



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3021

Introduced 2/15/2018, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-8	from Ch. 43, par. 125
235 ILCS 5/6-15.1 new	
235 ILCS 5/6-17.5 new	
235 ILCS 5/6-31	
235 ILCS 5/6-40 new	
235 ILCS 5/7-6	from Ch. 43, par. 150

Amends the Liquor Control Act of 1934. Requires each manufacturer, importing distributor, foreign importer, and retailer to maintain certain records. Adds provisions authorizing an in-state or out-of-state maker of beer or wine to sell its own manufactured beer or wine directly to retail license holders if certain conditions are met. Provides that food service in buildings of golf courses owned by municipalities or park districts does not require certain kitchen and dining room equipment. Adds provisions concerning the sale of alcoholic liquor from mini bars in hotels and motels. Provides that a non-licensee wishing to conduct a tasting must register with the Illinois Liquor Control Commission and specifies requirements for registration and fees. Provides that the provisions of the Illinois Administrative Procedure Act concerning procedures in contested cases and licensing matters shall be applicable in all proceedings before the State Commission on citations. Adds provisions concerning ex parte communications and judicial review. Makes other changes. Effective immediately.

LRB100 18566 RPS 33786 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 6-8, 6-31, and 7-6 and by adding Sections
6 6-15.1, 6-17.5, and 6-40 as follows:

7 (235 ILCS 5/6-8) (from Ch. 43, par. 125)

8 Sec. 6-8. Record keeping.

9 (a) Each manufacturer or importing distributor or foreign
10 importer shall keep an accurate record of all alcoholic liquors
11 manufactured, distributed, sold, used, or delivered by him in
12 this State during each month, showing therein to whom sold, and
13 shall furnish a copy thereof or a report thereon to the State
14 Commission, as the State Commission may, request.

15 Each importing distributor or manufacturer to whom
16 alcoholic liquors imported into this State have been consigned
17 shall effect possession and physical control thereof by storing
18 such alcoholic liquors in the premises wherein such importing
19 distributor or manufacturer is licensed to engage in such
20 business as an importing distributor or manufacturer and to
21 make such alcoholic liquors together with accompanying
22 invoices, bills of lading and receiving tickets available for
23 inspection by an agent or representative of the Department of

1 Revenue and of the State Commission.

2 All alcoholic liquor imported into this State must be
3 off-loaded from the common carrier, vehicle, or mode of
4 transportation by which the alcoholic liquor was delivered into
5 this State. The alcoholic liquor shall be stored at the
6 licensed premises of the importing distributor before sale and
7 delivery to licensees in this State. A distributor or importing
8 distributor, upon application to the Commission, may secure a
9 waiver of the provisions of this Section for purposes of
10 delivering beer directly to a licensee holding or otherwise
11 participating in a special event sponsored by a unit of
12 government or a not-for-profit organization.

13 (b) It is the duty of each manufacturer, importing
14 distributor, distributor, and foreign importer to keep at all
15 times complete and accurate records of all purchases and all
16 sales or other dispositions of alcoholic liquor and complete
17 and accurate records of alcoholic liquor produced,
18 manufactured, compounded, or imported, whether for the
19 licensee or for another. All books and records that
20 manufacturers, distributors, importing distributors, and
21 foreign importers are required by this Act to keep shall be
22 preserved for a period of 3 years, unless the State Commission
23 in writing authorizes their destruction or disposal at an
24 earlier date.

25 (c) Each manufacturer, importing distributor, distributor,
26 and foreign importer shall retain invoices and bills of lading

1 covering sales of alcoholic liquors.

2 (d) Each manufacturer, distributor, importing distributor,
3 and foreign importer must, at the time of sale of any alcoholic
4 liquor, render to the purchaser an invoice describing the
5 alcoholic liquor sold, the date of sale, to whom the alcoholic
6 liquor was sold, and the quantity sold. Duplicate copies of all
7 such invoices must be made and preserved by the manufacturer,
8 distributor, importing distributor, or foreign importer for
9 audit purposes.

10 (e) Each manufacturer, distributor, importing distributor,
11 and foreign importer shall keep a ledger or other record giving
12 the name, license number and expiration date, and address of
13 each purchaser of alcoholic liquor and information concerning
14 each purchase, including the invoice number, date of sale,
15 amount of sale, and date of payment therefor.

16 (f) It is the duty of each retail licensee to keep on the
17 licensed premises invoices, or copies thereof, covering
18 purchases of alcoholic liquor for a period of 90 days after
19 such purchase, unless the State Commission has granted a waiver
20 in response to a written request in cases where books and
21 records are kept at a central business location within the
22 State. If a licensee is granted a waiver, the licensee shall
23 have at each location a copy of the waiver granting permission
24 to have the invoices located at a central business location. A
25 copy of the waiver must be available for inspection at the
26 location of the business within 30 days after the date of the

1 signed waiver. An administrative fee of \$10 per location, up to
2 a maximum of \$100 for businesses with multiple locations of 10
3 or more, shall be assessed. Before any change is made in the
4 central business location where the invoices are to be kept,
5 the State Commission must be notified and a new waiver request
6 form must be submitted to the State Commission for prior
7 approval. The waiver remains in effect unless and until a new
8 waiver request has been approved by the State Commission. The
9 State Commission may require periodic updates.

10 (Source: P.A. 88-535.)

11 (235 ILCS 5/6-15.1 new)

12 Sec. 6-15.1. Food service; golf courses. Food service in
13 buildings of golf courses owned by municipalities or park
14 districts does not require the kitchen and dining room
15 equipment specified in Section 1-3.23 of this Act.

16 (235 ILCS 5/6-17.5 new)

17 Sec. 6-17.5. Direct sale to retail licensees.

18 (a) An in-state or out-of-state maker of wine may sell its
19 own manufactured wine directly to retail license holders if:

20 (1) the in-state or out-of-state maker of wine has been
21 issued a federal Basic Permit to make wine by the Alcohol
22 Tax and Trade Bureau of the United States Department of the
23 Treasury;

24 (2) the in-state or out-of-state maker of wine has been

1 issued a valid wine making license by a licensing authority
2 of any state or territory of the United States;

3 (3) the in-state or out-of-state maker of wine does not
4 hold any other manufacturer's license to make any other
5 type of alcoholic liquor;

6 (4) the in-state or out-of-state maker of wine and its
7 officers, managers, partners, owners who own more than 5%
8 of the maker of wine, and any other affiliated entity or
9 individual person annually produce less than 25,000
10 gallons of wine;

11 (5) the in-state or out-of-state maker of wine and its
12 officers, managers, partners, owners who own more than 5%
13 of the maker of wine, and any other affiliated entity or
14 individual person annually sell 5,000 gallons of wine or
15 less direct to retailers;

16 (6) the in-state or out-of-state maker of wine pays all
17 necessary State excise taxes for the manufacture and
18 importation of wine; and

19 (7) the out-of-state maker of wine holds a valid winery
20 shipper's license under this Act prior to the issuance of a
21 self-distribution exemption and at all times while
22 self-distributing.

23 (b) An in-state or out-of-state maker of beer may sell its
24 own manufactured beer directly to retail license holders if:

25 (1) the in-state or out-of-state maker of beer has been
26 issued a federal Brewer's Notice to make beer by the

1 Alcohol Tax and Trade Bureau of the United States
2 Department of the Treasury;

3 (2) the in-state or out-of-state maker of beer has been
4 issued a valid beer making license by a licensing authority
5 of any state or territory of the United States;

6 (3) the in-state or out-of-state maker of beer has been
7 issued a brewer license under this Act or a non-resident
8 dealer license under this Act;

9 (4) the in-state or out-of-state maker of beer does not
10 hold any other manufacturer's license to make any other
11 type of alcoholic liquor;

12 (5) the in-state or out-of-state maker of beer and any
13 of its officers, managers, partners, owners who own more
14 than 5% of the brewer, and any other affiliated entity or
15 individual person annually produces less than 930,000
16 gallons (30,000 barrels) of beer;

17 (6) the in-state or out-of-state maker of beer and any
18 of its officers, managers, partners, owners who own more
19 than 5% of the brewer, and any other affiliated entity or
20 individual person annually sells not more than 232,500
21 gallons (7,500 barrels) of beer direct to retailers;

22 (7) the in-state or out-of-state maker of beer pays all
23 necessary State excise taxes for the manufacture and
24 importation of beer;

25 (8) the in-state or out-of-state maker of beer submits
26 an affidavit in accordance with item (3) of subparagraph

1 (B) of paragraph (18) of subsection (a) of Section 3-12
2 demonstrating with specific evidence its efforts to
3 contact distributors for the purpose of establishing
4 distributor relationships.

5 (235 ILCS 5/6-31)

6 Sec. 6-31. Product sampling.

7 (a) Retailer, distributor, importing distributor,
8 manufacturer and nonresident dealer licensees may conduct
9 product sampling for consumption at a licensed retail location.
10 Up to 3 samples, consisting of no more than (i) 1/4 ounce of
11 distilled spirits, (ii) one ounce of wine, or (iii) 2 ounces of
12 beer may be served to a consumer in one day.

13 (b) Notwithstanding the provisions of subsection (a), an
14 on-premises retail licensee may offer for sale and serve more
15 than one drink per person for sampling purposes. In any event,
16 all provisions of Section 6-28 shall apply to an on-premises
17 retail licensee that conducts product sampling.

18 (c) A craft distiller tasting permit licensee may conduct
19 product sampling of distilled spirits for consumption at the
20 location specified in the craft distiller tasting permit
21 license. Up to 3 samples, consisting of no more than 1/4 ounce
22 of distilled spirits, may be served to a consumer in one day.

23 (d) Any non-licensee wishing to conduct a tasting, as
24 defined in 11 Ill. Adm. Code 100.10, must register with the
25 State Commission. A registered tasting representative acts as

1 the agent of the licensee.

2 The non-licensee may register by submitting a State
3 Commission form, including the name, address, social security
4 number, and telephone number of the registrant; the name,
5 address, and telephone number of the licensee for which the
6 registrant will be acting and any other licensee being
7 represented; and a \$100 administrative fee payable annually to
8 the State Commission. Registration shall be completed at least
9 14 days before the initial tasting. If an application is
10 received less than 14 days before the initial tasting, the
11 applicant shall be assessed a \$25 late fee. An applicant must
12 meet the eligibility requirements under Section 6-2.

13 The registration identification, or a copy thereof, must be
14 available for inspection during a tasting.

15 (e) If a retailer conducts an alcoholic liquor product
16 sampling in which the consumer pays a reasonable entrance fee
17 in relation to the amount of alcoholic liquor available for
18 tasting or sampling, the retailer must charge a uniform
19 admission price and may not treat patrons differently.

20 (Source: P.A. 99-46, eff. 7-15-15; 99-902, eff. 8-26-16.)

21 (235 ILCS 5/6-40 new)

22 Sec. 6-40. Sale of alcohol from a mini bar in a hotel or
23 motel. To sell alcoholic liquor from a mini bar in a hotel or a
24 motel, the hotel or motel must:

25 (1) possess a valid local and State retail liquor license

1 for the entire hotel or motel or as the local commission deems
2 necessary;

3 (2) establish a method of control to prevent the use of the
4 mini bar as a means of over-service or consumption of alcohol
5 by a person under the age of 21; and

6 (3) comply with all applicable provisions of this Act,
7 rules of the State Commission, and local liquor control
8 ordinances.

9 (235 ILCS 5/7-6) (from Ch. 43, par. 150)

10 Sec. 7-6. (a) All proceedings for the revocation or
11 suspension of licenses of manufacturers, distributors,
12 importing distributors, non-resident dealers, foreign
13 importers, non-beverage users, railroads, airplanes and boats
14 shall be before the State Commission. All such proceedings and
15 all proceedings for the revocation or suspension of a
16 retailer's license before the State commission shall be in
17 accordance with rules and regulations established by it not
18 inconsistent with law. However, no such license shall be so
19 revoked or suspended except after a hearing by the State
20 commission with reasonable notice to the licensee served by
21 registered or certified mail with return receipt requested at
22 least 10 days prior to the hearings at the last known place of
23 business of the licensee and after an opportunity to appear and
24 defend. Such notice shall specify the time and place of the
25 hearing, the nature of the charges, the specific provisions of

1 the Act and rules violated, and the specific facts supporting
2 the charges or violation. The findings of the Commission shall
3 be predicated upon competent evidence. The revocation of a
4 local license shall automatically result in the revocation of a
5 State license. Upon notification by the Illinois Department of
6 Revenue, the State Commission, in accordance with Section 3-12,
7 may refuse the issuance or renewal of a license, fine a
8 licensee, or suspend or revoke any license issued by the State
9 Commission if the licensee or license applicant has violated
10 the provisions of Section 3 of the Retailers' Occupation Tax
11 Act. All procedures for the suspension or revocation of a
12 license, as enumerated above, are applicable to the levying of
13 fines for violations of this Act or any rule or regulation
14 issued pursuant thereto.

15 (b) Pursuant to Sections 3-12, 3-13, and 7-6 of this Act
16 and the Illinois Administrative Procedure Act, the provisions
17 of the Illinois Administrative Procedure Act concerning
18 procedures in contested cases and licensing matters shall be
19 applicable in all proceedings on citations before the State
20 Commission.

21 (c) Pursuant to Sections 3-12 and 3-13 of this Act and
22 Section 10-60 of the Illinois Administrative Procedure Act,
23 except in the disposition of matters that they are authorized
24 by law to entertain or dispose of on an ex parte basis, neither
25 State Commission members, Department of Revenue employees
26 assigned to State Commission functions, nor hearing examiners

1 shall, after notice of hearing in a contested case or licensing
2 to which the procedures of a contested case apply under this
3 Act, communicate, directly or indirectly, in connection with
4 any issue of fact, with any person or party, or in connection
5 with any other issue with any party or representative of such
6 party, except upon notice and opportunity for all parties to
7 participate. However, a State Commission member may
8 communicate with other members of the State Commission or
9 employees of the Department of Revenue, and a State Commission
10 member, Department of Revenue employee, or hearing examiner may
11 have the aid and advice of one or more personal assistants.

12 (d) Pursuant to Section 7-11 of this Act and Section 3-109
13 of the Administrative Review Law, any party seeking judicial
14 review of any order of the State Commission shall pay the cost
15 of the transcripts of such hearings conducted by the
16 Commission, which shall become a part of the official record.
17 The party requesting administrative review in the Circuit Court
18 shall pay to the State Commission the costs of preparing and
19 certifying the record of the proceedings before the State
20 Commission. Failure to make that payment prior to the time the
21 State Commission's answer to the complaint is due shall relieve
22 the State Commission of the necessity of filing the answer
23 required in Section 3-108 of the Administrative Review Law and
24 shall be authority for the entry of an order by the court, on
25 motion therefor by the Commission, dismissing the complaint
26 with costs.

1 (Source: P.A. 95-331, eff. 8-21-07.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.