

SB3022



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3022

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

SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-6

from Ch. 43, par. 123

Amends the Liquor Control Act of 1934. In a provision that allows a manufacturer, distributor, or importing distributor to provide signs to a retailer if certain conditions are met, including a limitation on the dollar value of the signs that may be provided, provides that the cost adjustment factor applied to the limitation on the dollar value of the signs is 5% annually (rather than the change in the consumer price index or 5%, whichever is greater). Effective immediately.

LRB100 18964 RPS 34214 b

A BILL FOR

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 6-6 as follows:

6 (235 ILCS 5/6-6) (from Ch. 43, par. 123)

7 Sec. 6-6. Except as otherwise provided in this Act no
8 manufacturer or distributor or importing distributor shall,
9 directly or indirectly, sell, supply, furnish, give or pay for,
10 or loan or lease, any furnishing, fixture or equipment on the
11 premises of a place of business of another licensee authorized
12 under this Act to sell alcoholic liquor at retail, either for
13 consumption on or off the premises, nor shall he or she,
14 directly or indirectly, pay for any such license, or advance,
15 furnish, lend or give money for payment of such license, or
16 purchase or become the owner of any note, mortgage, or other
17 evidence of indebtedness of such licensee or any form of
18 security therefor, nor shall such manufacturer, or
19 distributor, or importing distributor, directly or indirectly,
20 be interested in the ownership, conduct or operation of the
21 business of any licensee authorized to sell alcoholic liquor at
22 retail, nor shall any manufacturer, or distributor, or
23 importing distributor be interested directly or indirectly or

1 as owner or part owner of said premises or as lessee or lessor
2 thereof, in any premises upon which alcoholic liquor is sold at
3 retail.

4 No manufacturer or distributor or importing distributor
5 shall, directly or indirectly or through a subsidiary or
6 affiliate, or by any officer, director or firm of such
7 manufacturer, distributor or importing distributor, furnish,
8 give, lend or rent, install, repair or maintain, to or for any
9 retail licensee in this State, any signs or inside advertising
10 materials except as provided in this Section and Section 6-5.
11 With respect to retail licensees, other than any government
12 owned or operated auditorium, exhibition hall, recreation
13 facility or other similar facility holding a retailer's license
14 as described in Section 6-5, a manufacturer, distributor, or
15 importing distributor may furnish, give, lend or rent and
16 erect, install, repair and maintain to or for any retail
17 licensee, for use at any one time in or about or in connection
18 with a retail establishment on which the products of the
19 manufacturer, distributor or importing distributor are sold,
20 the following signs and inside advertising materials as
21 authorized in subparts (i), (ii), (iii), and (iv):

22 (i) Permanent outside signs shall be limited to one
23 outside sign, per brand, in place and in use at any one
24 time, costing not more than \$893, exclusive of erection,
25 installation, repair and maintenance costs, and permit
26 fees and shall bear only the manufacturer's name, brand

1 name, trade name, slogans, markings, trademark, or other
2 symbols commonly associated with and generally used in
3 identifying the product including, but not limited to,
4 "cold beer", "on tap", "carry out", and "packaged liquor".

5 (ii) Temporary outside signs shall be limited to one
6 temporary outside sign per brand. Examples of temporary
7 outside signs are banners, flags, pennants, streamers, and
8 other items of a temporary and non-permanent nature. Each
9 temporary outside sign must include the manufacturer's
10 name, brand name, trade name, slogans, markings,
11 trademark, or other symbol commonly associated with and
12 generally used in identifying the product. Temporary
13 outside signs may also include, for example, the product,
14 price, packaging, date or dates of a promotion and an
15 announcement of a retail licensee's specific sponsored
16 event, if the temporary outside sign is intended to promote
17 a product, and provided that the announcement of the retail
18 licensee's event and the product promotion are held
19 simultaneously. However, temporary outside signs may not
20 include names, slogans, markings, or logos that relate to
21 the retailer. Nothing in this subpart (ii) shall prohibit a
22 distributor or importing distributor from bearing the cost
23 of creating or printing a temporary outside sign for the
24 retail licensee's specific sponsored event or from bearing
25 the cost of creating or printing a temporary sign for a
26 retail licensee containing, for example, community

1 goodwill expressions, regional sporting event
2 announcements, or seasonal messages, provided that the
3 primary purpose of the temporary outside sign is to
4 highlight, promote, or advertise the product. In addition,
5 temporary outside signs provided by the manufacturer to the
6 distributor or importing distributor may also include, for
7 example, subject to the limitations of this Section,
8 preprinted community goodwill expressions, sporting event
9 announcements, seasonal messages, and manufacturer
10 promotional announcements. However, a distributor or
11 importing distributor shall not bear the cost of such
12 manufacturer preprinted signs.

13 (iii) Permanent inside signs, whether visible from the
14 outside or the inside of the premises, include, but are not
15 limited to: alcohol lists and menus that may include names,
16 slogans, markings, or logos that relate to the retailer;
17 neons; illuminated signs; clocks; table lamps; mirrors;
18 tap handles; decalcomanias; window painting; and window
19 trim. All permanent inside signs in place and in use at any
20 one time shall cost in the aggregate not more than \$2000
21 per manufacturer. A permanent inside sign must include the
22 manufacturer's name, brand name, trade name, slogans,
23 markings, trademark, or other symbol commonly associated
24 with and generally used in identifying the product.
25 However, permanent inside signs may not include names,
26 slogans, markings, or logos that relate to the retailer.

1 For the purpose of this subpart (iii), all permanent inside
2 signs may be displayed in an adjacent courtyard or patio
3 commonly referred to as a "beer garden" that is a part of
4 the retailer's licensed premises.

5 (iv) Temporary inside signs shall include, but are not
6 limited to, lighted chalk boards, acrylic table tent
7 beverage or hors d'oeuvre list holders, banners, flags,
8 pennants, streamers, and inside advertising materials such
9 as posters, placards, bowling sheets, table tents, inserts
10 for acrylic table tent beverage or hors d'oeuvre list
11 holders, sports schedules, or similar printed or
12 illustrated materials; however, such items, for example,
13 as coasters, trays, napkins, glassware and cups shall not
14 be deemed to be inside signs or advertising materials and
15 may only be sold to retailers. All temporary inside signs
16 and inside advertising materials in place and in use at any
17 one time shall cost in the aggregate not more than \$325 per
18 manufacturer. Nothing in this subpart (iv) prohibits a
19 distributor or importing distributor from paying the cost
20 of printing or creating any temporary inside banner or
21 inserts for acrylic table tent beverage or hors d'oeuvre
22 list holders for a retail licensee, provided that the
23 primary purpose for the banner or insert is to highlight,
24 promote, or advertise the product. For the purpose of this
25 subpart (iv), all temporary inside signs and inside
26 advertising materials may be displayed in an adjacent

1 courtyard or patio commonly referred to as a "beer garden"
2 that is a part of the retailer's licensed premises.

3 A "cost adjustment factor" shall be used to periodically
4 update the dollar limitations prescribed in subparts (i),
5 (iii), and (iv). The Commission shall establish the adjusted
6 dollar limitation on an annual basis beginning in January,
7 1997. The term "cost adjustment factor" means a percentage
8 equal to ~~the change in the Bureau of Labor Statistics Consumer~~
9 ~~Price Index or 5%, whichever is greater.~~ The restrictions
10 contained in this Section 6-6 do not apply to signs, or
11 promotional or advertising materials furnished by
12 manufacturers, distributors or importing distributors to a
13 government owned or operated facility holding a retailer's
14 license as described in Section 6-5.

15 No distributor or importing distributor shall directly or
16 indirectly or through a subsidiary or affiliate, or by any
17 officer, director or firm of such manufacturer, distributor or
18 importing distributor, furnish, give, lend or rent, install,
19 repair or maintain, to or for any retail licensee in this
20 State, any signs or inside advertising materials described in
21 subparts (i), (ii), (iii), or (iv) of this Section except as
22 the agent for or on behalf of a manufacturer, provided that the
23 total cost of any signs and inside advertising materials
24 including but not limited to labor, erection, installation and
25 permit fees shall be paid by the manufacturer whose product or
26 products said signs and inside advertising materials advertise

1 and except as follows:

2 A distributor or importing distributor may purchase from or
3 enter into a written agreement with a manufacturer or a
4 manufacturer's designated supplier and such manufacturer or
5 the manufacturer's designated supplier may sell or enter into
6 an agreement to sell to a distributor or importing distributor
7 permitted signs and advertising materials described in
8 subparts (ii), (iii), or (iv) of this Section for the purpose
9 of furnishing, giving, lending, renting, installing,
10 repairing, or maintaining such signs or advertising materials
11 to or for any retail licensee in this State. Any purchase by a
12 distributor or importing distributor from a manufacturer or a
13 manufacturer's designated supplier shall be voluntary and the
14 manufacturer may not require the distributor or the importing
15 distributor to purchase signs or advertising materials from the
16 manufacturer or the manufacturer's designated supplier.

17 A distributor or importing distributor shall be deemed the
18 owner of such signs or advertising materials purchased from a
19 manufacturer or a manufacturer's designated supplier.

20 The provisions of Public Act 90-373 concerning signs or
21 advertising materials delivered by a manufacturer to a
22 distributor or importing distributor shall apply only to signs
23 or advertising materials delivered on or after August 14, 1997.

24 A manufacturer, distributor, or importing distributor may
25 furnish free social media advertising to a retail licensee if
26 the social media advertisement does not contain the retail

1 price of any alcoholic liquor and the social media
2 advertisement complies with any applicable rules or
3 regulations issued by the Alcohol and Tobacco Tax and Trade
4 Bureau of the United States Department of the Treasury. A
5 manufacturer, distributor, or importing distributor may list
6 the names of one or more unaffiliated retailers in the
7 advertisement of alcoholic liquor through social media.
8 Nothing in this Section shall prohibit a retailer from
9 communicating with a manufacturer, distributor, or importing
10 distributor on social media or sharing media on the social
11 media of a manufacturer, distributor, or importing
12 distributor. A retailer may request free social media
13 advertising from a manufacturer, distributor, or importing
14 distributor. Nothing in this Section shall prohibit a
15 manufacturer, distributor, or importing distributor from
16 sharing, reposting, or otherwise forwarding a social media post
17 by a retail licensee, so long as the sharing, reposting, or
18 forwarding of the social media post does not contain the retail
19 price of any alcoholic liquor. No manufacturer, distributor, or
20 importing distributor shall pay or reimburse a retailer,
21 directly or indirectly, for any social media advertising
22 services, except as specifically permitted in this Act. No
23 retailer shall accept any payment or reimbursement, directly or
24 indirectly, for any social media advertising services offered
25 by a manufacturer, distributor, or importing distributor,
26 except as specifically permitted in this Act. For the purposes

1 of this Section, "social media" means a service, platform, or
2 site where users communicate with one another and share media,
3 such as pictures, videos, music, and blogs, with other users
4 free of charge.

5 No person engaged in the business of manufacturing,
6 importing or distributing alcoholic liquors shall, directly or
7 indirectly, pay for, or advance, furnish, or lend money for the
8 payment of any license for another. Any licensee who shall
9 permit or assent, or be a party in any way to any violation or
10 infringement of the provisions of this Section shall be deemed
11 guilty of a violation of this Act, and any money loaned
12 contrary to a provision of this Act shall not be recovered
13 back, or any note, mortgage or other evidence of indebtedness,
14 or security, or any lease or contract obtained or made contrary
15 to this Act shall be unenforceable and void.

16 This Section shall not apply to airplane licensees
17 exercising powers provided in paragraph (i) of Section 5-1 of
18 this Act.

19 (Source: P.A. 98-756, eff. 7-16-14; 99-448, eff. 8-24-15.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.