

AN ACT concerning liquor.

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

Section 5. The Executive Reorganization Implementation Act is amended by changing Section 3.1 as follows:

(15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

Sec. 3.1. "Agency directly responsible to the Governor" or "agency" means any office, officer, division, or part thereof, and any other office, nonelective officer, department, division, bureau, board, or commission in the executive branch of State government, except that it does not apply to any agency whose primary function is service to the General Assembly or the Judicial Branch of State government, or to any agency administered by the Attorney General, Secretary of State, State Comptroller or State Treasurer. In addition the term does not apply to the following agencies created by law with the primary responsibility of exercising regulatory or adjudicatory functions independently of the Governor:

- (1) the State Board of Elections;
- (2) the State Board of Education;
- (3) the Illinois Commerce Commission;
- (4) the Illinois Workers' Compensation Commission;
- (5) the Civil Service Commission;

- (6) the Fair Employment Practices Commission;
- (7) the Pollution Control Board;
- (8) the Department of State Police Merit Board;
- (9) the Illinois Racing Board;
- (10) the Illinois Power Agency;
- (11) the Illinois Liquor Control Commission.

(Source: P.A. 96-796, eff. 10-29-09; 97-618, eff. 10-26-11.)

Section 10. The Liquor Control Act of 1934 is amended by changing Sections 3-1, 3-2, 3-5, 3-6, 3-7, 3-10, 3-12, 5-1, and 8-5 and by adding Section 3-20 as follows:

(235 ILCS 5/3-1) (from Ch. 43, par. 97)

Sec. 3-1. There is hereby created an Illinois Liquor Control Commission consisting of 7 members to be appointed by the Governor with the advice and consent of the Senate, no more than 4 of whom shall be members of the same political party. The Executive Director of the Illinois Liquor Control Commission shall be appointed by the Governor with the advice and consent of the Senate.

(Source: P.A. 91-798, eff. 7-9-00.)

(235 ILCS 5/3-2) (from Ch. 43, par. 98)

Sec. 3-2. Immediately, or soon as may be after the effective date of this Act, the Governor shall appoint 3 members of the commission, one of whom shall be designated as

"Chairman", one to hold office for a period of 2 years, one to hold office for a period of 4 years and one to hold office for a period of 6 years. Immediately, or as soon as may be after the effective date of this amendatory Act of 1983, the Governor shall appoint 2 members to the commission to the offices created by this amendatory Act of 1983, one for an initial term expiring the third Monday in January of 1986 and one for an initial term expiring the third Monday in January of 1988. At the expiration of the term of any such commissioner the Governor shall reappoint said commissioner or appoint a successor of said commissioner for a period of 6 years. The Governor shall have power to fill vacancies in the office of any commissioner.

Notwithstanding any provision of this Section to the contrary, the term of office of each member of the commission is abolished on the effective date of this amendatory Act of 1985, but the incumbent members shall continue to exercise all of the powers and be subject to all of the duties of members of the commission until their respective successors are appointed and qualified. The Governor shall appoint 2 members of the commission whose terms of office shall expire on February 1, 1986, 2 members of the commission whose terms of office shall expire on February 1, 1988, and one member of the commission whose term shall expire on February 1, 1990. Their respective successors shall be appointed for terms of 6 years from the first day of February of the year of appointment. Each member

shall serve until his successor is appointed and qualified.

The initial term of both of the 2 additional members appointed pursuant to this amendatory Act of the 91st General Assembly shall expire on February 1, 2006. Their respective successors shall be appointed for terms of 6 years from the first day of February of the year of appointment. Each member shall serve until his or her successor is appointed and qualified.

Notwithstanding any action taken to fill the office on an acting, temporary, or other basis, the office of Executive Director of the Commission shall be vacant on January 1, 2019. On and after January 1, 2019, the Governor shall appoint the Executive Director of the Commission for a 4-year term, with the advice and consent of the Senate.

(Source: P.A. 91-798, eff. 7-9-00.)

(235 ILCS 5/3-5) (from Ch. 43, par. 101)

Sec. 3-5. Each commissioner, the secretary, the Executive Director, and each person appointed by the commission shall, before entering upon the duties of his or her office, take and subscribe to the constitutional oath of office. The secretary, the Executive Director, and each inspector, clerk, and other employee shall devote his or her entire time to the duties of his or her office.

(Source: P.A. 82-783.)

(235 ILCS 5/3-6) (from Ch. 43, par. 102)

Sec. 3-6. No person shall be appointed a commissioner, secretary, Executive Director, or inspector for the commission who is not a citizen of the United States. No commissioner, secretary, Executive Director, inspector, or other employee shall be appointed who has been convicted of any violation of any Federal or State law concerning the manufacture or sale of alcoholic liquor prior or subsequent to the passage of this Act or who has paid a fine or penalty in settlement of any prosecution against him or her for any violation of such laws or shall have forfeited his or her bond to appear in court to answer charges for any such violation, nor shall any person be appointed who has been convicted of a felony. No commissioner, Executive Director, inspector, or other employee, may, directly or indirectly, individually or as a member of a partnership, or as a shareholder of a corporation, have any interest whatsoever in the manufacture, sale or distribution of alcoholic liquor, nor receive any compensation or profit therefrom, nor have any interest whatsoever in the purchases or sales made by the persons authorized by this Act, or to purchase or to sell alcoholic liquor. No provision of this section shall prevent any such commissioner, secretary, Executive Director, inspector, or other employee from purchasing and keeping in his or her possession for the use of himself or herself or members of his or her family or guests any alcoholic liquor which may be purchased or kept by any

person by virtue of this Act.

(Source: P.A. 83-1254.)

(235 ILCS 5/3-7) (from Ch. 43, par. 103)

Sec. 3-7. No commissioner, secretary, Executive Director, or person appointed or employed by the commission, shall solicit or accept any gift, gratuity, emolument or employment from any person subject to the provisions of this Act, or from any officer, agent or employee thereof, nor solicit, request from or recommend, directly or indirectly, to any such person or to any officer, agent or employee thereof, the appointment of any person to any place or position, and every such person, and every officer, agent or employee thereof, is hereby forbidden to offer to any commissioner, secretary, Executive Director, or to any person appointed or employed by the commission, any gift, gratuity, emolument or employment. If any commissioner, secretary, Executive Director, or any person appointed or employed by the commission, shall violate any of the provisions of this Section, he or she shall be removed from the office or employment held by him or her. Every person violating the provisions of this Section shall be guilty of a Class A misdemeanor.

(Source: P.A. 82-783.)

(235 ILCS 5/3-10) (from Ch. 43, par. 106)

Sec. 3-10. The commissioners, the secretary, the Executive

Director, and all clerks, inspectors, and other employees shall be reimbursed for all actual and necessary traveling and other expenses and disbursements incurred or made by them in the discharge of their official duties. The commission may also incur necessary expenses for office furniture and other incidental expenses.

(Source: P.A. 82-783.)

(235 ILCS 5/3-12)

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

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

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

days prior to such violation. Except in the case of an action taken pursuant to a violation of Section 6-3, 6-5, or 6-9, any action by the State Commission to suspend or revoke a licensee's license may be limited to the license for the specific premises where the violation occurred. An action for a violation of this Act shall be commenced by the State Commission within 2 years after the date the State Commission becomes aware of the violation.

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

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

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



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

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

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

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

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

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

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

(5.1) Upon receipt of a complaint or upon having knowledge that any person is engaged in business as a manufacturer, importing distributor, distributor, or retailer without a license or valid license, to notify the local liquor authority, file a complaint with the State's Attorney's Office of the county where the incident occurred, or initiate an investigation with the

appropriate law enforcement officials.

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

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

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

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

(8) In the conduct of any hearing authorized to be held by the commission, to appoint, at the commission's

discretion, hearing officers to conduct hearings involving complex issues or issues that will require a protracted period of time to resolve, to examine, or cause to be examined, under oath, any licensee, and to examine or cause to be examined the books and records of such licensee; to hear testimony and take proof material for its information in the discharge of its duties hereunder; to administer or cause to be administered oaths; for any such purpose to issue subpoena or subpoenas to require the attendance of witnesses and the production of books, which shall be effective in any part of this State, and to adopt rules to implement its powers under this paragraph (8).

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

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

(10) To adopt such rules and regulations consistent with the provisions of this Act which shall be necessary for the control, sale or disposition of alcoholic liquor

damaged as a result of an accident, wreck, flood, fire or other similar occurrence.

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

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

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

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

pursuant thereto.

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

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

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

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

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

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

The Commission shall consult with the Department of Public Health, the Department of Human Services, the

Illinois State Police and any other executive branch agency, and private organizations that may have information relevant to this report.

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

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

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

(B) The amount of licensing fees received.

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

(D) The number of alcohol compliance operations conducted.

(E) The number of winery shipper's licenses



issued.

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

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

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

(17) (A) A person licensed to make wine under the laws of another state who has a winery shipper's license under

this Act and annually produces less than 25,000 gallons of wine or a person who has a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license under this Act and annually produces less than 25,000 gallons of wine may make application to the Commission for a self-distribution exemption to allow the sale of not more than 5,000 gallons of the exemption holder's wine to retail licensees per year.

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

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

licensees.

(D) A self-distribution exemption holder shall annually certify to the Commission its production of wine in the previous 12 months and its anticipated production and sales for the next 12 months. The Commission may fine, suspend, or revoke a self-distribution exemption after a hearing if it finds that the exemption holder has made a material misrepresentation in its application, violated a revenue or liquor law of Illinois, exceeded production of 25,000 gallons of wine in any calendar year, or become part of an affiliated group producing more than 25,000 gallons of wine or any other alcoholic liquor.

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

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

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

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

(18)(A) A class 1 brewer licensee, who must also be either a licensed brewer or licensed non-resident dealer and annually manufacture less than 930,000 gallons of beer, may make application to the State Commission for a self-distribution exemption to allow the sale of not more than 232,500 gallons of the exemption holder's beer to retail licensees per year.

(B) In the application, which shall be sworn under penalty of perjury, the class 1 brewer licensee shall state (1) the date it was established; (2) its volume of beer manufactured and sold for each year since its establishment; (3) its efforts to establish distributor relationships; (4) that a self-distribution exemption is necessary to facilitate the marketing of its beer; and (5)

that it will comply with the alcoholic beverage and revenue laws of the United States, this State, and any other state where it is licensed.

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

(D) A self-distribution exemption holder shall annually certify to the State Commission its manufacture of beer during the previous 12 months and its anticipated manufacture and sales of beer for the next 12 months. The State Commission may fine, suspend, or revoke a self-distribution exemption after a hearing if it finds that the exemption holder has made a material misrepresentation in its application, violated a revenue or alcoholic beverage law of Illinois, exceeded the

manufacture of 930,000 gallons of beer in any calendar year or became part of an affiliated group manufacturing more than 930,000 gallons of beer or any other alcoholic beverage.

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

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

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

(b) On or before April 30, 1999, the Commission shall

present a written report to the Governor and the General Assembly that shall be based on a study of the impact of Public Act 90-739 on the business of soliciting, selling, and shipping alcoholic liquor from outside of this State directly to residents of this State.

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

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

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

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

(Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15; 100-134, eff. 8-18-17; 100-201, eff. 8-18-17.)

(235 ILCS 5/3-20 new)

Sec. 3-20. State Commission; separation from the Department of Revenue.

(a) Executive Order No. 2003-9 is hereby superseded by this amendatory Act of the 100th General Assembly to the extent that Executive Order No. 2003-9 transferred clerks, management and staff support, employees, and other resources from the State

Commission to the Department of Revenue.

(b) To the extent that Executive Order No. 2003-9 transferred personnel and the Executive Director to the Department of Revenue from the State Commission, those personnel and the Executive Director shall be transferred to the State Commission. The status and rights of such employees under the Personnel Code shall not be affected by the transfer. The status and rights of the employees and the State of Illinois and its agencies under the Personnel Code, the Illinois Public Labor Relations Act, and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by this amendatory Act of the 100th General Assembly. To the extent that an employee performs duties for the State Commission and the Department of Revenue itself or any other division or agency within the Department of Revenue, that employee shall be transferred at the Governor's discretion.

(c) All books, records, papers, documents, property (real and personal), contracts, causes of action, and pending business pertaining to the powers, duties, rights, and responsibilities transferred by this amendatory Act of the 100th General Assembly from the Department of Revenue to the State Commission, including, but not limited to, material in electronic or magnetic format and necessary computer hardware and software, shall be transferred to the State Commission.

(d) All unexpended appropriations and balances and other



funds available for use by the Department of Revenue to operate the State Commission shall be transferred for use by the State Commission. Unexpended balances so transferred shall be expended only for the purpose for which the appropriations were originally made.

(e) The powers, duties, rights, and responsibilities transferred from the Department of Revenue by this amendatory Act of the 100th General Assembly shall be vested in and shall be exercised by the State Commission.

(f) Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person to or upon the Department of Revenue in connection with any of the powers, duties, rights, and responsibilities transferred by this amendatory Act of the 100th General Assembly, the same shall be made, given, furnished, or served in the same manner to or upon the State Commission.

(g) Any rules of the Department of Revenue that relate to the functions transferred from the State Commission to the Department of Revenue by Executive Order No. 2003-9 that are in full force on the effective date of this amendatory Act of the 100th General Assembly shall become the rules of the State Commission. This amendatory Act of the 100th General Assembly does not affect the legality of any such rules in the Illinois Administrative Code.

Any proposed rules filed with the Secretary of State by the Department of Revenue that are pending in the rulemaking

process on the effective date of this amendatory Act of the 100th General Assembly and pertain to the functions transferred from the State Commission to the Department of Revenue by Executive Order No. 2003-9 shall be deemed to have been filed by the State Commission. As soon as practicable hereafter, the State Commission shall revise and clarify the rules transferred to it under this amendatory Act of the 100th General Assembly to reflect the reorganization of powers, duties, rights, and responsibilities affected by this amendatory Act of the 100th General Assembly, using the procedures for recodification of rules available under the Illinois Administrative Procedure Act, except that existing title, part, and section numbering for the affected rules may be retained.

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

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

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

(b) Distributor's license,

(c) Importing Distributor's license,

(d) Retailer's license,

- (e) Special Event Retailer's license (not-for-profit),
- (f) Railroad license,
- (g) Boat license,
- (h) Non-Beverage User's license,
- (i) Wine-maker's premises license,
- (j) Airplane license,
- (k) Foreign importer's license,
- (l) Broker's license,
- (m) Non-resident dealer's license,
- (n) Brew Pub license,
- (o) Auction liquor license,
- (p) Caterer retailer license,
- (q) Special use permit license,
- (r) Winery shipper's license,
- (s) Craft distiller tasting permit.

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

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

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

other licensees.

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

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

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

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

Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the storage and sale of such wine to distributors in the State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a first-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

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

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

Class 9. A craft distiller license shall allow the manufacture of up to 100,000 gallons of spirits by distillation per year and the storage of such spirits. If a craft distiller licensee, including a craft distiller licensee who holds more than one craft distiller license, is not affiliated with any other manufacturer of spirits, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 gallons of such spirits to non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act. A craft distiller license holder may store such spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder

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

A craft distiller licensee may hold more than one craft distiller's license. However, a craft distiller that holds more than one craft distiller license shall not manufacture, in the aggregate, more than 100,000 gallons of spirits by distillation per year and shall not sell, in the aggregate, more than 2,500 gallons of such spirits to non-licensees in accordance with an exemption approved by the State Commission pursuant to Section 6-4 of this Act.

Any craft distiller licensed under this Act who on July 28, 2010 (the effective date of Public Act 96-1367) was licensed as a distiller and manufactured no more spirits than permitted by this Section shall not be required to pay the initial licensing fee.

Class 10. A class 1 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 930,000 gallons of beer per year provided that the class 1 brewer licensee does not manufacture more than a combined 930,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 930,000 gallons of beer per year or any other alcoholic liquor. A class 1 brewer licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (18) of

subsection (a) of Section 3-12 of this Act.

Class 11. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 3,720,000 gallons of beer per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor. A class 2 brewer licensee may make sales and deliveries to importing distributors and distributors, but shall not make sales or deliveries to any other licensee. If the State Commission provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that class 2 brewer licensee to the premises of a licensed class 2 brewer wholly owned and operated by the same licensee.

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

Registration of agents, representatives, or persons acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the

Commission and shall include the name and address of the applicant, the name and address of the manufacturer he or she represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material fact under oath in an application is guilty of a Class B misdemeanor. Fraud, misrepresentation, false statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are grounds for suspension or revocation of the registration. The State Commission shall post a list of registered agents on the Commission's website.

(b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law. No person licensed as a distributor shall be granted a non-resident dealer's license.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point



in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers and foreign importers only. No person licensed as an importing distributor shall be granted a non-resident dealer's license.

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

retailer, or (iii) a combined on premise consumption and off premise sale retailer.

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

(e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation Tax Act, does not hold a resale number under Section 2c of the

Retailers' Occupation Tax Act, and does not hold an exemption number under Section 1g of the Retailers' Occupation Tax Act, in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

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

operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

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

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

- Class 1, not to exceed ..... 500 gallons
- Class 2, not to exceed ..... 1,000 gallons
- Class 3, not to exceed ..... 5,000 gallons
- Class 4, not to exceed ..... 10,000 gallons
- Class 5, not to exceed ..... 50,000 gallons

(i) A wine-maker's premises license shall allow a licensee

that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. 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 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. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form, any beer, wine, and spirits purchased from a licensed distributor. Upon approval from the State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Each location shall require additional licensing per location as specified in Section 5-3 of this Act. A wine-maker's premises licensee shall secure liquor liability insurance coverage in an amount at least equal to the maximum liability amounts set forth in

subsection (a) of Section 6-21 of this Act.

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

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

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

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

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

The broker shall, upon the acceptance by a retailer of the

broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.

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

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

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

Any agent, representative, or person subject to registration pursuant to subsection (a-1) of this Section shall



not be eligible to receive a broker's license.

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

(n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the Commission, beer manufactured on another brew pub licensed premises that is wholly owned and operated by the same licensee

to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 155,000 gallons per year so long as such sales are only made in-person, (v) sell and offer for sale at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a licensed distributor or importing distributor, and (vi) with the prior approval of the Commission, annually transfer no more than 155,000 gallons of beer manufactured on the premises to a licensed brew pub wholly owned and operated by the same licensee.

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

A person who holds a class 2 brewer license may simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; (ii) does not hold more than 3 brew pub licenses in this State; (iii) does not manufacture more than a combined 3,720,000 gallons of beer per year, including the beer manufactured at the brew pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor.

Notwithstanding any other provision of this Act, a licensed brewer, class 2 brewer, or non-resident dealer who before July 1, 2015 manufactured less than 3,720,000 gallons of beer per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or that produces any other alcoholic liquor.

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

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

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

(r) A winery shipper's license shall allow a person with a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license or who is licensed to make wine under the laws of another state to ship wine made by that licensee directly to a resident of this State who is 21 years of age or older for that resident's personal use and not for resale. Prior to receiving a winery shipper's license, an applicant for the license must provide the Commission with a true copy of its current license in any state in which it is licensed as a manufacturer of wine. An applicant for a winery shipper's license must also complete an application form that

provides any other information the Commission deems necessary. The application form shall include all addresses from which the applicant for a winery shipper's license intends to ship wine, including the name and address of any third party, except for a common carrier, authorized to ship wine on behalf of the manufacturer. The application form shall include an acknowledgement consenting to the jurisdiction of the Commission, the Illinois Department of Revenue, and the courts of this State concerning the enforcement of this Act and any related laws, rules, and regulations, including authorizing the Department of Revenue and the Commission to conduct audits for the purpose of ensuring compliance with Public Act 95-634, and an acknowledgement that the wine manufacturer is in compliance with Section 6-2 of this Act. Any third party, except for a common carrier, authorized to ship wine on behalf of a first-class or second-class wine manufacturer's licensee, a first-class or second-class wine-maker's licensee, a limited wine manufacturer's licensee, or a person who is licensed to make wine under the laws of another state shall also be disclosed by the winery shipper's licensee, and a copy of the written appointment of the third-party wine provider, except for a common carrier, to the wine manufacturer shall be filed with the State Commission as a supplement to the winery shipper's license application or any renewal thereof. The winery shipper's license holder shall affirm under penalty of perjury, as part of the winery shipper's license application or

renewal, that he or she only ships wine, either directly or indirectly through a third-party provider, from the licensee's own production.

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

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

If the Department of Revenue or the State Commission requests a statement under this paragraph, the third-party provider must

provide that statement no later than 30 days after the request is made. Any books, records, supporting papers, and documents containing information and data relating to a statement under this paragraph shall be kept and preserved for a period of 3 years, unless their destruction sooner is authorized, in writing, by the Director of Revenue, and shall be open and available to inspection by the Director of Revenue or the State Commission or any duly authorized officer, agent, or employee of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates any provision of this paragraph or any rule of the State Commission for the administration and enforcement of the provisions of this paragraph is guilty of a Class C misdemeanor. In case of a continuing violation, each day's continuance thereof shall be a separate and distinct offense.

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

A winery shipper licensee must pay to the Department of Revenue the State liquor gallonage tax under Section 8-1 for all wine that is sold by the licensee and shipped to a person in this State. For the purposes of Section 8-1, a winery

shipper licensee shall be taxed in the same manner as a manufacturer of wine. A licensee who is not otherwise required to register under the Retailers' Occupation Tax Act must register under the Use Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold by the licensee and shipped to persons in this State. If a licensee fails to remit the tax imposed under this Act in accordance with the provisions of Article VIII of this Act, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. If a licensee fails to properly register and remit tax under the Use Tax Act or the Retailers' Occupation Tax Act for all wine that is sold by the winery shipper and shipped to persons in this State, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act.

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

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

As used in this subsection, "third-party provider" means any entity that provides fulfillment house services, including



warehousing, packaging, distribution, order processing, or shipment of wine, but not the sale of wine, on behalf of a licensed winery shipper.

(s) A craft distiller tasting permit license shall allow an Illinois licensed craft distiller to transfer a portion of its alcoholic liquor inventory from its craft distiller licensed premises to the premises specified in the license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the transferred alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor may not be sold or resold in any form. An applicant for the craft distiller tasting permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

(Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff. 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17.)

(235 ILCS 5/8-5) (from Ch. 43, par. 163a)

Sec. 8-5. As soon as practicable after any return is filed but not before 90 days after the return is filed, or any amendments to that return, whichever is later, the Department shall examine such return or amended return and shall correct such return according to its best judgment and information,

which return so corrected by the Department shall be prima facie correct and shall be prima facie evidence of the correctness of the amount of tax due, as shown therein. Instead of requiring the licensee to file an amended return, the Department may simply notify the licensee of the correction or corrections it has made. Proof of such correction by the Department, or of the determination of the amount of tax due as provided in Sections 8-4 and 8-10, may be made at any hearing before the Department or in any legal proceeding by a reproduced copy of the Department's record relating thereto in the name of the Department under the certificate of the Director of Revenue. Such reproduced copy shall, without further proof, be admitted into evidence before the Department or in any legal proceeding and shall be prima facie proof of the correctness of the amount of tax due, as shown therein. If the return so corrected by the Department discloses the sale or use, by a licensed manufacturer or importing distributor, of alcoholic liquors as to which the tax provided for in this Article should have been paid, but has not been paid, in excess of the alcoholic liquors reported as being taxable by the licensee, and as to which the proper tax was paid the Department shall notify the licensee that it shall issue the taxpayer a notice of tax liability for the amount of tax claimed by the Department to be due, together with penalties at the rates prescribed by Sections 3-3, 3-5 and 3-6 of the Uniform Penalty and Interest Act, which amount of tax shall be

equivalent to the amount of tax which, at the prescribed rate per gallon, should have been paid with respect to the alcoholic liquors disposed of in excess of those reported as being taxable. In a case where no return has been filed, the Department shall determine the amount of tax due according to its best judgment and information and shall issue the taxpayer a notice of tax liability for the amount of tax claimed by the Department to be due as herein provided together with penalties at the rates prescribed by Sections 3-3, 3-5 and 3-6 of the Uniform Penalty and Interest Act. If, in administering the provisions of this Act, a comparison of a licensee's return or returns with the books, records and physical inventories of such licensee discloses a deficiency which cannot be allocated by the Department to a particular month or months, the Department shall issue the taxpayer a notice of tax liability for the amount of tax claimed by the Department to be due for a given period, but without any obligation upon the Department to allocate such deficiency to any particular month or months, together with penalties at the rates prescribed by Sections 3-3, 3-5 and 3-6 of the Uniform Penalty and Interest Act, which amount of tax shall be equivalent to the amount of tax which, at the prescribed rate per gallon, should have been paid with respect to the alcoholic liquors disposed of in excess of those reported being taxable, with the tax thereon having been paid under which circumstances the aforesaid notice of tax liability shall be prima facie correct and shall be prima facie evidence

of the correctness of the amount of tax due as shown therein; and proof of such correctness may be made in accordance with, and the admissibility of a reproduced copy of such notice of the Department's notice of tax liability shall be governed by, all the provisions of this Act applicable to corrected returns.

If the licensee dies or becomes a person under legal disability at any time before the Department issues its notice of tax liability, such notice shall be issued to the administrator, executor or other legal representative, as such, of the deceased or licensee who is under legal disability.

If such licensee or legal representative, within 60 days after such notice of tax liability, files a protest to such notice of tax liability and requests a hearing thereon, the Department shall give at least 7 days' notice to such licensee or legal representative, as the case may be, of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act, and pursuant thereto shall issue a final assessment to such licensee or legal representative for the amount found to be due as a result of such hearing.

If a protest to the notice of tax liability and a request for a hearing thereon is not filed within 60 days after such notice of tax liability, such notice of tax liability shall become final without the necessity of a final assessment being issued and shall be deemed to be a final assessment.

In case of failure to pay the tax, or any portion thereof, or any penalty provided for herein, when due, the Department may recover the amount of such tax, or portion thereof, or penalty in a civil action; or if the licensee dies or becomes a person under legal disability, by filing a claim therefor against his or her estate; provided that no such claim shall be filed against the estate of any deceased or of the licensee who is under legal disability for any tax or penalty or portion thereof except in the manner prescribed and within the time limited by the Probate Act of 1975, as amended.

The collection of any such tax and penalty, or either, by any means provided for herein, shall not be a bar to any prosecution under this Act.

In addition to any other penalty provided for in this Article, any licensee who fails to pay any tax within the time required by this Article shall be subject to assessment of penalties and interest at rates set forth in the Uniform Penalty and Interest Act.

(Source: P.A. 87-205; 87-879.)

Section 99. Effective date. This Act takes effect July 1, 2019, except that this Section and changes to Sections 3-12 and 5-1 of the Liquor Control Act of 1934 take effect upon becoming law.