

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 3-4, 3-12, 8-2, 10-1, and 10-7.1 as follows:

6 (235 ILCS 5/3-4) (from Ch. 43, par. 100)

7 Sec. 3-4. Authority to conduct investigations. The State  
8 Commission ~~commission~~ shall obtain, pursuant to the provisions  
9 of the ~~"Personnel Code" enacted by the 69th General Assembly,~~  
10 such inspectors, clerks, and other employees as may be  
11 necessary to carry out the provisions of this Act, or to  
12 perform the duties and exercise the powers conferred by law  
13 upon the State Commission ~~commission~~. The inspectors obtained  
14 by the State Commission shall not be peace officers and shall  
15 not exercise any powers of a peace officer.

16 The State Commission shall have the power to appoint  
17 investigators to conduct investigations, searches, seizures,  
18 arrests, and other duties required to enforce the provisions of  
19 this Act, on behalf of the State Commission, and to ensure the  
20 health, safety, and welfare of the People of the State of  
21 Illinois. The Commission's investigators are peace officers  
22 and have all the powers possessed by police officers in cities  
23 and by sheriffs. State Commission investigators may exercise

1 these powers throughout the State whenever enforcing the  
2 provisions of this Act, subject to the rules and orders of the  
3 State Commission. No State Commission investigator may have  
4 peace officer status or may exercise police powers unless: (1)  
5 he or she successfully completes the basic police training  
6 course mandated and approved by the Illinois Law Enforcement  
7 Training Standards Board; or (2) the Illinois Law Enforcement  
8 Training Standards Board waives the training requirement by  
9 reason of the investigator's prior law enforcement experience,  
10 training, or both.

11 The Executive Director must authorize to each investigator  
12 of the State Commission and to any other employee of the  
13 Department exercising the powers of a peace officer a distinct  
14 badge that, on its face: (1) clearly states that the badge is  
15 authorized by the State Commission; and (2) contains a unique  
16 identifying number. No other badge shall be authorized by the  
17 State Commission. Nothing in this Section prohibits the  
18 Executive Director from issuing shields or other distinctive  
19 identification to employees performing security or regulatory  
20 duties who are not peace officers if the Executive Director  
21 determines that a shield or distinctive identification is  
22 needed by the employee to carry out his or her  
23 responsibilities.

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

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

2           (a) The State Commission shall have the following powers,  
3 functions, and duties:

4           (1) To receive applications and to issue licenses to  
5 manufacturers, foreign importers, importing distributors,  
6 distributors, non-resident dealers, on premise consumption  
7 retailers, off premise sale retailers, special event  
8 retailer licensees, special use permit licenses, auction  
9 liquor licenses, brew pubs, caterer retailers,  
10 non-beverage users, railroads, including owners and  
11 lessees of sleeping, dining and cafe cars, airplanes,  
12 boats, brokers, and wine maker's premises licensees in  
13 accordance with the provisions of this Act, and to suspend  
14 or revoke such licenses upon the State Commission's  
15 determination, upon notice after hearing, that a licensee  
16 has violated any provision of this Act or any rule or  
17 regulation issued pursuant thereto and in effect for 30  
18 days prior to such violation. Except in the case of an  
19 action taken pursuant to a violation of Section 6-3, 6-5,  
20 or 6-9, any action by the State Commission to suspend or  
21 revoke a licensee's license may be limited to the license  
22 for the specific premises where the violation occurred. An  
23 action for a violation of this Act shall be commenced by  
24 the State Commission within 2 years after the date the  
25 State Commission becomes aware of the violation.

26           In lieu of suspending or revoking a license, the

1 commission may impose a fine, upon the State Commission's  
2 determination and notice after hearing, that a licensee has  
3 violated any provision of this Act or any rule or  
4 regulation issued pursuant thereto and in effect for 30  
5 days prior to such violation.

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

13 The fine imposed under this paragraph may not exceed  
14 \$500 for each violation. Each day that the activity, which  
15 gave rise to the original fine, continues is a separate  
16 violation. The maximum fine that may be levied against any  
17 licensee, for the period of the license, shall not exceed  
18 \$20,000. The maximum penalty that may be imposed on a  
19 licensee for selling a bottle of alcoholic liquor with a  
20 foreign object in it or serving from a bottle of alcoholic  
21 liquor with a foreign object in it shall be the destruction  
22 of that bottle of alcoholic liquor for the first 10 bottles  
23 so sold or served from by the licensee. For the eleventh  
24 bottle of alcoholic liquor and for each third bottle  
25 thereafter sold or served from by the licensee with a  
26 foreign object in it, the maximum penalty that may be

1 imposed on the licensee is the destruction of the bottle of  
2 alcoholic liquor and a fine of up to \$50.

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

12 (2) To adopt such rules and regulations consistent with  
13 the provisions of this Act which shall be necessary to  
14 carry on its functions and duties to the end that the  
15 health, safety and welfare of the People of the State of  
16 Illinois shall be protected and temperance in the  
17 consumption of alcoholic liquors shall be fostered and  
18 promoted and to distribute copies of such rules and  
19 regulations to all licensees affected thereby.

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

25 (4) To recommend to local commissioners rules and  
26 regulations, not inconsistent with the law, for the

1 distribution and sale of alcoholic liquors throughout the  
2 State.

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

11 (5.1) Upon receipt of a complaint or upon having  
12 knowledge that any person is engaged in business as a  
13 manufacturer, importing distributor, distributor, or  
14 retailer without a license or valid license, to conduct an  
15 investigation. If, after conducting an investigation, the  
16 State Commission is satisfied that the alleged conduct  
17 occurred or is occurring, it may issue a cease and desist  
18 notice as provided in this Act, impose civil penalties as  
19 provided in this Act, to notify the local liquor authority,  
20 or file a complaint with the State's Attorney's Office of  
21 the county where the incident occurred or the Attorney  
22 General, or initiate an investigation with the appropriate  
23 law enforcement officials.

24 (5.2) Upon receipt of a complaint or upon having  
25 knowledge that any person is ~~To issue a cease and desist~~  
26 ~~notice to persons~~ shipping alcoholic liquor into this State

1 from a point outside of this State if the shipment is in  
2 violation of this Act, to conduct an investigation. If,  
3 after conducting an investigation, the State Commission is  
4 satisfied that the alleged conduct occurred or is  
5 occurring, it may issue a cease and desist notice as  
6 provided in this Act, impose civil penalties as provided in  
7 this Act, notify the foreign jurisdiction, or file a  
8 complaint with the State's Attorney's Office of the county  
9 where the incident occurred or the Attorney General.

10 (5.3) To receive complaints from licensees, local  
11 officials, law enforcement agencies, organizations, and  
12 persons stating that any licensee has been or is violating  
13 any provision of this Act or the rules and regulations  
14 issued pursuant to this Act. Such complaints shall be in  
15 writing, signed and sworn to by the person making the  
16 complaint, and shall state with specificity the facts in  
17 relation to the alleged violation. If the State Commission  
18 has reasonable grounds to believe that the complaint  
19 substantially alleges a violation of this Act or rules and  
20 regulations adopted pursuant to this Act, it shall conduct  
21 an investigation. If, after conducting an investigation,  
22 the State Commission is satisfied that the alleged  
23 violation did occur, it shall proceed with disciplinary  
24 action against the licensee as provided in this Act.

25 (5.4) To make arrests and issue notices of civil  
26 violations where necessary for the enforcement of this Act.

1           (5.5) To investigate any and all unlicensed activity.

2           (5.6) To impose civil penalties or fines to any person  
3 who, without holding a valid license, engages in conduct  
4 that requires a license pursuant to this Act, in an amount  
5 not to exceed \$20,000 for each offense as determined by the  
6 State Commission. A civil penalty shall be assessed by the  
7 State Commission after a hearing is held in accordance with  
8 the provisions set forth in this Act regarding the  
9 provision of a hearing for the revocation or suspension of  
10 a license.

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

17           (7) The State Commission ~~commission~~ shall establish  
18 uniform systems of accounts to be kept by all retail  
19 licensees having more than 4 employees, and for this  
20 purpose the State Commission ~~commission~~ may classify all  
21 retail licensees having more than 4 employees and establish  
22 a uniform system of accounts for each class and prescribe  
23 the manner in which such accounts shall be kept. The State  
24 Commission ~~commission~~ may also prescribe the forms of  
25 accounts to be kept by all retail licensees having more  
26 than 4 employees, including but not limited to accounts of



1 earnings and expenses and any distribution, payment, or  
2 other distribution of earnings or assets, and any other  
3 forms, records and memoranda which in the judgment of the  
4 commission may be necessary or appropriate to carry out any  
5 of the provisions of this Act, including but not limited to  
6 such forms, records and memoranda as will readily and  
7 accurately disclose at all times the beneficial ownership  
8 of such retail licensed business. The accounts, forms,  
9 records and memoranda shall be available at all reasonable  
10 times for inspection by authorized representatives of the  
11 State Commission or by any local liquor control  
12 commissioner or his or her authorized representative. The  
13 commission, may, from time to time, alter, amend or repeal,  
14 in whole or in part, any uniform system of accounts, or the  
15 form and manner of keeping accounts.

16 (8) In the conduct of any hearing authorized to be held  
17 by the State Commission ~~commission~~, to appoint, at the  
18 commission's discretion, hearing officers to conduct  
19 hearings involving complex issues or issues that will  
20 require a protracted period of time to resolve, to examine,  
21 or cause to be examined, under oath, any licensee, and to  
22 examine or cause to be examined the books and records of  
23 such licensee; to hear testimony and take proof material  
24 for its information in the discharge of its duties  
25 hereunder; to administer or cause to be administered oaths;  
26 for any such purpose to issue subpoena or subpoenas to

1           require the attendance of witnesses and the production of  
2           books, which shall be effective in any part of this State,  
3           and to adopt rules to implement its powers under this  
4           paragraph (8).

5           Any circuit court may by order duly entered, require  
6           the attendance of witnesses and the production of relevant  
7           books subpoenaed by the State Commission and the court may  
8           compel obedience to its order by proceedings for contempt.

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

16          (10) To adopt such rules and regulations consistent  
17          with the provisions of this Act which shall be necessary  
18          for the control, sale or disposition of alcoholic liquor  
19          damaged as a result of an accident, wreck, flood, fire or  
20          other similar occurrence.

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

25          (11.1) To license persons providing education and  
26          training to alcohol beverage sellers and servers for

1 mandatory and non-mandatory training under the Beverage  
2 Alcohol Sellers and Servers Education and Training  
3 (BASSET) programs and to develop and administer a public  
4 awareness program in Illinois to reduce or eliminate the  
5 illegal purchase and consumption of alcoholic beverage  
6 products by persons under the age of 21. Application for a  
7 license shall be made on forms provided by the State  
8 Commission.

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

11 (13) (Blank).

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

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

22 (B) The amount of licensing fees received.

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

26 (D) The number of alcohol compliance operations

1 conducted.

2 (E) The number of winery shipper's licenses  
3 issued.

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

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

20 (16) The State Commission shall, in addition to  
21 notifying any appropriate law enforcement agency, submit  
22 notices of complaints or violations of Sections 6-29 and  
23 6-29.1 by persons who do not hold a winery shipper's  
24 license under this Act to the Illinois Attorney General and  
25 to the U.S. Department of Treasury's Alcohol and Tobacco  
26 Tax and Trade Bureau.

1           (17) (A) A person licensed to make wine under the laws  
2           of another state who has a winery shipper's license under  
3           this Act and annually produces less than 25,000 gallons of  
4           wine or a person who has a first-class or second-class wine  
5           manufacturer's license, a first-class or second-class  
6           wine-maker's license, or a limited wine manufacturer's  
7           license under this Act and annually produces less than  
8           25,000 gallons of wine may make application to the  
9           Commission for a self-distribution exemption to allow the  
10          sale of not more than 5,000 gallons of the exemption  
11          holder's wine to retail licensees per year.

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

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

1 more than 25,000 gallons of wine; and (4) will not annually  
2 sell more than 5,000 gallons of its wine to retail  
3 licensees.

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

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

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

26 (G) Nothing in this paragraph ~~subsection~~ (17) shall

1 prohibit a self-distribution exemption holder from  
2 entering into or simultaneously having a distribution  
3 agreement with a licensed Illinois distributor.

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

16 (18)(A) A class 1 brewer licensee, who must also be  
17 either a licensed brewer or licensed non-resident dealer  
18 and annually manufacture less than 930,000 gallons of beer,  
19 may make application to the State Commission for a  
20 self-distribution exemption to allow the sale of not more  
21 than 232,500 gallons of the exemption holder's beer per  
22 year to retail licensees and to brewers, class 1 brewers,  
23 and class 2 brewers that, pursuant to subsection (e) of  
24 Section 6-4 of this Act, sell beer, cider, or both beer and  
25 cider to non-licensees at their breweries.

26 (B) In the application, which shall be sworn under

1 penalty of perjury, the class 1 brewer licensee shall state  
2 (1) the date it was established; (2) its volume of beer  
3 manufactured and sold for each year since its  
4 establishment; (3) its efforts to establish distributor  
5 relationships; (4) that a self-distribution exemption is  
6 necessary to facilitate the marketing of its beer; and (5)  
7 that it will comply with the alcoholic beverage and revenue  
8 laws of the United States, this State, and any other state  
9 where it is licensed.

10 (C) Any application submitted shall be posted on the  
11 State Commission's website at least 45 days prior to action  
12 by the State Commission. The State Commission shall approve  
13 the application for a self-distribution exemption if the  
14 class 1 brewer licensee: (1) is in compliance with the  
15 State, revenue, and alcoholic beverage laws; (2) is not a  
16 member of any affiliated group that manufactures more than  
17 930,000 gallons of beer per annum or produces any other  
18 alcoholic beverages; (3) shall not annually manufacture  
19 for sale more than 930,000 gallons of beer; (4) shall not  
20 annually sell more than 232,500 gallons of its beer to  
21 retail licensees or to brewers, class 1 brewers, and class  
22 2 brewers that, pursuant to subsection (e) of Section 6-4  
23 of this Act, sell beer, cider, or both beer and cider to  
24 non-licensees at their breweries; and (5) has relinquished  
25 any brew pub license held by the licensee, including any  
26 ownership interest it held in the licensed brew pub.



1           (D) A self-distribution exemption holder shall  
2           annually certify to the State Commission its manufacture of  
3           beer during the previous 12 months and its anticipated  
4           manufacture and sales of beer for the next 12 months. The  
5           State Commission may fine, suspend, or revoke a  
6           self-distribution exemption after a hearing if it finds  
7           that the exemption holder has made a material  
8           misrepresentation in its application, violated a revenue  
9           or alcoholic beverage law of Illinois, exceeded the  
10          manufacture of 930,000 gallons of beer in any calendar year  
11          or became part of an affiliated group manufacturing more  
12          than 930,000 gallons of beer or any other alcoholic  
13          beverage.

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

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

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

9 (b) On or before April 30, 1999, the Commission shall  
10 present a written report to the Governor and the General  
11 Assembly that shall be based on a study of the impact of Public  
12 Act 90-739 on the business of soliciting, selling, and shipping  
13 alcoholic liquor from outside of this State directly to  
14 residents of this State.

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

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

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

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

26 (Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;

1 100-134, eff. 8-18-17; 100-201, eff. 8-18-17; 100-816, eff.  
2 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff. 8-23-18;  
3 revised 10-24-18.)

4 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

5 Sec. 8-2. Payments; reports. It is the duty of each  
6 manufacturer with respect to alcoholic liquor produced or  
7 imported by such manufacturer, or purchased tax-free by such  
8 manufacturer from another manufacturer or importing  
9 distributor, and of each importing distributor as to alcoholic  
10 liquor purchased by such importing distributor from foreign  
11 importers or from anyone from any point in the United States  
12 outside of this State or purchased tax-free from another  
13 manufacturer or importing distributor, to pay the tax imposed  
14 by Section 8-1 to the Department of Revenue on or before the  
15 15th day of the calendar month following the calendar month in  
16 which such alcoholic liquor is sold or used by such  
17 manufacturer or by such importing distributor other than in an  
18 authorized tax-free manner or to pay that tax electronically as  
19 provided in this Section.

20 Each manufacturer and each importing distributor shall  
21 make payment under one of the following methods: (1) on or  
22 before the 15th day of each calendar month, file in person or  
23 by United States first-class mail, postage pre-paid, with the  
24 Department of Revenue, on forms prescribed and furnished by the  
25 Department, a report in writing in such form as may be required

1 by the Department in order to compute, and assure the accuracy  
2 of, the tax due on all taxable sales and uses of alcoholic  
3 liquor occurring during the preceding month. Payment of the tax  
4 in the amount disclosed by the report shall accompany the  
5 report or, (2) on or before the 15th day of each calendar  
6 month, electronically file with the Department of Revenue, on  
7 forms prescribed and furnished by the Department, an electronic  
8 report in such form as may be required by the Department in  
9 order to compute, and assure the accuracy of, the tax due on  
10 all taxable sales and uses of alcoholic liquor occurring during  
11 the preceding month. An electronic payment of the tax in the  
12 amount disclosed by the report shall accompany the report. A  
13 manufacturer or distributor who files an electronic report and  
14 electronically pays the tax imposed pursuant to Section 8-1 to  
15 the Department of Revenue on or before the 15th day of the  
16 calendar month following the calendar month in which such  
17 alcoholic liquor is sold or used by that manufacturer or  
18 importing distributor other than in an authorized tax-free  
19 manner shall pay to the Department the amount of the tax  
20 imposed pursuant to Section 8-1, less a discount which is  
21 allowed to reimburse the manufacturer or importing distributor  
22 for the expenses incurred in keeping and maintaining records,  
23 preparing and filing the electronic returns, remitting the tax,  
24 and supplying data to the Department upon request.

25 The discount shall be in an amount as follows:

26 (1) For original returns due on or after January 1,

1           2003 through September 30, 2003, the discount shall be  
2           1.75% or \$1,250 per return, whichever is less;

3           (2) For original returns due on or after October 1,  
4           2003 through September 30, 2004, the discount shall be 2%  
5           or \$3,000 per return, whichever is less; and

6           (3) For original returns due on or after October 1,  
7           2004, the discount shall be 2% or \$2,000 per return,  
8           whichever is less.

9           The Department may, if it deems it necessary in order to  
10          insure the payment of the tax imposed by this Article, require  
11          returns to be made more frequently than and covering periods of  
12          less than a month. Such return shall contain such further  
13          information as the Department may reasonably require.

14          It shall be presumed that all alcoholic liquors acquired or  
15          made by any importing distributor or manufacturer have been  
16          sold or used by him in this State and are the basis for the tax  
17          imposed by this Article unless proven, to the satisfaction of  
18          the Department, that such alcoholic liquors are (1) still in  
19          the possession of such importing distributor or manufacturer,  
20          or (2) prior to the termination of possession have been lost by  
21          theft or through unintentional destruction, or (3) that such  
22          alcoholic liquors are otherwise exempt from taxation under this  
23          Act.

24          If any payment provided for in this Section exceeds the  
25          manufacturer's or importing distributor's liabilities under  
26          this Act, as shown on an original report, the manufacturer or

1 importing distributor may credit such excess payment against  
2 liability subsequently to be remitted to the Department under  
3 this Act, in accordance with reasonable rules adopted by the  
4 Department. If the Department subsequently determines that all  
5 or any part of the credit taken was not actually due to the  
6 manufacturer or importing distributor, the manufacturer's or  
7 importing distributor's discount shall be reduced by an amount  
8 equal to the difference between the discount as applied to the  
9 credit taken and that actually due, and the manufacturer or  
10 importing distributor shall be liable for penalties and  
11 interest on such difference.

12 The Department may require any foreign importer to file  
13 monthly information returns, by the 15th day of the month  
14 following the month which any such return covers, if the  
15 Department determines this to be necessary to the proper  
16 performance of the Department's functions and duties under this  
17 Act. Such return shall contain such information as the  
18 Department may reasonably require.

19 Every manufacturer and importing distributor, except for a  
20 manufacturer or importing distributor that in the preceding  
21 year had less than \$50,000 of tax liability under this Article,  
22 shall also file, with the Department, a bond in an amount not  
23 less than \$1,000 and not to exceed \$100,000 on a form to be  
24 approved by, and with a surety or sureties satisfactory to, the  
25 Department. Such bond shall be conditioned upon the  
26 manufacturer or importing distributor paying to the Department

1 all monies becoming due from such manufacturer or importing  
2 distributor under this Article. The Department shall fix the  
3 penalty of such bond in each case, taking into consideration  
4 the amount of alcoholic liquor expected to be sold and used by  
5 such manufacturer or importing distributor, and the penalty  
6 fixed by the Department shall be sufficient, in the  
7 Department's opinion, to protect the State of Illinois against  
8 failure to pay any amount due under this Article, but the  
9 amount of the penalty fixed by the Department shall not exceed  
10 twice the amount of tax liability of a monthly return, nor  
11 shall the amount of such penalty be less than \$1,000. The  
12 Department shall notify the State Commission of the  
13 Department's approval or disapproval of any such  
14 manufacturer's or importing distributor's bond, or of the  
15 termination or cancellation of any such bond, or of the  
16 Department's direction to a manufacturer or importing  
17 distributor that he must file additional bond in order to  
18 comply with this Section. The Commission shall not issue a  
19 license to any applicant for a manufacturer's or importing  
20 distributor's license unless the Commission has received a  
21 notification from the Department showing that such applicant  
22 has filed a satisfactory bond with the Department hereunder and  
23 that such bond has been approved by the Department. Failure by  
24 any licensed manufacturer or importing distributor to keep a  
25 satisfactory bond in effect with the Department or to furnish  
26 additional bond to the Department, when required hereunder by

1 the Department to do so, shall be grounds for the revocation or  
2 suspension of such manufacturer's or importing distributor's  
3 license by the Commission. If a manufacturer or importing  
4 distributor fails to pay any amount due under this Article, his  
5 bond with the Department shall be deemed forfeited, and the  
6 Department may institute a suit in its own name on such bond.

7 After notice and opportunity for a hearing the State  
8 Commission may revoke or suspend the license of any  
9 manufacturer or importing distributor who fails to comply with  
10 the provisions of this Section. Notice of such hearing and the  
11 time and place thereof shall be in writing and shall contain a  
12 statement of the charges against the licensee. Such notice may  
13 be given by United States registered or certified mail with  
14 return receipt requested, addressed to the person concerned at  
15 his last known address and shall be given not less than 7 days  
16 prior to the date fixed for the hearing. An order revoking or  
17 suspending a license under the provisions of this Section may  
18 be reviewed in the manner provided in Section 7-10 of this Act.  
19 No new license shall be granted to a person whose license has  
20 been revoked for a violation of this Section or, in case of  
21 suspension, shall such suspension be terminated until he has  
22 paid to the Department all taxes and penalties which he owes  
23 the State under the provisions of this Act.

24 Every manufacturer or importing distributor who has, as  
25 verified by the Department, continuously complied with the  
26 conditions of the bond under this Act for a period of 2 years



1 shall be considered to be a prior continuous compliance  
2 taxpayer. In determining the consecutive period of time for  
3 qualification as a prior continuous compliance taxpayer, any  
4 consecutive period of time of qualifying compliance  
5 immediately prior to the effective date of this amendatory Act  
6 of 1987 shall be credited to any manufacturer or importing  
7 distributor.

8 A manufacturer or importing distributor that is a prior  
9 continuous compliance taxpayer under this Section and becomes a  
10 successor as the result of an acquisition, merger, or  
11 consolidation of a manufacturer or importing distributor shall  
12 be deemed to be a prior continuous compliance taxpayer with  
13 respect to the acquired, merged, or consolidated entity.

14 Every prior continuous compliance taxpayer shall be exempt  
15 from the bond requirements of this Act until the Department has  
16 determined the taxpayer to be delinquent in the filing of any  
17 return or deficient in the payment of any tax under this Act.  
18 Any taxpayer who fails to pay an admitted or established  
19 liability under this Act may also be required to post bond or  
20 other acceptable security with the Department guaranteeing the  
21 payment of such admitted or established liability.

22 The Department shall discharge any surety and shall release  
23 and return any bond or security deposit assigned, pledged or  
24 otherwise provided to it by a taxpayer under this Section  
25 within 30 days after: (1) such taxpayer becomes a prior  
26 continuous compliance taxpayer; or (2) such taxpayer has ceased

1 to collect receipts on which he is required to remit tax to the  
2 Department, has filed a final tax return, and has paid to the  
3 Department an amount sufficient to discharge his remaining tax  
4 liability as determined by the Department under this Act.

5 (Source: P.A. 100-1171, eff. 1-4-19.)

6 (235 ILCS 5/10-1) (from Ch. 43, par. 183)

7 Sec. 10-1. Violations; penalties. Whereas a substantial  
8 threat to the sound and careful control, regulation, and  
9 taxation of the manufacture, sale, and distribution of  
10 alcoholic liquors exists by virtue of individuals who  
11 manufacture, import, distribute, or sell alcoholic liquors  
12 within the State without having first obtained a valid license  
13 to do so, and whereas such threat is especially serious along  
14 the borders of this State, and whereas such threat requires  
15 immediate correction by this Act, by active investigation and  
16 prosecution by the State Commission, law enforcement  
17 officials, and prosecutors, and by prompt and strict  
18 enforcement through the courts of this State to punish  
19 violators and to deter such conduct in the future:

20 (a) Any person who manufactures, imports for distribution  
21 or use, transports from outside this State into this State, or  
22 distributes or sells 108 liters (28.53 gallons) or more of  
23 wine, 45 liters (11.88 gallons) or more of distilled spirits,  
24 or 118 liters (31.17 gallons) or more of beer at any place  
25 within the State without having first obtained a valid license

1 to do so under the provisions of this Act shall be guilty of a  
2 Class 4 felony for each offense. However, any person who was  
3 duly licensed under this Act and whose license expired within  
4 30 days prior to a violation shall be guilty of a business  
5 offense and fined not more than \$1,000 for the first such  
6 offense and shall be guilty of a Class 4 felony for each  
7 subsequent offense.

8 Any person who manufactures, imports for distribution,  
9 transports from outside this State into this State for sale or  
10 resale in this State, or distributes or sells less than 108  
11 liters (28.53 gallons) of wine, less than 45 liters (11.88  
12 gallons) of distilled spirits, or less than 118 liters (31.17  
13 gallons) of beer at any place within the State without having  
14 first obtained a valid license to do so under the provisions of  
15 this Act shall be guilty of a business offense and fined not  
16 more than \$1,000 for the first such offense and shall be guilty  
17 of a Class 4 felony for each subsequent offense. This  
18 subsection does not apply to a motor carrier or freight  
19 forwarder, as defined in Section 13102 of Title 49 of the  
20 United States Code, an air carrier, as defined in Section 40102  
21 of Title 49 of the United States Code, or a rail carrier, as  
22 defined in Section 10102 of Title 49 of the United States Code.

23 Any person who: (1) both has been issued an initial cease  
24 and desist notice from the State Commission; and (2) for  
25 compensation, does any of the following: (i) ships alcoholic  
26 liquor into this State without a license authorized by Section

1 5-1 issued by the State Commission or in violation of that  
2 license; or (ii) manufactures, imports for distribution,  
3 transports from outside this State into this State for sale or  
4 resale in this State, or distributes or sells alcoholic liquors  
5 at any place without having first obtained a valid license to  
6 do so is guilty of a Class 4 felony for each offense.

7 (b) (1) Any retailer, caterer retailer, brew pub, special  
8 event retailer, special use permit holder, homebrewer special  
9 event permit holder, or craft distiller tasting permit holder  
10 who knowingly causes alcoholic liquors to be imported directly  
11 into the State of Illinois from outside of the State for the  
12 purpose of furnishing, giving, or selling to another, except  
13 when having received the product from a duly licensed  
14 distributor or importing distributor, licensed in this State,  
15 ~~who knowingly causes to furnish, give, sell, or otherwise being~~  
16 ~~within the State, any alcoholic liquor destined to be used,~~  
17 ~~distributed, consumed or sold in another state, unless such~~  
18 ~~alcoholic liquor was received in this State by a duly licensed~~  
19 ~~distributor, or importing distributors~~ shall have his license  
20 suspended for 30 7 days for the first offense and for the  
21 second offense, shall have his license revoked by the  
22 Commission.

23 (2) In the event the State Commission receives a certified  
24 copy of a final order from a foreign jurisdiction that an  
25 Illinois retail licensee has been found to have violated that  
26 foreign jurisdiction's laws, rules, or regulations concerning

1 the importation of alcoholic liquor into that foreign  
2 jurisdiction, the violation may be grounds for the State  
3 Commission to revoke, suspend, or refuse to issue or renew a  
4 license, to impose a fine, or to take any additional action  
5 provided by this Act with respect to the Illinois retail  
6 license or licensee. Any such action on the part of the State  
7 Commission shall be in accordance with this Act and  
8 implementing rules.

9 For the purposes of paragraph (2): (i) "foreign  
10 jurisdiction" means a state, territory, or possession of the  
11 United States, the District of Columbia, or the Commonwealth of  
12 Puerto Rico, and (ii) "final order" means an order or judgment  
13 of a court or administrative body that determines the rights of  
14 the parties respecting the subject matter of the proceeding,  
15 that remains in full force and effect, and from which no appeal  
16 can be taken.

17 (c) Any person who shall make any false statement or  
18 otherwise violates any of the provisions of this Act in  
19 obtaining any license hereunder, or who having obtained a  
20 license hereunder shall violate any of the provisions of this  
21 Act with respect to the manufacture, possession, distribution  
22 or sale of alcoholic liquor, or with respect to the maintenance  
23 of the licensed premises, or shall violate any other provision  
24 of this Act, shall for a first offense be guilty of a petty  
25 offense and fined not more than \$500, and for a second or  
26 subsequent offense shall be guilty of a Class B misdemeanor.

1 (c-5) Any owner of an establishment that serves alcohol on  
2 its premises, if more than 50% of the establishment's gross  
3 receipts within the prior 3 months is from the sale of alcohol,  
4 who knowingly fails to prohibit concealed firearms on its  
5 premises or who knowingly makes a false statement or record to  
6 avoid the prohibition of concealed firearms on its premises  
7 under the Firearm Concealed Carry Act shall be guilty of a  
8 business offense with a fine up to \$5,000.

9 (d) Each day any person engages in business as a  
10 manufacturer, foreign importer, importing distributor,  
11 distributor or retailer in violation of the provisions of this  
12 Act shall constitute a separate offense.

13 (e) Any person, under the age of 21 years who, for the  
14 purpose of buying, accepting or receiving alcoholic liquor from  
15 a licensee, represents that he is 21 years of age or over shall  
16 be guilty of a Class A misdemeanor.

17 (f) In addition to the penalties herein provided, any  
18 person licensed as a wine-maker in either class who  
19 manufactures more wine than authorized by his license shall be  
20 guilty of a business offense and shall be fined \$1 for each  
21 gallon so manufactured.

22 (g) A person shall be exempt from prosecution for a  
23 violation of this Act if he is a peace officer in the  
24 enforcement of the criminal laws and such activity is approved  
25 in writing by one of the following:

26 (1) In all counties, the respective State's Attorney;

1           (2) The Director of State Police under Section 2605-10,  
2           2605-15, 2605-75, 2605-100, 2605-105, 2605-110, 2605-115,  
3           2605-120,    2605-130,    2605-140,    2605-190,    2605-200,  
4           2605-205,    2605-210,    2605-215,    2605-250,    2605-275,  
5           2605-300,    2605-305,    2605-315,    2605-325,    2605-335,  
6           2605-340,    2605-350,    2605-355,    2605-360,    2605-365,  
7           2605-375,    2605-390,    2605-400,    2605-405,    2605-420,  
8           2605-430, 2605-435, 2605-500, 2605-525, or 2605-550 of the  
9           Department of State Police Law (20 ILCS 2605/2605-10,  
10          2605/2605-15, 2605/2605-75, 2605/2605-100, 2605/2605-105,  
11          2605/2605-110,           2605/2605-115,           2605/2605-120,  
12          2605/2605-130,           2605/2605-140,           2605/2605-190,  
13          2605/2605-200,           2605/2605-205,           2605/2605-210,  
14          2605/2605-215,           2605/2605-250,           2605/2605-275,  
15          2605/2605-300,           2605/2605-305,           2605/2605-315,  
16          2605/2605-325,           2605/2605-335,           2605/2605-340,  
17          2605/2605-350,           2605/2605-355,           2605/2605-360,  
18          2605/2605-365,           2605/2605-375,           2605/2605-390,  
19          2605/2605-400,           2605/2605-405,           2605/2605-420,  
20          2605/2605-430,           2605/2605-435,           2605/2605-500,  
21          2605/2605-525, or 2605/2605-550); or

22           (3) In cities over 1,000,000, the Superintendent of  
23           Police.

24           (Source: P.A. 98-63, eff. 7-9-13; 99-904, eff. 1-1-17.)

25           (235 ILCS 5/10-7.1) (from Ch. 43, par. 189.1)

1           Sec. 10-7.1. The State Commission, upon receipt of a  
2 complaint or upon having knowledge that any person is engaged  
3 in the business as a manufacturer, importing distributor,  
4 distributor, or retailer without a license or valid license,  
5 shall conduct an investigation. If, after conducting an  
6 investigation, the State Commission is satisfied that the  
7 alleged conduct occurred or is occurring, it may issue a cease  
8 and desist notice as provided in this Act, issue civil  
9 penalties as provided in this Act, notify the Department of  
10 Revenue and the local liquor authority, or ~~and~~ file a complaint  
11 with the State's Attorney's Office of the County where the  
12 incident occurred or with the Attorney General ~~initiate an~~  
13 ~~investigation with the appropriate law enforcement officials.~~

14           (Source: P.A. 90-739, eff. 8-13-98.)

15           Section 99. Effective date. This Act takes effect upon  
16 becoming law, except that the changes to Section 8-2 of the  
17 Liquor Control Act of 1934 take effect upon becoming law.