



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0123

Introduced 1/31/2007, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

See Index

Amends the Liquor Control Act of 1934. Sets forth additional duties of the Illinois Liquor Control Commission concerning direct wine shipments. Provides for a direct wine shipper's license. Deletes provisions (i) permitting first-class and second-class wine-maker licensees to sell wine directly to retailers and (ii) prohibiting the issuance of more than one first-class or second-class wine-maker's license to any person, firm, partnership, corporation, or other legal entity. Changes the description of a second-class wine-maker's license to allow the manufacture of between 50,000 and 150,000 gallons of wine per year (now, 50,000 to 100,000 gallons). Provides that a wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 150,000 gallons (now, 100,000 gallons) of the second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. Requires wine-maker premises licensees and limited wine manufacturer licensees to secure liquor liability insurance. Provides that a direct wine shipper licensee may ship, for personal use and not for resale, not more than 12 cases of wine per year to any resident of this State who is 21 years of age or older, such sale to be considered a sale in this State. Requires that a shipping container used in such shipment be clearly labeled with specific language, the label being designed or approved by the State Commission. Prohibits the shipment of any alcoholic beverage to any person in Illinois not licensed as a distributor, importing distributor, foreign importer, manufacturer, or non-resident dealer or not shipped pursuant to the provisions of this Act. Makes other changes. Effective July 1, 2007.

LRB095 04964 KBJ 25030 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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, 5-1, 5-3, 6-4, 6-29, and 6-29.1 as
6 follows:

7 (235 ILCS 5/3-12) (from Ch. 43, par. 108)

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

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

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

1 regulation issued pursuant thereto and in effect for 30
2 days prior to such violation. Except in the case of an
3 action taken pursuant to a violation of Section 6-3, 6-5,
4 or 6-9, any action by the State Commission to suspend or
5 revoke a licensee's license may be limited to the license
6 for the specific premises where the violation occurred.

7 In lieu of suspending or revoking a license, the
8 commission may impose a fine, upon the State commission's
9 determination and notice after hearing, that a licensee has
10 violated any provision of this Act or any rule or
11 regulation issued pursuant thereto and in effect for 30
12 days prior to such violation. The fine imposed under this
13 paragraph may not exceed \$500 for each violation. Each day
14 that the activity, which gave rise to the original fine,
15 continues is a separate violation. The maximum fine that
16 may be levied against any licensee, for the period of the
17 license, shall not exceed \$20,000. The maximum penalty that
18 may be imposed on a licensee for selling a bottle of
19 alcoholic liquor with a foreign object in it or serving
20 from a bottle of alcoholic liquor with a foreign object in
21 it shall be the destruction of that bottle of alcoholic
22 liquor for the first 10 bottles so sold or served from by
23 the licensee. For the eleventh bottle of alcoholic liquor
24 and for each third bottle thereafter sold or served from by
25 the licensee with a foreign object in it, the maximum
26 penalty that may be imposed on the licensee is the

1 destruction of the bottle of alcoholic liquor and a fine of
2 up to \$50.

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

11 (3) To call upon other administrative departments of
12 the State, county and municipal governments, county and
13 city police departments and upon prosecuting officers for
14 such information and assistance as it deems necessary in
15 the performance of its duties.

16 (4) To recommend to local commissioners rules and
17 regulations, not inconsistent with the law, for the
18 distribution and sale of alcoholic liquors throughout the
19 State.

20 (5) To inspect, or cause to be inspected, any premises
21 in this State where alcoholic liquors are manufactured,
22 distributed, warehoused, or sold.

23 (5.1) Upon receipt of a complaint or upon having
24 knowledge that any person is engaged in business as a
25 manufacturer, importing distributor, distributor, or
26 retailer without a license or valid license, to notify the

1 local liquor authority, file a complaint with the State's
2 Attorney's Office of the county where the incident
3 occurred, or initiate an investigation with the
4 appropriate law enforcement officials.

5 (5.2) To issue a cease and desist notice to persons
6 shipping alcoholic liquor into this State from a point
7 outside of this State if the shipment is in violation of
8 this Act.

9 (5.3) To receive complaints from licensees, local
10 officials, law enforcement agencies, organizations, and
11 persons stating that any licensee has been or is violating
12 any provision of this Act or the rules and regulations
13 issued pursuant to this Act. Such complaints shall be in
14 writing, signed and sworn to by the person making the
15 complaint, and shall state with specificity the facts in
16 relation to the alleged violation. If the Commission has
17 reasonable grounds to believe that the complaint
18 substantially alleges a violation of this Act or rules and
19 regulations adopted pursuant to this Act, it shall conduct
20 an investigation. If, after conducting an investigation,
21 the Commission is satisfied that the alleged violation did
22 occur, it shall proceed with disciplinary action against
23 the licensee as provided in this Act.

24 (6) To hear and determine appeals from orders of a
25 local commission in accordance with the provisions of this
26 Act, as hereinafter set forth. Hearings under this

1 subsection shall be held in Springfield or Chicago, at
2 whichever location is the more convenient for the majority
3 of persons who are parties to the hearing.

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

1 form and manner of keeping accounts.

2 (8) In the conduct of any hearing authorized to be held
3 by the commission, to appoint, at the commission's
4 discretion, hearing officers to conduct hearings involving
5 complex issues or issues that will require a protracted
6 period of time to resolve, to examine, or cause to be
7 examined, under oath, any licensee, and to examine or cause
8 to be examined the books and records of such licensee; to
9 hear testimony and take proof material for its information
10 in the discharge of its duties hereunder; to administer or
11 cause to be administered oaths; for any such purpose to
12 issue subpoena or subpoenas to require the attendance of
13 witnesses and the production of books, which shall be
14 effective in any part of this State, and to adopt rules to
15 implement its powers under this paragraph (8).

16 Any Circuit Court may by order duly entered, require
17 the attendance of witnesses and the production of relevant
18 books subpoenaed by the State commission and the court may
19 compel obedience to its order by proceedings for contempt.

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

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

6 (11) To develop industry educational programs related
7 to responsible serving and selling, particularly in the
8 areas of overserving consumers and illegal underage
9 purchasing and consumption of alcoholic beverages.

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

19 (12) To develop and maintain a repository of license
20 and regulatory information.

21 (13) On or before January 15, 1994, the Commission
22 shall issue a written report to the Governor and General
23 Assembly that is to be based on a comprehensive study of
24 the impact on and implications for the State of Illinois of
25 Section 1926 of the Federal ADAMHA Reorganization Act of
26 1992 (Public Law 102-321). This study shall address the

1 extent to which Illinois currently complies with the
2 provisions of P.L. 102-321 and the rules promulgated
3 pursuant thereto.

4 As part of its report, the Commission shall provide the
5 following essential information:

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

8 (ii) the number of reported citations and
9 successful convictions, categorized by type and
10 location of retail distributor, for violation of the
11 Sale of Tobacco to Minors Act and the Smokeless Tobacco
12 Limitation Act;

13 (iii) the extent and nature of organized
14 educational and governmental activities that are
15 intended to promote, encourage or otherwise secure
16 compliance with any Illinois laws that prohibit the
17 sale or distribution of tobacco products to minors; and

18 (iv) the level of access and availability of
19 tobacco products to individuals under the age of 18.

20 To obtain the data necessary to comply with the
21 provisions of P.L. 102-321 and the requirements of this
22 report, the Commission shall conduct random, unannounced
23 inspections of a geographically and scientifically
24 representative sample of the State's retail tobacco
25 distributors.

26 The Commission shall consult with the Department of

1 Public Health, the Department of Human Services, the
2 Illinois State Police and any other executive branch
3 agency, and private organizations that may have
4 information relevant to this report.

5 The Commission may contract with the Food and Drug
6 Administration of the U.S. Department of Health and Human
7 Services to conduct unannounced investigations of Illinois
8 tobacco vendors to determine compliance with federal laws
9 relating to the illegal sale of cigarettes and smokeless
10 tobacco products to persons under the age of 18.

11 (14) On or before April 30, 2008 and every 2 years
12 thereafter, the State Commission shall present a written
13 report to the Governor and the General Assembly that shall
14 be based on a study of the impact of this amendatory Act of
15 the 95th General Assembly on the business of soliciting,
16 selling, and shipping wine from inside and outside of this
17 State directly to residents of this State. As part of its
18 report, the State Commission shall provide all of the
19 following information:

20 (A) The amount of State excise and sales tax
21 revenues generated.

22 (B) The amount of licensing fees received.

23 (C) The number of cases of wine shipped from inside
24 and outside of this State directly to residents of this
25 State.

26 (D) The number of alcohol compliance operations

1 conducted.

2 (E) The number of direct wine shipper's licenses
3 issued.

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

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

20 (16) The State Commission shall, in addition to
21 notifying any appropriate law enforcement agency, submit
22 notices of complaints or violations of Sections 6-29 and
23 6-29.1 by persons who do not hold a direct wine shipper's
24 license under this Act to the Illinois Attorney General and
25 to the U.S. Department of Treasury's Alcohol and Tobacco
26 Tax and Trade Bureau.

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

7 As part of its report, the Commission shall provide the
8 following information:

9 (i) the amount of State excise and sales tax revenues
10 generated as a result of this amendatory Act of 1998;

11 (ii) the amount of licensing fees received as a result
12 of this amendatory Act of 1998;

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

18 (Source: P.A. 92-378, eff. 8-16-01; 92-813, eff. 8-21-02;
19 93-1057, eff. 12-2-04.)

20 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

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

23 (a) Manufacturer's license - Class 1. Distiller, Class 2.
24 Rectifier, Class 3. Brewer, Class 4. First Class Wine
25 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.

1 First Class Winemaker, Class 7. Second Class Winemaker, Class

2 8. Limited Wine Manufacturer,

3 (b) Distributor's license,

4 (c) Importing Distributor's license,

5 (d) Retailer's license,

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

7 (f) Railroad license,

8 (g) Boat license,

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

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

11 (j) Airplane license,

12 (k) Foreign importer's license,

13 (l) Broker's license,

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

15 (n) Brew Pub license,

16 (o) Auction liquor license,

17 (p) Caterer retailer license,

18 (q) Special use permit license~~,-~~

19 (r) Direct wine shipper's license.

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

24 (a) A manufacturer's license shall allow the manufacture,
25 importation in bulk, storage, distribution and sale of
26 alcoholic liquor to persons without the State, as may be

1 permitted by law and to licensees in this State as follows:

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

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

10 Class 3. A Brewer may make sales and deliveries of beer to
11 importing distributors, distributors, and to non-licensees,
12 and to retailers provided the brewer obtains an importing
13 distributor's license or distributor's license in accordance
14 with the provisions of this Act.

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

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

23 Class 6. A first-class wine-maker's license shall allow the
24 manufacture of up to 50,000 gallons of wine per year, and the
25 storage and sale of such wine to distributors in the State and
26 to persons without the State, as may be permitted by law. ~~A~~

1 ~~first class wine maker's license shall allow the sale of no~~
2 ~~more than 5,000 gallons of the licensee's wine to retailers.~~
3 ~~The State Commission shall issue only one first class~~
4 ~~wine maker's license to any person, firm, partnership,~~
5 ~~corporation, or other legal business entity that is engaged in~~
6 ~~the making of less than 50,000 gallons of wine annually that~~
7 ~~applies for a first class wine maker's license. No subsidiary~~
8 ~~or affiliate thereof, nor any officer, associate, member,~~
9 ~~partner, representative, employee, agent, or shareholder may~~
10 ~~be issued an additional wine maker's license by the State~~
11 ~~Commission.~~

12 Class 7. A second-class wine-maker's license shall allow
13 the manufacture of between 50,000 and 150,000 ~~100,000~~ gallons
14 of wine per year, and the storage and sale of such wine to
15 distributors in this State and to persons without the State, as
16 may be permitted by law. ~~A second class wine maker's license~~
17 ~~shall allow the sale of no more than 10,000 gallons of the~~
18 ~~licensee's wine directly to retailers. The State Commission~~
19 ~~shall issue only one second class wine maker's license to any~~
20 ~~person, firm, partnership, corporation, or other legal~~
21 ~~business entity that is engaged in the making of less than~~
22 ~~100,000 gallons of wine annually that applies for a~~
23 ~~second class wine maker's license. No subsidiary or affiliate~~
24 ~~thereof, or any officer, associate, member, partner,~~
25 ~~representative, employee, agent, or shareholder may be issued~~
26 ~~an additional wine maker's license by the State Commission.~~

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

5 (a-1) A manufacturer which is licensed in this State to
6 make sales or deliveries of alcoholic liquor 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.

26 (b) A distributor's license shall allow the wholesale

1 purchase and storage of alcoholic liquors and sale of alcoholic
2 liquors to licensees in this State and to persons without the
3 State, as may be permitted by law.

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

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

1 manufacturer. For the purpose of further describing the type of
2 business conducted at a retail licensed premises, a retailer
3 ~~retailer's~~ licensee may be designated by the State Commission
4 as (i) an on premise consumption retailer, (ii) an off premise
5 sale retailer, or (iii) a combined on premise consumption and
6 off premise sale retailer.

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

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

1 Commission that the purchase of alcoholic liquors will be a
2 tax-exempt purchase, or (C) a statement that the applicant is
3 not registered under Section 2a of the Retailers' Occupation
4 Tax Act, does not hold a resale number under Section 2c of the
5 Retailers' Occupation Tax Act, and does not hold an exemption
6 number under Section 1g of the Retailers' Occupation Tax Act,
7 in which event the Commission shall set forth on the special
8 event retailer's license a statement to that effect; (ii)
9 submit with the application proof satisfactory to the State
10 Commission that the applicant will provide dram shop liability
11 insurance in the maximum limits; and (iii) show proof
12 satisfactory to the State Commission that the applicant has
13 obtained local authority approval.

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

1 of this Act as applied to importing distributors. A railroad
 2 license shall also permit the licensee to sell or dispense
 3 alcoholic liquors on any club, buffet, lounge or dining car
 4 operated on an electric, gas or steam railway regularly
 5 operated by a common carrier in this State, but shall not
 6 permit the sale for resale of any alcoholic liquors to any
 7 licensee within this State. A license shall be obtained for
 8 each car in which such sales are made.

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

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

- 25 Class 1, not to exceed 500 gallons
- 26 Class 2, not to exceed 1,000 gallons

- 1 Class 3, not to exceed 5,000 gallons
- 2 Class 4, not to exceed 10,000 gallons
- 3 Class 5, not to exceed 50,000 gallons

4 (i) A wine-maker's premises license shall allow a licensee
 5 that concurrently holds a first-class wine-maker's license to
 6 sell and offer for sale at retail in the premises specified in
 7 such license not more than 50,000 gallons of the first-class
 8 wine-maker's wine that is made at the first-class wine-maker's
 9 licensed premises per year for use or consumption, but not for
 10 resale in any form. A wine-maker's premises license shall allow
 11 a licensee who concurrently holds a second-class wine-maker's
 12 license to sell and offer for sale at retail in the premises
 13 specified in such license up to 150,000 ~~100,000~~ gallons of the
 14 second-class wine-maker's wine that is made at the second-class
 15 wine-maker's licensed premises per year for use or consumption
 16 but not for resale in any form. A wine-maker's premises license
 17 shall allow a licensee that concurrently holds a first-class
 18 wine-maker's license or a second-class wine-maker's license to
 19 sell and offer for sale at retail at the premises specified in
 20 the wine-maker's premises license, for use or consumption but
 21 not for resale in any form, any beer, wine, and spirits
 22 purchased from a licensed distributor. Upon approval from the
 23 State Commission, a wine-maker's premises license shall allow
 24 the licensee to sell and offer for sale at (i) the wine-maker's
 25 licensed premises and (ii) at up to 2 additional locations for
 26 use and consumption and not for resale. Each location shall

1 require additional licensing per location as specified in
2 Section 5-3 of this Act. A wine-maker's premises licensee shall
3 secure liquor liability insurance coverage in an amount at
4 least equal to the maximum liability amounts set forth in
5 subsection (a) of Section 6-21 of this Act.

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

26 (k) A foreign importer's license shall permit such licensee

1 to purchase alcoholic liquor from Illinois licensed
2 non-resident dealers only, and to import alcoholic liquor other
3 than in bulk from any point outside the United States and to
4 sell such alcoholic liquor to Illinois licensed importing
5 distributors and to no one else in Illinois; provided that the
6 foreign importer registers with the State Commission every
7 brand of alcoholic liquor that it proposes to sell to Illinois
8 licensees during the license period and provided further that
9 the foreign importer complies with all of the provisions of
10 Section 6-9 of this Act with respect to registration of such
11 Illinois licensees as may be granted the right to sell such
12 brands at wholesale.

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

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

1 holder of a valid broker's license.

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

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

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

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

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

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

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

24 (o) A caterer retailer license shall allow the holder to
25 serve alcoholic liquors as an incidental part of a food service
26 that serves prepared meals which excludes the serving of snacks

1 as the primary meal, either on or off-site whether licensed or
2 unlicensed.

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

11 (q) A special use permit license shall allow an Illinois
12 licensed retailer to transfer a portion of its alcoholic liquor
13 inventory from its retail licensed premises to the premises
14 specified in the license hereby created, and to sell or offer
15 for sale at retail, only in the premises specified in the
16 license hereby created, the transferred alcoholic liquor for
17 use or consumption, but not for resale in any form. A special
18 use permit license may be granted for the following time
19 periods: one day or less; 2 or more days to a maximum of 15 days
20 per location in any 12 month period. An applicant for the
21 special use permit license must also submit with the
22 application proof satisfactory to the State Commission that the
23 applicant will provide dram shop liability insurance to the
24 maximum limits and have local authority approval.

25 (r) A direct wine shipper's license shall allow a person
26 with a first-class or second-class wine manufacturer's

1 license, a first-class or second-class wine-maker's license,
2 or a limited wine manufacturer's license or who is licensed to
3 manufacture wine under the laws of another state to ship wine
4 manufactured by that licensee directly to a resident of this
5 State who is 21 years of age or older for that resident's
6 personal use and not for resale. Prior to receiving a direct
7 wine shipper's license, an applicant for the license must
8 provide the State Commission with a true copy of its current
9 license in any state in which it is licensed as a manufacturer
10 of wine. An applicant for a direct wine shipper's license must
11 also complete an application form that provides any other
12 information the State Commission deems necessary. The
13 application form shall include an acknowledgement consenting
14 to the jurisdiction of the State Commission, the Illinois
15 Department of Revenue, and the courts of this State concerning
16 the enforcement of this Act and any related laws, rules, and
17 regulations, including authorizing the Department of Revenue
18 and the State Commission to conduct audits for the purpose of
19 ensuring compliance with this Act.

20 A direct wine shipper licensee must pay to the Department
21 of Revenue the State liquor gallonage tax under Section 8-1 for
22 all wine that is sold by the licensee and shipped to a person
23 in this State. A licensee who is not otherwise required to
24 register under the Retailers' Occupation Tax Act must register
25 under the Use Tax Act to collect and remit use tax to the
26 Department of Revenue for all gallons of wine that are sold by

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

11 A direct wine shipper licensee must collect, maintain, and
12 submit to the State Commission on a semi-annual basis all of
13 the following information:

14 (1) The name and birth date of each Illinois purchaser.

15 (2) The full mailing address of each Illinois
16 purchaser, including the zip code.

17 (3) The name, total quantity, and total price of the
18 wine purchased.

19 (4) The date of purchase.

20 (5) The name and address of the transporter or common
21 carrier delivering the wine.

22 (6) The signature of the person filing the report.

23 (7) Any other information required by the State
24 Commission.

25 A direct wine shipper licensed under this subsection (r)
26 must comply with the requirements of Section 6-29 of this Act.

1 (Source: P.A. 92-105, eff. 1-1-02; 92-378, eff. 8-16-01;
 2 92-651, eff. 7-11-02; 92-672, eff. 7-16-02; 93-923, eff.
 3 8-12-04; 93-1057, eff. 12-2-04; revised 12-6-04.)

4 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

5 Sec. 5-3. License fees. Except as otherwise provided
 6 herein, at the time application is made to the State Commission
 7 for a license of any class, the applicant shall pay to the
 8 State Commission the fee hereinafter provided for the kind of
 9 license applied for.

10 The fee for licenses issued by the State Commission shall
 11 be as follows:

12 For a manufacturer's license:

13	Class 1. Distiller	\$3,600
14	Class 2. Rectifier	3,600
15	Class 3. Brewer	900
16	Class 4. First-class Wine Manufacturer	600
17	Class 5. Second-class	
18	Wine Manufacturer	1,200
19	Class 6. First-class wine-maker	600
20	Class 7. Second-class wine-maker	1200
21	Class 8. Limited Wine Manufacturer	120
22	For a Brew Pub License	1,050
23	For a caterer retailer's license	200
24	For a foreign importer's license	25
25	For an importing distributor's license	25

1	For a distributor's license	270
2	For a non-resident dealer's license	
3	(500,000 gallons or over)	270
4	For a non-resident dealer's license	
5	(under 500,000 gallons)	90
6	For a wine-maker's premises license	100
7	<u>For a direct wine shipper's license</u>	
8	<u>(under 250,000 gallons)</u>	<u>150</u>
9	<u>For a direct wine shipper's license</u>	
10	<u>(250,000 or over, but under 500,000 gallons)</u>	<u>500</u>
11	<u>For a direct wine shipper's license</u>	
12	<u>(500,000 gallons or over)</u>	<u>1,000</u>
13	For a wine-maker's premises license,	
14	second location	350
15	For a wine-maker's premises license,	
16	third location	350
17	For a retailer's license	500
18	For a special event retailer's license,	
19	(not-for-profit)	25
20	For a special use permit license,	
21	one day only	50
22	2 days or more	100
23	For a railroad license	60
24	For a boat license	180
25	For an airplane license, times the	
26	licensee's maximum number of aircraft	

1 in flight, serving liquor over the

2 State at any given time, which either

3 originate, terminate, or make

4 an intermediate stop in the State 60

5 For a non-beverage user's license:

6 Class 1 24

7 Class 2 60

8 Class 3 120

9 Class 4 240

10 Class 5 600

11 For a broker's license 600

12 For an auction liquor license 50

13 Fees collected under this Section shall be paid into the

14 Dram Shop Fund. On and after July 1, 2003, of the funds

15 received for a retailer's license, in addition to the first

16 \$175, an additional \$75 shall be paid into the Dram Shop Fund,

17 and \$250 shall be paid into the General Revenue Fund. Beginning

18 June 30, 1990 and on June 30 of each subsequent year through

19 June 29, 2003, any balance over \$5,000,000 remaining in the

20 Dram Shop Fund shall be credited to State liquor licensees and

21 applied against their fees for State liquor licenses for the

22 following year. The amount credited to each licensee shall be a

23 proportion of the balance in the Dram Fund that is the same as

24 the proportion of the license fee paid by the licensee under

25 this Section for the period in which the balance was

26 accumulated to the aggregate fees paid by all licensees during

1 that period.

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

4 (a) Hospitals, sanitariums, or clinics when their use
5 of alcoholic liquor is exclusively medicinal, mechanical
6 or scientific.

7 (b) Universities, colleges of learning or schools when
8 their use of alcoholic liquor is exclusively medicinal,
9 mechanical or scientific.

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

12 (Source: P.A. 92-378, eff. 8-16-01; 93-22, eff. 6-20-03.)

13 (235 ILCS 5/6-4) (from Ch. 43, par. 121)

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

1 manufacturer's license; and no person or persons licensed as a
2 distiller by any licensing authority shall have any interest,
3 directly or indirectly, with such distributor or importing
4 distributor.

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

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

22 (c) Provided, however, that in such instances where a
23 distributor's or importing distributor's license has been
24 issued to any distiller or wine manufacturer or to any
25 subsidiary or affiliate of any distiller or wine manufacturer
26 who has, during the licensing period ending June 30, 1947, sold

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

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

1 (e) Any person having been licensed as a manufacturer shall
2 be permitted to receive one retailer's license for the premises
3 in which he actually conducts such business, permitting the
4 sale of beer only on such premises, but no such person shall be
5 entitled to more than one retailer's license in any event, and,
6 other than a manufacturer of beer as stated above, no
7 manufacturer or distributor or importing distributor,
8 excluding airplane licensees exercising powers provided in
9 paragraph (i) of Section 5-1 of this Act, or any subsidiary or
10 affiliate thereof, or any officer, associate, member, partner,
11 representative, employee or agent, or shareholder shall be
12 issued a retailer's license, nor shall any person having a
13 retailer's license, excluding airplane licensees exercising
14 powers provided in paragraph (i) of Section 5-1 of this Act, or
15 any subsidiary or affiliate thereof, or any officer, associate,
16 member, partner, representative or agent, or shareholder be
17 issued a manufacturer's license, importing distributor's
18 license.

19 (f) However, the foregoing prohibitions against any person
20 licensed as a distiller or wine manufacturer being issued a
21 retailer's license shall not apply:

22 (i) to any hotel, motel or restaurant whose principal
23 business is not the sale of alcoholic liquors if said
24 retailer's sales of any alcoholic liquors manufactured, sold,
25 distributed or controlled, directly or indirectly, by any
26 affiliate, subsidiary, officer, associate, member, partner,

1 representative, employee, agent or shareholder owning more
2 than 5% of the outstanding shares of such person does not
3 exceed 10% of the total alcoholic liquor sales of said retail
4 licensee; and

5 (ii) where the Commission determines, having considered
6 the public welfare, the economic impact upon the State and the
7 entirety of the facts and circumstances involved, that the
8 purpose and intent of this Section would not be violated by
9 granting an exemption.

10 (g) Notwithstanding any of the foregoing prohibitions, a
11 limited wine manufacturer may sell at retail at its
12 manufacturing site for on or off premises consumption and may
13 sell to distributors. A limited wine manufacturer licensee
14 shall secure liquor liability insurance coverage in an amount
15 at least equal to the maximum liability amounts set forth in
16 subsection (a) of Section 6-21 of this Act.

17 (Source: P.A. 86-858.)

18 (235 ILCS 5/6-29) (from Ch. 43, par. 144e)

19 Sec. 6-29. Direct ~~Interstate reciprocal~~ wine shipments.

20 (a) The General Assembly declares that the following is the
21 intent of this Section:

22 (1) To authorize direct shipment of wine by an
23 out-of-state wine-maker on the same basis permitted an
24 in-state wine-maker pursuant to the authority of the State
25 under the provisions of Section 2 of the Twenty-First

1 Amendment to the United States Constitution and in
2 conformance with the United States Supreme Court decision
3 decided May 16, 2005 in *Granholm v. Heald*.

4 (2) To reaffirm that the General Assembly's findings
5 and declarations that selling alcoholic liquor through
6 various direct marketing means such as catalogs,
7 newspapers, mailings, and the Internet directly to
8 consumers of this State poses a serious threat to the
9 State's efforts to further temperance and prevent youth
10 from accessing alcoholic liquor and the expansion of youth
11 access to additional types of alcoholic liquors.

12 (3) To maintain the State's broad powers granted by
13 Section 2 of the Twenty-First Amendment to the United
14 States Constitution to control the importation or sale of
15 alcoholic liquor and its right to structure its alcoholic
16 liquor distribution system.

17 (4) To ensure that the General Assembly, by authorizing
18 limited direct shipment of wine to meet the directives of
19 the United States Supreme Court, does not intend to impair
20 or modify the State's distribution of wine through
21 distributors or importing distributors, but only to permit
22 limited shipment of wine for personal use.

23 (5) To provide that, in the event that a court of
24 competent jurisdiction declares or finds that this
25 Section, which is enacted to conform Illinois law to the
26 United States Supreme Court decision, is invalid or

1 unconstitutional, the Illinois General Assembly at its
2 earliest general session shall conduct hearings, study
3 methods, and pass legislation conforming to any directive
4 or order of the court consistent with the temperance and
5 revenue collection purposes of the Liquor Control Act of
6 1934.

7 (b) Notwithstanding any other provision of law, a direct
8 wine shipper licensee may ship, for personal use and not for
9 resale, not more than 12 cases of wine per year to any resident
10 of this State who is 21 years of age or older.

11 (b-3) Notwithstanding any other provision of law, sale and
12 shipment by a direct wine shipper licensee pursuant to this
13 Section shall be deemed to constitute a sale in this State.

14 (b-5) The shipping container of any wine shipped under this
15 Section shall be clearly labeled with the following words:
16 "CONTAINS ALCOHOL. SIGNATURE OF A PERSON 21 YEARS OF AGE OR
17 OLDER REQUIRED FOR DELIVERY. PROOF OF AGE AND IDENTITY MUST BE
18 SHOWN BEFORE DELIVERY." This warning must be prominently
19 displayed on the packaging. A licensee shall require the
20 transporter or common carrier that delivers the wine to obtain
21 the signature of a person 21 years of age or older at the
22 delivery address at the time of delivery. At the expense of the
23 licensee, the licensee shall receive a delivery confirmation
24 from the express company, common carrier, or contract carrier
25 indicating the location of the delivery, time of delivery, and
26 the name and signature of the individual 21 years of age or

1 older who accepts delivery. The State Commission shall design
2 and create a label or approve a label that must be affixed to
3 the shipping container by the licensee. ~~Notwithstanding any~~
4 ~~other provision of law, an adult resident or holder of an~~
5 ~~alcoholic beverage license in a state which affords Illinois~~
6 ~~licensees or adult residents an equal reciprocal shipping~~
7 ~~privilege may ship, for personal use and not for resale, not~~
8 ~~more than 2 cases of wine (each case containing not more than 9~~
9 ~~liters) per year to any adult resident of this State. Delivery~~
10 ~~of a shipment pursuant to this Section shall not be deemed to~~
11 ~~constitute a sale in this State.~~

12 ~~(b) The shipping container of any wine sent into or out of~~
13 ~~this State under this Section shall be clearly labeled to~~
14 ~~indicate that the package cannot be delivered to a person under~~
15 ~~the age of 21 years.~~

16 (c) No broker within this State shall solicit consumers to
17 engage in direct ~~interstate reciprocal~~ wine shipments under
18 this Section. ~~No shipper located outside this State may~~
19 ~~advertise such interstate reciprocal wine shipments in this~~
20 ~~State.~~

21 (d) It is not the intent of this Section to impair the
22 distribution of wine through distributors or importing
23 distributors, but only to permit shipments of wine for personal
24 use.

25 (Source: P.A. 86-1483.)

1 (235 ILCS 5/6-29.1)

2 Sec. 6-29.1. Direct shipments of alcoholic liquor.

3 (a) The General Assembly makes the following findings:

4 (1) The General Assembly of Illinois, having reviewed
5 the Liquor Control Act of 1934 in light of the United
6 States Supreme Court's 2005 decision in *Granholm v. Heald*,
7 has determined to conform that law to the constitutional
8 principles enunciated by the Court in a manner that best
9 preserves the temperance, revenue, and orderly
10 distribution values of the Act.

11 (2) Minimizing automobile accidents and fatalities,
12 domestic violence, health problems, loss of productivity,
13 unemployment, and other social problems associated with
14 dependency and improvident use of alcoholic beverages
15 remains the policy of Illinois.

16 (3) To the maximum extent constitutionally feasible,
17 Illinois desires to collect sufficient revenue from excise
18 and use taxes on alcoholic beverages for the purpose of
19 responding to such social problems.

20 (4) Combined with family education and individual
21 discipline, retail validation of age and assessment of the
22 capacity of the consumer remains the best pre-sale social
23 protection against the problems associated with the abuse
24 of alcoholic liquor.

25 (5) Therefore, the paramount purpose of this Act is to
26 continue to carefully limit direct shipment sales of wine

1 and to continue to prohibit such direct shipment sales for
2 spirits and beer.

3 For these reasons, the shipment of any alcoholic beverage
4 to any person in Illinois not licensed as a distributor,
5 importing distributor, foreign importer, manufacturer, or
6 non-resident dealer or not shipped pursuant to the provisions
7 of this Act is prohibited. The State Commission shall establish
8 a system to notify the out-of-state trade of this prohibition
9 and to detect violations. The State Commission shall request
10 the Attorney General to extradite any offender.

11 (b) Pursuant to the Twenty-First Amendment of the United
12 States Constitution allowing states to regulate the
13 distribution and sale of alcoholic liquor and pursuant to the
14 federal Webb-Kenyon Act declaring that alcoholic liquor
15 shipped in interstate commerce must comply with state laws, the
16 General Assembly hereby finds and declares that selling
17 alcoholic liquor from a point outside this State through
18 various direct marketing means, such as catalogs, newspapers,
19 mailers, and the Internet, directly to residents of this State
20 poses a serious threat to the State's efforts to prevent youths
21 from accessing alcoholic liquor; to State revenue collections;
22 and to the economy of this State.

23 Any person manufacturing, distributing, or selling
24 alcoholic liquor who knowingly ships or transports or causes
25 the shipping or transportation of any alcoholic liquor from a
26 point outside this State to a person in this State who does not

1 hold a manufacturer's, distributor's, importing distributor's,
2 foreign importer's, direct wine shipper's, or non-resident
3 dealer's license issued by the Liquor Control Commission, other
4 than a shipment of sacramental wine to a bona fide religious
5 organization, a shipment authorized by Section 6-29, or any
6 other shipment authorized by this Act, is in violation of this
7 Act.

8 The Commission, upon determining, after investigation,
9 that a person has violated this Section, shall give notice to
10 the person by certified mail to cease and desist all shipments
11 of alcoholic liquor into this State and to withdraw from this
12 State within 5 working days after receipt of the notice all
13 shipments of alcoholic liquor then in transit.

14 Whenever the Commission has reason to believe that a person
15 has failed to comply with the Commission notice under this
16 Section, it shall notify the Department of Revenue and file a
17 complaint with the ~~State's Attorney of the county where the~~
18 ~~alcoholic liquor was delivered or with~~ appropriate law
19 enforcement officials.

20 Failure to comply with the notice issued by the Commission
21 under this Section constitutes a business offense for which the
22 person shall be fined not more than \$1,000 for a first offense,
23 not more than \$5,000 for a second offense, and not more than
24 \$10,000 for a third or subsequent offense. Each shipment of
25 alcoholic liquor delivered in violation of the cease and desist
26 notice shall constitute a separate offense.

1 (Source: P.A. 90-739, eff. 8-13-98.)

2 Section 90. Severability. The provisions of this Act are
3 severable under Section 1.31 of the Statute on Statutes.

4 Section 99. Effective date. This Act takes effect July 1,
5 2007.

1

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2

Statutes amended in order of appearance

3

235 ILCS 5/3-12

from Ch. 43, par. 108

4

235 ILCS 5/5-1

from Ch. 43, par. 115

5

235 ILCS 5/5-3

from Ch. 43, par. 118

6

235 ILCS 5/6-4

from Ch. 43, par. 121

7

235 ILCS 5/6-29

from Ch. 43, par. 144e

8

235 ILCS 5/6-29.1