



Please support HB 2674 (Zalewski) and SB 1672 (Martinez)

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Illinois craft spirits are winning awards and winning customers because of the quality of the product and the preference of consumers who want to “drink local.” Still a relatively young industry, Craft Distilleries are found across Illinois and now employ hundreds of people from border to border in Illinois.

Smart, modern, and flexible liquor regulations will help craft spirits continue to grow and drive economic progress wherever they are located. Previous, similar changes to the three-tier liquor regulation system fostered rapid growth in Illinois’ wine and beer industries. The time is now to do the same for craft spirits.

The Illinois Craft Distillers Association (ICDA) is working to accomplish the following changes:

- 1) **Satellite Locations:** Craft distillers depend on people finding them and tasting the quality of the product. Many of our members are located off the beaten path and need satellite locations so people may more easily find their way to our front door.
  - a. Wine makers are allowed two additional satellite locations besides their licensed premises to sell their wine - 235 ILCS 5-1 (i)
  - b. Craft brewers are permitted to transfer to and then sell beer at up to three locations they own - 235 ILCS 5-1 (a) and (n).
- 2) **Sale of other alcohol:** Illinois distillers are not able to help a customer taste a certain cocktail when she comes into the tasting room because distillers may only sell products made on premise.
  - a. Wine makers may sell other products purchased through licensed distributors - 235 ILCS 5-1 (i).
  - b. Craft brewers, through a brew pub license, may sell other products purchased from licensed distributors - 235 ILCS 5-1 (n).
- 3) **Limited Self-Distribution:** Illinois craft distillers can be found in the most critically acclaimed bars and restaurants in Illinois, and across the country. Distributors make that possible. Before they are established enough for that, small distillers would benefit from being able to self-distribute and create markets and customers on their own, and a distributor would take over once they reach scale.
  - a. Wine makers who produce at low volumes may self-distribute - 235 ILCS 5/3-12 (a) (17).
  - b. Craft brewers who produce at low volumes may self-distribute - 235 ILCS 5/3-12 (a) (18).
- 4) **Warehouse Storage Permit:** As small businesses with little space, craft distillers need an outlet for storing produced spirits separate from where they are made.
  - a. Craft brewers are allowed to store or warehouse their beer in an area other than where it was brewed - 235 ILCS 501 (t).
- 5) **Increasing sales directly to consumers:** Many distilleries are destination locations and depend on foot traffic to make their business profitable. Craft distillers were once able to sell more than the current 2,500 gallons of spirits directly to consumers. The ICDA seeks to increase that gallon limit 10 and avoid situations which developed in 2018 when distillers hit the 2,500 ceiling weeks before the holidays ended and lost out on significant sales opportunities.

Thank you for considering our ideas for unlocking the potential of small businesses in Illinois and creating hundreds of new jobs in our state! If you have any questions, please contact Dave Stricklin (312-771-2562), Jessica Fuentes (616-594-6321) or Jay Curtis (618-558-5702).