

# SB1782



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB1782

Introduced 2/9/2011, by Sen. Antonio Muñoz

#### SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-4

from Ch. 43, par. 121

Amends the Liquor Control Act of 1934. Specifies that any person having been licensed as a manufacturer shall be permitted to receive one retailer's license for the premises in which he or she actually conducts such business, permitting only the retail sale of beer manufactured at such premises and only on such premises. Effective immediately.

LRB097 06715 ASK 46802 b

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 Section 6-4 as follows:

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

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

23 However, an importing distributor or distributor, which on

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

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

17 (c) Provided, however, that in such instances where a  
18 distributor's or importing distributor's license has been  
19 issued to any distiller or wine manufacturer or to any  
20 subsidiary or affiliate of any distiller or wine manufacturer  
21 who has, during the licensing period ending June 30, 1947, sold  
22 or distributed as such licensed distributor or importing  
23 distributor alcoholic liquors and wines to retailers, such  
24 distiller or wine manufacturer or any subsidiary or affiliate  
25 of any distiller or wine manufacturer holding such  
26 distributor's or importing distributor's license may continue

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

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

22 (e) Any person having been licensed as a manufacturer shall  
23 be permitted to receive one retailer's license for the premises  
24 in which he or she actually conducts such business, permitting  
25 only the retail sale of beer manufactured at such premises and  
26 only on such premises, but no such person shall be entitled to

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

15 A person licensed as a craft distiller not affiliated with  
16 any other person manufacturing spirits may be permitted to  
17 receive one retailer's license for the premises in which he or  
18 she actually conducts business permitting only the retail sale  
19 of spirits manufactured at such premises. Such sales shall be  
20 limited to on-premises, in-person sales only, for lawful  
21 consumption on or off premises. A craft distiller licensed for  
22 retail sale shall secure liquor liability insurance coverage in  
23 an amount at least equal to the maximum liability amounts set  
24 forth in subsection (a) of Section 6-21 of this Act.

25 (f) However, the foregoing prohibitions against any person  
26 licensed as a distiller or wine manufacturer being issued a

1 retailer's license shall not apply:

2 (i) to any hotel, motel or restaurant whose principal  
3 business is not the sale of alcoholic liquors if said  
4 retailer's sales of any alcoholic liquors manufactured,  
5 sold, distributed or controlled, directly or indirectly,  
6 by any affiliate, subsidiary, officer, associate, member,  
7 partner, representative, employee, agent or shareholder  
8 owning more than 5% of the outstanding shares of such  
9 person does not exceed 10% of the total alcoholic liquor  
10 sales of said retail licensee; and

11 (ii) where the Commission determines, having  
12 considered the public welfare, the economic impact upon the  
13 State and the entirety of the facts and circumstances  
14 involved, that the purpose and intent of this Section would  
15 not be violated by granting an exemption.

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

23 (Source: P.A. 95-634, eff. 6-1-08; 96-1367, eff. 7-28-10.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.