



Sen. Elgie R. Sims, Jr.

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LRB101 06994 RPS 60430 a

1 AMENDMENT TO HOUSE BILL 2577

2 AMENDMENT NO. _____. Amend House Bill 2577 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-4, 8-2, 3-12, 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

1 investigators to conduct investigations, searches, seizures,
2 arrests, and other duties required to enforce the provisions of
3 this Act, on behalf of the State Commission, and to ensure the
4 health, safety, and welfare of the People of the State of
5 Illinois. The Commission's investigators are peace officers
6 and have all the powers possessed by police officers in cities
7 and by sheriffs. State Commission investigators may exercise
8 these powers throughout the State whenever enforcing the
9 provisions of this Act, subject to the rules and orders of the
10 State Commission. No State Commission investigator may have
11 peace officer status or may exercise police powers unless: (1)
12 he or she successfully completes the basic police training
13 course mandated and approved by the Illinois Law Enforcement
14 Training Standards Board; or (2) the Illinois Law Enforcement
15 Training Standards Board waives the training requirement by
16 reason of the investigator's prior law enforcement experience,
17 training, or both.

18 The Executive Director must authorize to each investigator
19 of the State Commission and to any other employee of the
20 Department exercising the powers of a peace officer a distinct
21 badge that, on its face: (1) clearly states that the badge is
22 authorized by the State Commission; and (2) contains a unique
23 identifying number. No other badge shall be authorized by the
24 State Commission. Nothing in this Section prohibits the
25 Executive Director from issuing shields or other distinctive
26 identification to employees performing security or regulatory

1 duties who are not peace officers if the Executive Director
2 determines that a shield or distinctive identification is
3 needed by the employee to carry out his or her
4 responsibilities.

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

6 (235 ILCS 5/3-12)

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

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

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

1 or 6-9, any action by the State Commission to suspend or
2 revoke a licensee's license may be limited to the license
3 for the specific premises where the violation occurred. An
4 action for a violation of this Act shall be commenced by
5 the State Commission within 2 years after the date the
6 State Commission becomes aware of the violation.

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

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

20 The fine imposed under this paragraph may not exceed
21 \$500 for each violation. Each day that the activity, which
22 gave rise to the original fine, continues is a separate
23 violation. The maximum fine that may be levied against any
24 licensee, for the period of the license, shall not exceed
25 \$20,000. The maximum penalty that may be imposed on a
26 licensee for selling a bottle of alcoholic liquor with a

1 foreign object in it or serving from a bottle of alcoholic
2 liquor with a foreign object in it shall be the destruction
3 of that bottle of alcoholic liquor for the first 10 bottles
4 so sold or served from by the licensee. For the eleventh
5 bottle of alcoholic liquor and for each third bottle
6 thereafter sold or served from by the licensee with a
7 foreign object in it, the maximum penalty that may be
8 imposed on the licensee is the destruction of the bottle of
9 alcoholic liquor and a fine of up to \$50.

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

19 (2) To adopt such rules and regulations consistent with
20 the provisions of this Act which shall be necessary to
21 carry on its functions and duties to the end that the
22 health, safety and welfare of the People of the State of
23 Illinois shall be protected and temperance in the
24 consumption of alcoholic liquors shall be fostered and
25 promoted and to distribute copies of such rules and
26 regulations to all licensees affected thereby.

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

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

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

18 (5.1) Upon receipt of a complaint or upon having
19 knowledge that any person is engaged in business as a
20 manufacturer, importing distributor, distributor, or
21 retailer without a license or valid license, to conduct an
22 investigation. If, after conducting an investigation, the
23 State Commission is satisfied that the alleged conduct
24 occurred or is occurring, it may issue a cease and desist
25 notice as provided in this Act, impose civil penalties as
26 provided in this Act, to notify the local liquor authority,

1 or file a complaint with the State's Attorney's Office of
2 the county where the incident occurred or the Attorney
3 General, ~~or initiate an investigation with the appropriate~~
4 ~~law enforcement officials.~~

5 (5.2) Upon receipt of a complaint or upon having
6 knowledge that any person is ~~To issue a cease and desist~~
7 ~~notice to persons~~ shipping alcoholic liquor into this State
8 from a point outside of this State if the shipment is in
9 violation of this Act, to conduct an investigation. If,
10 after conducting an investigation, the State Commission is
11 satisfied that the alleged conduct occurred or is
12 occurring, it may issue a cease and desist notice as
13 provided in this Act, impose civil penalties as provided in
14 this Act, notify the foreign jurisdiction, or file a
15 complaint with the State's Attorney's Office of the county
16 where the incident occurred or the Attorney General.

17 (5.3) To receive complaints from licensees, local
18 officials, law enforcement agencies, organizations, and
19 persons stating that any licensee has been or is violating
20 any provision of this Act or the rules and regulations
21 issued pursuant to this Act. Such complaints shall be in
22 writing, signed and sworn to by the person making the
23 complaint, and shall state with specificity the facts in
24 relation to the alleged violation. If the State Commission
25 has reasonable grounds to believe that the complaint
26 substantially alleges a violation of this Act or rules and

1 regulations adopted pursuant to this Act, it shall conduct
2 an investigation. If, after conducting an investigation,
3 the State Commission is satisfied that the alleged
4 violation did occur, it shall proceed with disciplinary
5 action against the licensee as provided in this Act.

6 (5.4) To make arrests and issue notices of civil
7 violations where necessary for the enforcement of this Act.

8 (5.5) To investigate any and all unlicensed activity.

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

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

24 (7) The State Commission ~~commission~~ shall establish
25 uniform systems of accounts to be kept by all retail
26 licensees having more than 4 employees, and for this

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

23 (8) In the conduct of any hearing authorized to be held
24 by the State Commission ~~commission~~, to appoint, at the
25 commission's discretion, hearing officers to conduct
26 hearings involving complex issues or issues that will

1 require a protracted period of time to resolve, to examine,
2 or cause to be examined, under oath, any licensee, and to
3 examine or cause to be examined the books and records of
4 such licensee; to hear testimony and take proof material
5 for its information in the discharge of its duties
6 hereunder; to administer or cause to be administered oaths;
7 for any such purpose to issue subpoena or subpoenas to
8 require the attendance of witnesses and the production of
9 books, which shall be effective in any part of this State,
10 and to adopt rules to implement its powers under this
11 paragraph (8).

12 Any circuit court may by order duly entered, require
13 the attendance of witnesses and the production of relevant
14 books subpoenaed by the State Commission and the court may
15 compel obedience to its order by proceedings for contempt.

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

23 (10) To adopt such rules and regulations consistent
24 with the provisions of this Act which shall be necessary
25 for the control, sale or disposition of alcoholic liquor
26 damaged as a result of an accident, wreck, flood, fire or

1 other similar occurrence.

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

6 (11.1) To license persons providing education and
7 training to alcohol beverage sellers and servers for
8 mandatory and non-mandatory training under the Beverage
9 Alcohol Sellers and Servers Education and Training
10 (BASSET) programs and to develop and administer a public
11 awareness program in Illinois to reduce or eliminate the
12 illegal purchase and consumption of alcoholic beverage
13 products by persons under the age of 21. Application for a
14 license shall be made on forms provided by the State
15 Commission.

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

18 (13) (Blank).

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

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

3 (B) The amount of licensing fees received.

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

7 (D) The number of alcohol compliance operations
8 conducted.

9 (E) The number of winery shipper's licenses
10 issued.

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

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

1 (16) The State Commission shall, in addition to
2 notifying any appropriate law enforcement agency, submit
3 notices of complaints or violations of Sections 6-29 and
4 6-29.1 by persons who do not hold a winery shipper's
5 license under this Act to the Illinois Attorney General and
6 to the U.S. Department of Treasury's Alcohol and Tobacco
7 Tax and Trade Bureau.

8 (17) (A) A person licensed to make wine under the laws
9 of another state who has a winery shipper's license under
10 this Act and annually produces less than 25,000 gallons of
11 wine or a person who has a first-class or second-class wine
12 manufacturer's license, a first-class or second-class
13 wine-maker's license, or a limited wine manufacturer's
14 license under this Act and annually produces less than
15 25,000 gallons of wine may make application to the
16 Commission for a self-distribution exemption to allow the
17 sale of not more than 5,000 gallons of the exemption
18 holder's wine to retail licensees per year.

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

1 and any other state where it is licensed.

2 (C) The State Commission shall approve the application
3 for a self-distribution exemption if such person: (1) is in
4 compliance with State revenue and liquor laws; (2) is not a
5 member of any affiliated group that produces more than
6 25,000 gallons of wine per annum or produces any other
7 alcoholic liquor; (3) will not annually produce for sale
8 more than 25,000 gallons of wine; and (4) will not annually
9 sell more than 5,000 gallons of its wine to retail
10 licensees.

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

23 (E) Except in hearings for violations of this Act or
24 Public Act 95-634 or a bona fide investigation by duly
25 sworn law enforcement officials, the State Commission, or
26 its agents, the State Commission shall maintain the

1 production and sales information of a self-distribution
2 exemption holder as confidential and shall not release such
3 information to any person.

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

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

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

23 (18)(A) A class 1 brewer licensee, who must also be
24 either a licensed brewer or licensed non-resident dealer
25 and annually manufacture less than 930,000 gallons of beer,
26 may make application to the State Commission for a

1 self-distribution exemption to allow the sale of not more
2 than 232,500 gallons of the exemption holder's beer per
3 year to retail licensees and to brewers, class 1 brewers,
4 and class 2 brewers that, pursuant to subsection (e) of
5 Section 6-4 of this Act, sell beer, cider, or both beer and
6 cider to non-licensees at their breweries.

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

17 (C) Any application submitted shall be posted on the
18 State Commission's website at least 45 days prior to action
19 by the State Commission. The State Commission shall approve
20 the application for a self-distribution exemption if the
21 class 1 brewer licensee: (1) is in compliance with the
22 State, revenue, and alcoholic beverage laws; (2) is not a
23 member of any affiliated group that manufactures more than
24 930,000 gallons of beer per annum or produces any other
25 alcoholic beverages; (3) shall not annually manufacture
26 for sale more than 930,000 gallons of beer; (4) shall not

1 annually sell more than 232,500 gallons of its beer to
2 retail licensees or to brewers, class 1 brewers, and class
3 2 brewers that, pursuant to subsection (e) of Section 6-4
4 of this Act, sell beer, cider, or both beer and cider to
5 non-licensees at their breweries; and (5) has relinquished
6 any brew pub license held by the licensee, including any
7 ownership interest it held in the licensed brew pub.

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

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

24 (F) Nothing in this paragraph (18) shall prohibit a
25 self-distribution exemption holder from entering into or
26 simultaneously having a distribution agreement with a

1 licensed Illinois importing distributor or a distributor.
2 If a self-distribution exemption holder enters into a
3 distribution agreement and has assigned distribution
4 rights to an importing distributor or distributor, then the
5 self-distribution exemption holder's distribution rights
6 in the assigned territories shall cease in a reasonable
7 time not to exceed 60 days.

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

16 (b) On or before April 30, 1999, the Commission shall
17 present a written report to the Governor and the General
18 Assembly that shall be based on a study of the impact of Public
19 Act 90-739 on the business of soliciting, selling, and shipping
20 alcoholic liquor from outside of this State directly to
21 residents of this State.

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

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

26 (ii) the amount of licensing fees received as a result

1 of Public Act 90-739;

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

7 (Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;
8 100-134, eff. 8-18-17; 100-201, eff. 8-18-17; 100-816, eff.
9 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff. 8-23-18;
10 revised 10-24-18.)

11 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

12 Sec. 8-2. Payments; reports. It is the duty of each
13 manufacturer with respect to alcoholic liquor produced or
14 imported by such manufacturer, or purchased tax-free by such
15 manufacturer from another manufacturer or importing
16 distributor, and of each importing distributor as to alcoholic
17 liquor purchased by such importing distributor from foreign
18 importers or from anyone from any point in the United States
19 outside of this State or purchased tax-free from another
20 manufacturer or importing distributor, to pay the tax imposed
21 by Section 8-1 to the Department of Revenue on or before the
22 15th day of the calendar month following the calendar month in
23 which such alcoholic liquor is sold or used by such
24 manufacturer or by such importing distributor other than in an
25 authorized tax-free manner or to pay that tax electronically as

1 provided in this Section.

2 Each manufacturer and each importing distributor shall
3 make payment under one of the following methods: (1) on or
4 before the 15th day of each calendar month, file in person or
5 by United States first-class mail, postage pre-paid, with the
6 Department of Revenue, on forms prescribed and furnished by the
7 Department, a report in writing in such form as may be required
8 by the Department in order to compute, and assure the accuracy
9 of, the tax due on all taxable sales and uses of alcoholic
10 liquor occurring during the preceding month. Payment of the tax
11 in the amount disclosed by the report shall accompany the
12 report or, (2) on or before the 15th day of each calendar
13 month, electronically file with the Department of Revenue, on
14 forms prescribed and furnished by the Department, an electronic
15 report in such form as may be required by the Department in
16 order to compute, and assure the accuracy of, the tax due on
17 all taxable sales and uses of alcoholic liquor occurring during
18 the preceding month. An electronic payment of the tax in the
19 amount disclosed by the report shall accompany the report. A
20 manufacturer or distributor who files an electronic report and
21 electronically pays the tax imposed pursuant to Section 8-1 to
22 the Department of Revenue on or before the 15th day of the
23 calendar month following the calendar month in which such
24 alcoholic liquor is sold or used by that manufacturer or
25 importing distributor other than in an authorized tax-free
26 manner shall pay to the Department the amount of the tax

1 imposed pursuant to Section 8-1, less a discount which is
2 allowed to reimburse the manufacturer or importing distributor
3 for the expenses incurred in keeping and maintaining records,
4 preparing and filing the electronic returns, remitting the tax,
5 and supplying data to the Department upon request.

6 The discount shall be in an amount as follows:

7 (1) For original returns due on or after January 1,
8 2003 through September 30, 2003, the discount shall be
9 1.75% or \$1,250 per return, whichever is less;

10 (2) For original returns due on or after October 1,
11 2003 through September 30, 2004, the discount shall be 2%
12 or \$3,000 per return, whichever is less; and

13 (3) For original returns due on or after October 1,
14 2004, the discount shall be 2% or \$2,000 per return,
15 whichever is less.

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

21 It shall be presumed that all alcoholic liquors acquired or
22 made by any importing distributor or manufacturer have been
23 sold or used by him in this State and are the basis for the tax
24 imposed by this Article unless proven, to the satisfaction of
25 the Department, that such alcoholic liquors are (1) still in
26 the possession of such importing distributor or manufacturer,

1 or (2) prior to the termination of possession have been lost by
2 theft or through unintentional destruction, or (3) that such
3 alcoholic liquors are otherwise exempt from taxation under this
4 Act.

5 If any payment provided for in this Section exceeds the
6 manufacturer's or importing distributor's liabilities under
7 this Act, as shown on an original report, the manufacturer or
8 importing distributor may credit such excess payment against
9 liability subsequently to be remitted to the Department under
10 this Act, in accordance with reasonable rules adopted by the
11 Department. If the Department subsequently determines that all
12 or any part of the credit taken was not actually due to the
13 manufacturer or importing distributor, the manufacturer's or
14 importing distributor's discount shall be reduced by an amount
15 equal to the difference between the discount as applied to the
16 credit taken and that actually due, and the manufacturer or
17 importing distributor shall be liable for penalties and
18 interest on such difference.

19 The Department may require any foreign importer to file
20 monthly information returns, by the 15th day of the month
21 following the month which any such return covers, if the
22 Department determines this to be necessary to the proper
23 performance of the Department's functions and duties under this
24 Act. Such return shall contain such information as the
25 Department may reasonably require.

26 Every manufacturer and importing distributor, except for a

1 manufacturer or importing distributor that in the preceding
2 year had less than \$50,000 of tax liability under this Article,
3 shall also file, with the Department, a bond in an amount not
4 less than \$1,000 and not to exceed \$100,000 on a form to be
5 approved by, and with a surety or sureties satisfactory to, the
6 Department. Such bond shall be conditioned upon the
7 manufacturer or importing distributor paying to the Department
8 all monies becoming due from such manufacturer or importing
9 distributor under this Article. The Department shall fix the
10 penalty of such bond in each case, taking into consideration
11 the amount of alcoholic liquor expected to be sold and used by
12 such manufacturer or importing distributor, and the penalty
13 fixed by the Department shall be sufficient, in the
14 Department's opinion, to protect the State of Illinois against
15 failure to pay any amount due under this Article, but the
16 amount of the penalty fixed by the Department shall not exceed
17 twice the amount of tax liability of a monthly return, nor
18 shall the amount of such penalty be less than \$1,000. The
19 Department shall notify the State Commission of the
20 Department's approval or disapproval of any such
21 manufacturer's or importing distributor's bond, or of the
22 termination or cancellation of any such bond, or of the
23 Department's direction to a manufacturer or importing
24 distributor that he must file additional bond in order to
25 comply with this Section. The Commission shall not issue a
26 license to any applicant for a manufacturer's or importing

1 distributor's license unless the Commission has received a
2 notification from the Department showing that such applicant
3 has filed a satisfactory bond with the Department hereunder and
4 that such bond has been approved by the Department. Failure by
5 any licensed manufacturer or importing distributor to keep a
6 satisfactory bond in effect with the Department or to furnish
7 additional bond to the Department, when required hereunder by
8 the Department to do so, shall be grounds for the revocation or
9 suspension of such manufacturer's or importing distributor's
10 license by the Commission. If a manufacturer or importing
11 distributor fails to pay any amount due under this Article, his
12 bond with the Department shall be deemed forfeited, and the
13 Department may institute a suit in its own name on such bond.

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

1 been revoked for a violation of this Section or, in case of
2 suspension, shall such suspension be terminated until he has
3 paid to the Department all taxes and penalties which he owes
4 the State under the provisions of this Act.

5 Every manufacturer or importing distributor who has, as
6 verified by the Department, continuously complied with the
7 conditions of the bond under this Act for a period of 2 years
8 shall be considered to be a prior continuous compliance
9 taxpayer. In determining the consecutive period of time for
10 qualification as a prior continuous compliance taxpayer, any
11 consecutive period of time of qualifying compliance
12 immediately prior to the effective date of this amendatory Act
13 of 1987 shall be credited to any manufacturer or importing
14 distributor.

15 A manufacturer or importing distributor that is a prior
16 continuous compliance taxpayer under this Section and becomes a
17 successor as the result of an acquisition, merger, or
18 consolidation of a manufacturer or importing distributor shall
19 be deemed to be a prior continuous compliance taxpayer with
20 respect to the acquired, merged, or consolidated entity.

21 Every prior continuous compliance taxpayer shall be exempt
22 from the bond requirements of this Act until the Department has
23 determined the taxpayer to be delinquent in the filing of any
24 return or deficient in the payment of any tax under this Act.
25 Any taxpayer who fails to pay an admitted or established
26 liability under this Act may also be required to post bond or

1 other acceptable security with the Department guaranteeing the
2 payment of such admitted or established liability.

3 The Department shall discharge any surety and shall release
4 and return any bond or security deposit assigned, pledged or
5 otherwise provided to it by a taxpayer under this Section
6 within 30 days after: (1) such taxpayer becomes a prior
7 continuous compliance taxpayer; or (2) such taxpayer has ceased
8 to collect receipts on which he is required to remit tax to the
9 Department, has filed a final tax return, and has paid to the
10 Department an amount sufficient to discharge his remaining tax
11 liability as determined by the Department under this Act.

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

13 (235 ILCS 5/10-1) (from Ch. 43, par. 183)

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

1 violators and to deter such conduct in the future:

2 (a) Any person who manufactures, imports for distribution
3 or use, transports from outside this State into this State, or
4 distributes or sells 108 liters (28.53 gallons) or more of
5 wine, 45 liters (11.88 gallons) or more of distilled spirits,
6 or 118 liters (31.17 gallons) or more of beer at any place
7 within the State without having first obtained a valid license
8 to do so under the provisions of this Act shall be guilty of a
9 Class 4 felony for each offense. However, any person who was
10 duly licensed under this Act and whose license expired within
11 30 days prior to a violation shall be guilty of a business
12 offense and fined not more than \$1,000 for the first such
13 offense and shall be guilty of a Class 4 felony for each
14 subsequent offense.

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

1 United States Code, an air carrier, as defined in Section 40102
2 of Title 49 of the United States Code, or a rail carrier, as
3 defined in Section 10102 of Title 49 of the United States Code.

4 Any person who: (1) both has been issued an initial cease
5 and desist notice from the State Commission; and (2) for
6 compensation, does any of the following: (i) ships alcoholic
7 liquor into this State without a license authorized by Section
8 5-1 issued by the State Commission or in violation of that
9 license; or (ii) manufactures, imports for distribution,
10 transports from outside this State into this State for sale or
11 resale in this State, or distributes or sells alcoholic liquors
12 at any place without having first obtained a valid license to
13 do so is guilty of a Class 4 felony for each offense.

14 (b) (1) Any retailer, caterer retailer, brew pub, special
15 event retailer, special use permit holder, homebrewer special
16 event permit holder, or craft distiller tasting permit holder
17 who knowingly causes alcoholic liquors to be imported directly
18 into the State of Illinois from outside of the State for the
19 purpose of furnishing, giving, or selling to another, except
20 when having received the product from a duly licensed
21 distributor or importing distributor, licensed in this State,
22 who knowingly causes to furnish, give, sell, or otherwise being
23 within the State, any alcoholic liquor destined to be used,
24 distributed, consumed or sold in another state, unless such
25 alcoholic liquor was received in this State by a duly licensed
26 distributor, or importing distributors shall have his license

1 suspended for 30 7 days for the first offense and for the
2 second offense, shall have his license revoked by the
3 Commission.

4 (2) In the event the State Commission receives a certified
5 copy of a final order from a foreign jurisdiction that an
6 Illinois retail licensee has been found to have violated that
7 foreign jurisdiction's laws, rules, or regulations concerning
8 the importation of alcoholic liquor into that foreign
9 jurisdiction, the violation may be grounds for the State
10 Commission to revoke, suspend, or refuse to issue or renew a
11 license, to impose a fine, or to take any additional action
12 provided by this Act with respect to the Illinois retail
13 license or licensee. Any such action on the part of the State
14 Commission shall be in accordance with this Act and
15 implementing rules.

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

24 (c) Any person who shall make any false statement or
25 otherwise violates any of the provisions of this Act in
26 obtaining any license hereunder, or who having obtained a

1 license hereunder shall violate any of the provisions of this
2 Act with respect to the manufacture, possession, distribution
3 or sale of alcoholic liquor, or with respect to the maintenance
4 of the licensed premises, or shall violate any other provision
5 of this Act, shall for a first offense be guilty of a petty
6 offense and fined not more than \$500, and for a second or
7 subsequent offense shall be guilty of a Class B misdemeanor.

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

16 (d) Each day any person engages in business as a
17 manufacturer, foreign importer, importing distributor,
18 distributor or retailer in violation of the provisions of this
19 Act shall constitute a separate offense.

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

24 (f) In addition to the penalties herein provided, any
25 person licensed as a wine-maker in either class who
26 manufactures more wine than authorized by his license shall be

1 guilty of a business offense and shall be fined \$1 for each
2 gallon so manufactured.

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

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

8 (2) The Director of State Police under Section 2605-10,
9 2605-15, 2605-75, 2605-100, 2605-105, 2605-110, 2605-115,
10 2605-120, 2605-130, 2605-140, 2605-190, 2605-200,
11 2605-205, 2605-210, 2605-215, 2605-250, 2605-275,
12 2605-300, 2605-305, 2605-315, 2605-325, 2605-335,
13 2605-340, 2605-350, 2605-355, 2605-360, 2605-365,
14 2605-375, 2605-390, 2605-400, 2605-405, 2605-420,
15 2605-430, 2605-435, 2605-500, 2605-525, or 2605-550 of the
16 Department of State Police Law (20 ILCS 2605/2605-10,
17 2605/2605-15, 2605/2605-75, 2605/2605-100, 2605/2605-105,
18 2605/2605-110, 2605/2605-115, 2605/2605-120,
19 2605/2605-130, 2605/2605-140, 2605/2605-190,
20 2605/2605-200, 2605/2605-205, 2605/2605-210,
21 2605/2605-215, 2605/2605-250, 2605/2605-275,
22 2605/2605-300, 2605/2605-305, 2605/2605-315,
23 2605/2605-325, 2605/2605-335, 2605/2605-340,
24 2605/2605-350, 2605/2605-355, 2605/2605-360,
25 2605/2605-365, 2605/2605-375, 2605/2605-390,
26 2605/2605-400, 2605/2605-405, 2605/2605-420,

1 2605/2605-430, 2605/2605-435, 2605/2605-500,
2 2605/2605-525, or 2605/2605-550); or

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

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

6 (235 ILCS 5/10-7.1) (from Ch. 43, par. 189.1)

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

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law, except that the changes to Section 8-2 of the
23 Liquor Control Act of 1934 take effect upon becoming law."