

ILLINOIS WINESM

Illinois Grape Growers & Vintners Alliance (IGGVA)

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Illinois Wineries Urge General Assembly to Pass HB3172 to Modernize Production and Self-Distribution Limits

Springfield, IL – The Illinois Grape Growers and Vintners Alliance (IGGVA), representing over 130 wineries statewide, today called on the Illinois General Assembly to pass House Bill 3172 (HB3172), a key piece of legislation aimed at reforming outdated restrictions that limit the growth and competitiveness of Illinois wineries.

Currently, Illinois wineries are capped at producing no more than 25,000 gallons annually if they wish to self-distribute their wines. This restrictive limit forces many wineries to artificially constrain their production or rely exclusively on distributors, many of whom have shown limited commitment or ability to promote Illinois wines. HB3172 proposes to align winery production and self-distribution rights more closely to those afforded to distillers and brewers, allowing wineries to increase production up to 250,000 gallons while establishing an increased level of self-distribution privileges.

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“This legislation is critical to leveling the playing field for Illinois wineries,” said Lisa Ellis, Executive Director of IGGVA. “Our wineries contribute over \$775 million annually in federal, state and local business taxes and support thousands of jobs, yet they face systemic barriers that stifle growth and innovation. HB3172 will unlock economic potential and help sustain businesses in rural communities across the state.”

“As the sponsor of HB3172, I am proud to champion legislation that modernizes Illinois’ winery production and self-distribution laws to better reflect the needs of today’s craft beverage industry,” said bill sponsor Leader Theresa Mah. “This bill will empower Illinois wineries to grow their businesses, reach more consumers directly, and compete on a level playing field with brewers and distillers. Supporting our local wineries means supporting good jobs, rural economies, and the rich agricultural heritage of our state. I urge my colleagues in the General Assembly to join me in passing HB3172 so we can foster a thriving and sustainable wine and grape industry in Illinois.”

Recent developments underscore the urgency: One IGGVA member recently informed the organization yet another distributor is moving away from direct distribution, leaving this member with over \$50,000 in unpaid invoices dating back to October 2024. This receivable is unlikely to be recovered. It is the third time that this winery has had a distributor go out of business with large unpaid balances. Illinois wineries currently have no statutory protections to secure payment from distributors or retailers, unlike the distributors themselves, who are protected by statute.

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Such imbalance must be addressed to ensure a more equitable and sustainable marketplace for Illinois' wine industry. HB3172 does not specifically address this specific inequity, but would be a giant step in the right direction for Illinois producers who face increasing challenges in the market.

Mark Wenzel, founder and winemaker of August Hill Winery, commented, "As a small winery committed to quality and innovation, it's incredibly challenging to navigate a system that offers little protection and places disproportionate risk on producers. The current limits on production and self-distribution hinder our ability to grow and serve customers directly. HB3172 represents a necessary step toward fairness and sustainability for Illinois wineries."

"Distributors have built-in protections and oversight mechanisms that wineries simply do not have," Ellis added. "These imbalances must eventually be addressed to ensure a fair and sustainable marketplace for Illinois wines."

It is hoped that HB3172 will be included in a potential liquor omnibus bill. IGGVA is actively seeking co-sponsors and urging lawmakers to schedule a subject matter hearing promptly to avoid losing momentum this legislative session.

The Illinois Grape Growers and Vintners Alliance represents a broad coalition of wineries, grape growers, industry associations, and supporters committed to advancing Illinois' wine industry as a vital economic and cultural asset.

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