of State excise and sales tax revenues  
5 generated as a result of Public Act 90-739;

6 (ii) the amount of licensing fees received as a result  
7 of Public Act 90-739;

8 (iii) the number of reported violations, the number of  
9 cease and desist notices issued by the Commission, the  
10 number of notices of violations issued to the Department of  
11 Revenue, and the number of notices and complaints of  
12 violations to law enforcement officials.

13 (Source: P.A. 100-134, eff. 8-18-17; 100-201, eff. 8-18-17;  
14 100-816, eff. 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff.  
15 8-23-18; 101-37, eff. 7-3-19; 101-81, eff. 7-12-19; 101-482,  
16 eff. 8-23-19; revised 9-20-19.)

17 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

20 (a) Manufacturer's license - Class 1. Distiller, Class 2.  
21 Rectifier, Class 3. Brewer, Class 4. First Class Wine  
22 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.  
23 First Class Winemaker, Class 7. Second Class Winemaker, Class  
24 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class  
25 10. Class 1 Craft Distiller, Class 11. Class 2 Craft Distiller,

1 Class 12. Class 1 Brewer, Class 13. Class 2 Brewer,

2 (b) Distributor's license,

3 (c) Importing Distributor's license,

4 (d) Retailer's license,

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

6 (f) Railroad license,

7 (g) Boat license,

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

9 (i) Wine-maker's premises license,

10 (j) Airplane license,

11 (k) Foreign importer's license,

12 (l) Broker's license,

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

14 (n) Brew Pub license,

15 (o) Auction liquor license,

16 (p) Caterer retailer license,

17 (q) Special use permit license,

18 (r) Winery shipper's license,

19 (s) Craft distiller tasting permit,

20 (t) Brewer warehouse permit,

21 (u) Distilling pub license,

22 (v) Craft distiller warehouse permit.

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

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

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

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

13           Class 3. A Brewer may make sales and deliveries of beer to  
14 importing distributors and distributors and may make sales as  
15 authorized under subsection (e) of Section 6-4 of this Act.

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

20           Class 5. A second class Wine manufacturer may make sales  
21 and deliveries of more than 50,000 gallons of wine to  
22 manufacturers, importing distributors and distributors and to  
23 no other licensees.

24           Class 6. A first-class wine-maker's license shall allow the  
25 manufacture of up to 50,000 gallons of wine per year, and the  
26 storage and sale of such wine to distributors in the State and

1 to persons without the State, as may be permitted by law. A  
2 person who, prior to June 1, 2008 (the effective date of Public  
3 Act 95-634), is a holder of a first-class wine-maker's license  
4 and annually produces more than 25,000 gallons of its own wine  
5 and who distributes its wine to licensed retailers shall cease  
6 this practice on or before July 1, 2008 in compliance with  
7 Public Act 95-634.

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

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

22 Class 9. A craft distiller license, which may only be held  
23 by a class 1 craft distiller licensee or class 2 craft  
24 distiller licensee but not held by both a class 1 craft  
25 distiller licensee and a class 2 craft distiller licensee,  
26 shall grant all rights conveyed by either: (i) a class 1 craft

1 distiller license if the craft distiller holds a class 1 craft  
2 distiller license; or (ii) a class 2 craft distiller licensee  
3 if the craft distiller holds a class 2 craft distiller license.

4 Class 10. A class 1 craft distiller license, which may only  
5 be issued to a licensed craft distiller or licensed  
6 non-resident dealer, shall allow the manufacture of up to  
7 50,000 gallons of spirits per year provided that the class 1  
8 craft distiller licensee does not manufacture more than a  
9 combined 50,000 gallons of spirits per year and is not a member  
10 of or affiliated with, directly or indirectly, a manufacturer  
11 that produces more than 50,000 gallons of spirits per year, 930,000 gallons of beer per year, or 25,000 gallons of wine per  
12 year ~~or any other alcoholic liquor~~. A class 1 craft distiller  
13 licensee may make sales and deliveries to importing  
14 distributors and distributors and to retail licensees in  
15 accordance with the conditions set forth in paragraph (19) of  
16 subsection (a) of Section 3-12 of this Act. However, the  
17 aggregate amount of spirits sold to non-licensees and sold or  
18 delivered to retail licensees may not exceed 5,000 gallons per  
19 year.  
20

21 A class 1 craft distiller licensee may sell up to 5,000  
22 gallons of such spirits to non-licensees to the extent  
23 permitted by any exemption approved by the State Commission  
24 pursuant to Section 6-4 of this Act. A class 1 craft distiller  
25 license holder may store such spirits at a non-contiguous  
26 licensed location, but at no time shall a class 1 craft



1 distiller license holder directly or indirectly produce in the  
2 aggregate more than 50,000 gallons of spirits per year.

3 A class 1 craft distiller licensee may hold more than one  
4 class 1 craft distiller's license. However, a class 1 craft  
5 distiller that holds more than one class 1 craft distiller  
6 license shall not manufacture, in the aggregate, more than  
7 50,000 gallons of spirits by distillation per year and shall  
8 not sell, in the aggregate, more than 5,000 gallons of such  
9 spirits to non-licensees in accordance with an exemption  
10 approved by the State Commission pursuant to Section 6-4 of  
11 this Act.

12 Class 11. A class 2 craft distiller license, which may only  
13 be issued to a licensed craft distiller or licensed  
14 non-resident dealer, shall allow the manufacture of up to  
15 100,000 gallons of spirits per year provided that the class 2  
16 craft distiller licensee does not manufacture more than a  
17 combined 100,000 gallons of spirits per year and is not a  
18 member of or affiliated with, directly or indirectly, a  
19 manufacturer that produces more than 100,000 gallons of spirits  
20 per year, 3,720,000 gallons of beer per year, or 25,000 gallons  
21 of wine per year ~~or any other alcoholic liquor~~. A class 2 craft  
22 distiller licensee may make sales and deliveries to importing  
23 distributors and distributors, but shall not make sales or  
24 deliveries to any other licensee. If the State Commission  
25 provides prior approval, a class 2 craft distiller licensee may  
26 annually transfer up to 100,000 gallons of spirits manufactured

1 by that class 2 craft distiller licensee to the premises of a  
2 licensed class 2 craft distiller wholly owned and operated by  
3 the same licensee. A class 2 craft distiller may transfer  
4 spirits to a distilling pub wholly owned and operated by the  
5 class 2 craft distiller subject to the following limitations  
6 and restrictions: (i) the transfer shall not annually exceed  
7 more than 5,000 gallons; (ii) the annual amount transferred  
8 shall reduce the distilling pub's annual permitted production  
9 limit; (iii) all spirits transferred shall be subject to  
10 Article VIII of this Act; (iv) a written record shall be  
11 maintained by the distiller and distilling pub specifying the  
12 amount, date of delivery, and receipt of the product by the  
13 distilling pub; and (v) the distilling pub shall be located no  
14 farther than 80 miles from the class 2 craft distiller's  
15 licensed location.

16 A class 2 craft distiller shall, prior to transferring  
17 spirits to a distilling pub wholly owned by the class 2 craft  
18 distiller, furnish a written notice to the State Commission of  
19 intent to transfer spirits setting forth the name and address  
20 of the distilling pub and shall annually submit to the State  
21 Commission a verified report identifying the total gallons of  
22 spirits transferred to the distilling pub wholly owned by the  
23 class 2 craft distiller.

24 A class 2 craft distiller license holder may store such  
25 spirits at a non-contiguous licensed location, but at no time  
26 shall a class 2 craft distiller license holder directly or

1 indirectly produce in the aggregate more than 100,000 gallons  
2 of spirits per year.

3 Class 12. A class 1 brewer license, which may only be  
4 issued to a licensed brewer or licensed non-resident dealer,  
5 shall allow the manufacture of up to 930,000 gallons of beer  
6 per year provided that the class 1 brewer licensee does not  
7 manufacture more than a combined 930,000 gallons of beer per  
8 year and is not a member of or affiliated with, directly or  
9 indirectly, a manufacturer that produces more than 930,000  
10 gallons of beer per year, 50,000 gallons of spirits per year,  
11 or 25,000 gallons of wine per year ~~or any other alcoholic~~  
12 ~~liquor~~. A class 1 brewer licensee may make sales and deliveries  
13 to importing distributors and distributors and to retail  
14 licensees in accordance with the conditions set forth in  
15 paragraph (18) of subsection (a) of Section 3-12 of this Act.  
16 If the State Commission provides prior approval, a class 1  
17 brewer may annually transfer up to 930,000 gallons of beer  
18 manufactured by that class 1 brewer to the premises of a  
19 licensed class 1 brewer wholly owned and operated by the same  
20 licensee.

21 Class 13. A class 2 brewer license, which may only be  
22 issued to a licensed brewer or licensed non-resident dealer,  
23 shall allow the manufacture of up to 3,720,000 gallons of beer  
24 per year provided that the class 2 brewer licensee does not  
25 manufacture more than a combined 3,720,000 gallons of beer per  
26 year and is not a member of or affiliated with, directly or

1 indirectly, a manufacturer that produces more than 3,720,000  
2 gallons of beer per year, 100,000 gallons of spirits per year,  
3 or 25,000 gallons of wine per year ~~or any other alcoholic~~  
4 ~~liquor~~. A class 2 brewer licensee may make sales and deliveries  
5 to importing distributors and distributors, but shall not make  
6 sales or deliveries to any other licensee. If the State  
7 Commission provides prior approval, a class 2 brewer licensee  
8 may annually transfer up to 3,720,000 gallons of beer  
9 manufactured by that class 2 brewer licensee to the premises of  
10 a licensed class 2 brewer wholly owned and operated by the same  
11 licensee.

12 A class 2 brewer may transfer beer to a brew pub wholly  
13 owned and operated by the class 2 brewer subject to the  
14 following limitations and restrictions: (i) the transfer shall  
15 not annually exceed more than 31,000 gallons; (ii) the annual  
16 amount transferred shall reduce the brew pub's annual permitted  
17 production limit; (iii) all beer transferred shall be subject  
18 to Article VIII of this Act; (iv) a written record shall be  
19 maintained by the brewer and brew pub specifying the amount,  
20 date of delivery, and receipt of the product by the brew pub;  
21 and (v) the brew pub shall be located no farther than 80 miles  
22 from the class 2 brewer's licensed location.

23 A class 2 brewer shall, prior to transferring beer to a  
24 brew pub wholly owned by the class 2 brewer, furnish a written  
25 notice to the State Commission of intent to transfer beer  
26 setting forth the name and address of the brew pub and shall

1 annually submit to the State Commission a verified report  
2 identifying the total gallons of beer transferred to the brew  
3 pub wholly owned by the class 2 brewer.

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

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

1 Commission's website.

2 (b) A distributor's license shall allow (i) the wholesale  
3 purchase and storage of alcoholic liquors and sale of alcoholic  
4 liquors to licensees in this State and to persons without the  
5 State, as may be permitted by law; (ii) the sale of beer,  
6 cider, or both beer and cider to brewers, class 1 brewers, and  
7 class 2 brewers that, pursuant to subsection (e) of Section 6-4  
8 of this Act, sell beer, cider, or both beer and cider to  
9 non-licensees at their breweries; and (iii) the sale of  
10 vermouth to class 1 craft distillers and class 2 craft  
11 distillers that, pursuant to subsection (e) of Section 6-4 of  
12 this Act, sell spirits, vermouth, or both spirits and vermouth  
13 to non-licensees at their distilleries. No person licensed as a  
14 distributor shall be granted a non-resident dealer's license.

15 (c) An importing distributor's license may be issued to and  
16 held by those only who are duly licensed distributors, upon the  
17 filing of an application by a duly licensed distributor, with  
18 the Commission and the Commission shall, without the payment of  
19 any fee, immediately issue such importing distributor's  
20 license to the applicant, which shall allow the importation of  
21 alcoholic liquor by the licensee into this State from any point  
22 in the United States outside this State, and the purchase of  
23 alcoholic liquor in barrels, casks or other bulk containers and  
24 the bottling of such alcoholic liquors before resale thereof,  
25 but all bottles or containers so filled shall be sealed,  
26 labeled, stamped and otherwise made to comply with all

1 provisions, rules and regulations governing manufacturers in  
2 the preparation and bottling of alcoholic liquors. The  
3 importing distributor's license shall permit such licensee to  
4 purchase alcoholic liquor from Illinois licensed non-resident  
5 dealers and foreign importers only. No person licensed as an  
6 importing distributor shall be granted a non-resident dealer's  
7 license.

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

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

1 under subsection (e).

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



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

5 Nothing in this Act prohibits an Illinois licensed  
6 distributor from offering credit or a refund for unused,  
7 salable alcoholic liquors to a holder of a special event  
8 retailer's license or the special event retailer's licensee  
9 from accepting the credit or refund of alcoholic liquors at the  
10 conclusion of the event specified in the license.

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

1 operated on an electric, gas or steam railway regularly  
 2 operated by a common carrier in this State, but shall not  
 3 permit the sale for resale of any alcoholic liquors to any  
 4 licensee within this State. A license shall be obtained for  
 5 each car in which such sales are made.

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

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

- 22 Class 1, not to exceed ..... 500 gallons
- 23 Class 2, not to exceed ..... 1,000 gallons
- 24 Class 3, not to exceed ..... 5,000 gallons
- 25 Class 4, not to exceed ..... 10,000 gallons
- 26 Class 5, not to exceed ..... 50,000 gallons

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

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

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

23 (k) A foreign importer's license shall permit such licensee  
24 to purchase alcoholic liquor from Illinois licensed  
25 non-resident dealers only, and to import alcoholic liquor other  
26 than in bulk from any point outside the United States and to

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

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

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

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

7           (ii) A broker's license shall be required of a person  
8 within this State, other than a retail licensee, who, for a fee  
9 or commission, promotes, solicits, or accepts orders for  
10 alcoholic liquor, for use or consumption and not for resale, to  
11 be shipped from this State and delivered to residents outside  
12 of this State by an express company, common carrier, or  
13 contract carrier. This Section does not apply to any person who  
14 promotes, solicits, or accepts orders for wine as specifically  
15 authorized in Section 6-29 of this Act.

16           A broker's license under this subsection (1) shall not  
17 entitle the holder to buy or sell any alcoholic liquors for his  
18 own account or to take or deliver title to such alcoholic  
19 liquors.

20           This subsection (1) shall not apply to distributors,  
21 employees of distributors, or employees of a manufacturer who  
22 has registered the trademark, brand or name of the alcoholic  
23 liquor pursuant to Section 6-9 of this Act, and who regularly  
24 sells such alcoholic liquor in the State of Illinois only to  
25 its registrants thereunder.

26           Any agent, representative, or person subject to

1 registration pursuant to subsection (a-1) of this Section shall  
2 not be eligible to receive a broker's license.

3 (m) A non-resident dealer's license shall permit such  
4 licensee to ship into and warehouse alcoholic liquor into this  
5 State from any point outside of this State, and to sell such  
6 alcoholic liquor to Illinois licensed foreign importers and  
7 importing distributors and to no one else in this State;  
8 provided that (i) said non-resident dealer shall register with  
9 the Illinois Liquor Control Commission each and every brand of  
10 alcoholic liquor which it proposes to sell to Illinois  
11 licensees during the license period, (ii) it shall comply with  
12 all of the provisions of Section 6-9 hereof with respect to  
13 registration of such Illinois licensees as may be granted the  
14 right to sell such brands at wholesale by duly filing such  
15 registration statement, thereby authorizing the non-resident  
16 dealer to proceed to sell such brands at wholesale, and (iii)  
17 the non-resident dealer shall comply with the provisions of  
18 Sections 6-5 and 6-6 of this Act to the same extent that these  
19 provisions apply to manufacturers. No person licensed as a  
20 non-resident dealer shall be granted a distributor's or  
21 importing distributor's license.

22 (n) A brew pub license shall allow the licensee to only (i)  
23 manufacture up to 155,000 gallons of beer per year only on the  
24 premises specified in the license, (ii) make sales of the beer  
25 manufactured on the premises or, with the approval of the  
26 Commission, beer manufactured on another brew pub licensed

1 premises that is wholly owned and operated by the same licensee  
2 to importing distributors, distributors, and to non-licensees  
3 for use and consumption, (iii) store the beer upon the  
4 premises, (iv) sell and offer for sale at retail from the  
5 licensed premises for off-premises consumption no more than  
6 155,000 gallons per year so long as such sales are only made  
7 in-person, (v) sell and offer for sale at retail for use and  
8 consumption on the premises specified in the license any form  
9 of alcoholic liquor purchased from a licensed distributor or  
10 importing distributor, (vi) with the prior approval of the  
11 Commission, annually transfer no more than 155,000 gallons of  
12 beer manufactured on the premises to a licensed brew pub wholly  
13 owned and operated by the same licensee, and (vii)  
14 notwithstanding item (i) of this subsection, brew pubs wholly  
15 owned and operated by the same licensee may combine each  
16 location's production limit of 155,000 gallons of beer per year  
17 and allocate the aggregate total between the wholly owned,  
18 operated, and licensed locations.

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

22 A person who holds a class 2 brewer license may  
23 simultaneously hold a brew pub license if the class 2 brewer  
24 (i) does not, under any circumstance, sell or offer for sale  
25 beer manufactured by the class 2 brewer to retail licensees;  
26 (ii) does not hold more than 3 brew pub licenses in this State;



1 (iii) does not manufacture more than a combined 3,720,000  
2 gallons of beer per year, including the beer manufactured at  
3 the brew pub; and (iv) is not a member of or affiliated with,  
4 directly or indirectly, a manufacturer that produces more than  
5 3,720,000 gallons of beer per year or any other alcoholic  
6 liquor.

7 Notwithstanding any other provision of this Act, a licensed  
8 brewer, class 2 brewer, or non-resident dealer who before July  
9 1, 2015 manufactured less than 3,720,000 gallons of beer per  
10 year and held a brew pub license on or before July 1, 2015 may  
11 (i) continue to qualify for and hold that brew pub license for  
12 the licensed premises and (ii) manufacture more than 3,720,000  
13 gallons of beer per year and continue to qualify for and hold  
14 that brew pub license if that brewer, class 2 brewer, or  
15 non-resident dealer does not simultaneously hold a class 1  
16 brewer license and is not a member of or affiliated with,  
17 directly or indirectly, a manufacturer that produces more than  
18 3,720,000 gallons of beer per year, 100,000 gallons of spirits  
19 per year, or 25,000 gallons of wine per year ~~or that produces~~  
20 ~~any other alcoholic liquor.~~

21 (o) A caterer retailer license shall allow the holder to  
22 serve alcoholic liquors as an incidental part of a food service  
23 that serves prepared meals which excludes the serving of snacks  
24 as the primary meal, either on or off-site whether licensed or  
25 unlicensed. A caterer retailer license shall allow the holder,  
26 a distributor, or an importing distributor to transfer any

1 inventory to and from the holder's retail premises and shall  
2 allow the holder to purchase alcoholic liquor from a  
3 distributor or importing distributor to be delivered directly  
4 to an off-site event.

5 Nothing in this Act prohibits a distributor or importing  
6 distributor from offering credit or a refund for unused,  
7 salable beer to a holder of a caterer retailer license or a  
8 caterer retailer licensee from accepting a credit or refund for  
9 unused, salable beer, in the event an act of God is the sole  
10 reason an off-site event is cancelled and if: (i) the holder of  
11 a caterer retailer license has not transferred alcoholic liquor  
12 from its caterer retailer premises to an off-site location;  
13 (ii) the distributor or importing distributor offers the credit  
14 or refund for the unused, salable beer that it delivered to the  
15 off-site premises and not for any unused, salable beer that the  
16 distributor or importing distributor delivered to the caterer  
17 retailer's premises; and (iii) the unused, salable beer would  
18 likely spoil if transferred to the caterer retailer's premises.  
19 A caterer retailer license shall allow the holder to transfer  
20 any inventory from any off-site location to its caterer  
21 retailer premises at the conclusion of an off-site event or  
22 engage a distributor or importing distributor to transfer any  
23 inventory from any off-site location to its caterer retailer  
24 premises at the conclusion of an off-site event, provided that  
25 the distributor or importing distributor issues bona fide  
26 charges to the caterer retailer licensee for fuel, labor, and

1 delivery and the distributor or importing distributor collects  
2 payment from the caterer retailer licensee prior to the  
3 distributor or importing distributor transferring inventory to  
4 the caterer retailer premises.

5 For purposes of this subsection (o), an "act of God" means  
6 an unforeseeable event, such as a rain or snow storm, hail, a  
7 flood, or a similar event, that is the sole cause of the  
8 cancellation of an off-site, outdoor event.

9 (p) An auction liquor license shall allow the licensee to  
10 sell and offer for sale at auction wine and spirits for use or  
11 consumption, or for resale by an Illinois liquor licensee in  
12 accordance with provisions of this Act. An auction liquor  
13 license will be issued to a person and it will permit the  
14 auction liquor licensee to hold the auction anywhere in the  
15 State. An auction liquor license must be obtained for each  
16 auction at least 14 days in advance of the auction date.

17 (q) A special use permit license shall allow an Illinois  
18 licensed retailer to transfer a portion of its alcoholic liquor  
19 inventory from its retail licensed premises to the premises  
20 specified in the license hereby created; to purchase alcoholic  
21 liquor from a distributor or importing distributor to be  
22 delivered directly to the location specified in the license  
23 hereby created; and to sell or offer for sale at retail, only  
24 in the premises specified in the license hereby created, the  
25 transferred or delivered alcoholic liquor for use or  
26 consumption, but not for resale in any form. A special use

1 permit license may be granted for the following time periods:  
2 one day or less; 2 or more days to a maximum of 15 days per  
3 location in any 12-month period. An applicant for the special  
4 use permit license must also submit with the application proof  
5 satisfactory to the State Commission that the applicant will  
6 provide dram shop liability insurance to the maximum limits and  
7 have local authority approval.

8 A special use permit license shall allow the holder to  
9 transfer any inventory from the holder's special use premises  
10 to its retail premises at the conclusion of the special use  
11 event or engage a distributor or importing distributor to  
12 transfer any inventory from the holder's special use premises  
13 to its retail premises at the conclusion of an off-site event,  
14 provided that the distributor or importing distributor issues  
15 bona fide charges to the special use permit licensee for fuel,  
16 labor, and delivery and the distributor or importing  
17 distributor collects payment from the retail licensee prior to  
18 the distributor or importing distributor transferring  
19 inventory to the retail premises.

20 Nothing in this Act prohibits a distributor or importing  
21 distributor from offering credit or a refund for unused,  
22 salable beer to a special use permit licensee or a special use  
23 permit licensee from accepting a credit or refund for unused,  
24 salable beer at the conclusion of the event specified in the  
25 license if: (i) the holder of the special use permit license  
26 has not transferred alcoholic liquor from its retail licensed

1 premises to the premises specified in the special use permit  
2 license; (ii) the distributor or importing distributor offers  
3 the credit or refund for the unused, salable beer that it  
4 delivered to the premises specified in the special use permit  
5 license and not for any unused, salable beer that the  
6 distributor or importing distributor delivered to the  
7 retailer's premises; and (iii) the unused, salable beer would  
8 likely spoil if transferred to the retailer premises.

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  
14 licensee directly to a resident of this State who is 21 years  
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  
18 true copy of its current license in any state in which it is  
19 licensed as a manufacturer of wine. An applicant for a winery  
20 shipper's license must also complete an application form that  
21 provides any other information the Commission deems necessary.  
22 The application form shall include all addresses from which the  
23 applicant for a winery shipper's license intends to ship wine,  
24 including the name and address of any third party, except for a  
25 common carrier, authorized to ship wine on behalf of the  
26 manufacturer. The application form shall include an

1 acknowledgement consenting to the jurisdiction of the  
2 Commission, the Illinois Department of Revenue, and the courts  
3 of this State concerning the enforcement of this Act and any  
4 related laws, rules, and regulations, including authorizing  
5 the Department of Revenue and the Commission to conduct audits  
6 for the purpose of ensuring compliance with Public Act 95-634,  
7 and an acknowledgement that the wine manufacturer is in  
8 compliance with Section 6-2 of this Act. Any third party,  
9 except for a common carrier, authorized to ship wine on behalf  
10 of a first-class or second-class wine manufacturer's licensee,  
11 a first-class or second-class wine-maker's licensee, a limited  
12 wine manufacturer's licensee, or a person who is licensed to  
13 make wine under the laws of another state shall also be  
14 disclosed by the winery shipper's licensee, and a copy of the  
15 written appointment of the third-party wine provider, except  
16 for a common carrier, to the wine manufacturer shall be filed  
17 with the State Commission as a supplement to the winery  
18 shipper's license application or any renewal thereof. The  
19 winery shipper's license holder shall affirm under penalty of  
20 perjury, as part of the winery shipper's license application or  
21 renewal, that he or she only ships wine, either directly or  
22 indirectly through a third-party provider, from the licensee's  
23 own production.

24 Except for a common carrier, a third-party provider  
25 shipping wine on behalf of a winery shipper's license holder is  
26 the agent of the winery shipper's license holder and, as such,

1 a winery shipper's license holder is responsible for the acts  
2 and omissions of the third-party provider acting on behalf of  
3 the license holder. A third-party provider, except for a common  
4 carrier, that engages in shipping wine into Illinois on behalf  
5 of a winery shipper's license holder shall consent to the  
6 jurisdiction of the State Commission and the State. Any  
7 third-party, except for a common carrier, holding such an  
8 appointment shall, by February 1 of each calendar year and upon  
9 request by the State Commission or the Department of Revenue,  
10 file with the State Commission a statement detailing each  
11 shipment made to an Illinois resident. The statement shall  
12 include the name and address of the third-party provider filing  
13 the statement, the time period covered by the statement, and  
14 the following information:

- 15 (1) the name, address, and license number of the winery  
16 shipper on whose behalf the shipment was made;  
17 (2) the quantity of the products delivered; and  
18 (3) the date and address of the shipment.

19 If the Department of Revenue or the State Commission requests a  
20 statement under this paragraph, the third-party provider must  
21 provide that statement no later than 30 days after the request  
22 is made. Any books, records, supporting papers, and documents  
23 containing information and data relating to a statement under  
24 this paragraph shall be kept and preserved for a period of 3  
25 years, unless their destruction sooner is authorized, in  
26 writing, by the Director of Revenue, and shall be open and

1 available to inspection by the Director of Revenue or the State  
2 Commission or any duly authorized officer, agent, or employee  
3 of the State Commission or the Department of Revenue, at all  
4 times during business hours of the day. Any person who violates  
5 any provision of this paragraph or any rule of the State  
6 Commission for the administration and enforcement of the  
7 provisions of this paragraph is guilty of a Class C  
8 misdemeanor. In case of a continuing violation, each day's  
9 continuance thereof shall be a separate and distinct offense.

10 The State Commission shall adopt rules as soon as  
11 practicable to implement the requirements of Public Act 99-904  
12 and shall adopt rules prohibiting any such third-party  
13 appointment of a third-party provider, except for a common  
14 carrier, that has been deemed by the State Commission to have  
15 violated the provisions of this Act with regard to any winery  
16 shipper licensee.

17 A winery shipper licensee must pay to the Department of  
18 Revenue the State liquor gallonage tax under Section 8-1 for  
19 all wine that is sold by the licensee and shipped to a person  
20 in this State. For the purposes of Section 8-1, a winery  
21 shipper licensee shall be taxed in the same manner as a  
22 manufacturer of wine. A licensee who is not otherwise required  
23 to register under the Retailers' Occupation Tax Act must  
24 register under the Use Tax Act to collect and remit use tax to  
25 the Department of Revenue for all gallons of wine that are sold  
26 by the licensee and shipped to persons in this State. If a



1 licensee fails to remit the tax imposed under this Act in  
2 accordance with the provisions of Article VIII of this Act, the  
3 winery shipper's license shall be revoked in accordance with  
4 the provisions of Article VII of this Act. If a licensee fails  
5 to properly register and remit tax under the Use Tax Act or the  
6 Retailers' Occupation Tax Act for all wine that is sold by the  
7 winery shipper and shipped to persons in this State, the winery  
8 shipper's license shall be revoked in accordance with the  
9 provisions of Article VII of this Act.

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

15 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of  
16 Section 3-12, the State Commission may receive, respond to, and  
17 investigate any complaint and impose any of the remedies  
18 specified in paragraph (1) of subsection (a) of Section 3-12.

19 As used in this subsection, "third-party provider" means  
20 any entity that provides fulfillment house services, including  
21 warehousing, packaging, distribution, order processing, or  
22 shipment of wine, but not the sale of wine, on behalf of a  
23 licensed winery shipper.

24 (s) A craft distiller tasting permit license shall allow an  
25 Illinois licensed class 1 craft distiller or class 2 craft  
26 distiller to transfer a portion of its alcoholic liquor

1 inventory from its class 1 craft distiller or class 2 craft  
2 distiller licensed premises to the premises specified in the  
3 license hereby created and to conduct a sampling, only in the  
4 premises specified in the license hereby created, of the  
5 transferred alcoholic liquor in accordance with subsection (c)  
6 of Section 6-31 of this Act. The transferred alcoholic liquor  
7 may not be sold or resold in any form. An applicant for the  
8 craft distiller tasting permit license must also submit with  
9 the application proof satisfactory to the State Commission that  
10 the applicant will provide dram shop liability insurance to the  
11 maximum limits and have local authority approval.

12 (t) A brewer warehouse permit may be issued to the holder  
13 of a class 1 brewer license or a class 2 brewer license. If the  
14 holder of the permit is a class 1 brewer licensee, the brewer  
15 warehouse permit shall allow the holder to store or warehouse  
16 up to 930,000 gallons of tax-determined beer manufactured by  
17 the holder of the permit at the premises specified on the  
18 permit. If the holder of the permit is a class 2 brewer  
19 licensee, the brewer warehouse permit shall allow the holder to  
20 store or warehouse up to 3,720,000 gallons of tax-determined  
21 beer manufactured by the holder of the permit at the premises  
22 specified on the permit. Sales to non-licensees are prohibited  
23 at the premises specified in the brewer warehouse permit.

24 (u) A distilling pub license shall allow the licensee to  
25 only (i) manufacture up to 5,000 gallons of spirits per year  
26 only on the premises specified in the license, (ii) make sales

1 of the spirits manufactured on the premises or, with the  
2 approval of the State Commission, spirits manufactured on  
3 another distilling pub licensed premises that is wholly owned  
4 and operated by the same licensee to importing distributors and  
5 distributors and to non-licensees for use and consumption,  
6 (iii) store the spirits upon the premises, (iv) sell and offer  
7 for sale at retail from the licensed premises for off-premises  
8 consumption no more than 5,000 gallons per year so long as such  
9 sales are only made in-person, (v) sell and offer for sale at  
10 retail for use and consumption on the premises specified in the  
11 license any form of alcoholic liquor purchased from a licensed  
12 distributor or importing distributor, and (vi) with the prior  
13 approval of the State Commission, annually transfer no more  
14 than 5,000 gallons of spirits manufactured on the premises to a  
15 licensed distilling pub wholly owned and operated by the same  
16 licensee.

17 A distilling pub licensee shall not under any circumstance  
18 sell or offer for sale spirits manufactured by the distilling  
19 pub licensee to retail licensees.

20 A person who holds a class 2 craft distiller license may  
21 simultaneously hold a distilling pub license if the class 2  
22 craft distiller (i) does not, under any circumstance, sell or  
23 offer for sale spirits manufactured by the class 2 craft  
24 distiller to retail licensees; (ii) does not hold more than 3  
25 distilling pub licenses in this State; (iii) does not  
26 manufacture more than a combined 100,000 gallons of spirits per

1 year, including the spirits manufactured at the distilling pub;  
2 and (iv) is not a member of or affiliated with, directly or  
3 indirectly, a manufacturer that produces more than 100,000  
4 gallons of spirits per year, 3,720,000 gallons of beer per  
5 year, or 25,000 gallons of wine per year ~~or any other alcoholic~~  
6 ~~liquor.~~

7 (v) A craft distiller warehouse permit may be issued to the  
8 holder of a class 1 craft distiller or class 2 craft distiller  
9 license. The craft distiller warehouse permit shall allow the  
10 holder to store or warehouse up to 500,000 gallons of spirits  
11 manufactured by the holder of the permit at the premises  
12 specified on the permit. Sales to non-licensees are prohibited  
13 at the premises specified in the craft distiller warehouse  
14 permit.

15 (Source: P.A. 100-17, eff. 6-30-17; 100-201, eff. 8-18-17;  
16 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff.  
17 8-23-18; 101-16, eff. 6-14-19; 101-31, eff. 6-28-19; 101-81,  
18 eff. 7-12-19; 101-482, eff. 8-23-19; 101-517, eff. 8-23-19;  
19 101-615, eff. 12-20-19.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.