



Sen. William R. Haine

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LRB093 18776 LRD 50138 a

1 AMENDMENT TO HOUSE BILL 6654

2 AMENDMENT NO. _____. Amend House Bill 6654, AS AMENDED,
3 with reference to page and line numbers of Senate Amendment No.
4 1, on page 26, line 17, by replacing "7-5 and 7-6" with "3-12,
5 5-1, 6-2, 6-16.1, 7-5, and 7-6"; and

6 on page 26, below line 17, by inserting the following:

7 "(235 ILCS 5/3-12) (from Ch. 43, par. 108)

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

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

11 (1) To receive applications and to issue licenses to
12 manufacturers, foreign importers, importing distributors,
13 distributors, non-resident dealers, on premise consumption
14 retailers, off premise sale retailers, special event
15 retailer licensees, special use permit licenses, auction
16 liquor licenses, brew pubs, caterer retailers,
17 non-beverage users, railroads, including owners and
18 lessees of sleeping, dining and cafe cars, airplanes,
19 boats, brokers, and wine maker's premises licensees in
20 accordance with the provisions of this Act, and to suspend
21 or revoke such licenses upon the State commission's
22 determination, upon notice after hearing, that a licensee
23 has violated any provision of this Act or any rule or

1 regulation issued pursuant thereto and in effect for 30
2 days prior to such violation. Except in the case of an
3 action taken pursuant to a violation of Section 6-3, 6-5,
4 or 6-9, any action by the State Commission to suspend or
5 revoke a licensee's license may be limited to the license
6 for the specific premises where the violation occurred.

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. The fine imposed under this
13 paragraph may not exceed \$500 for each violation. Each day
14 that the activity, which gave rise to the original fine,
15 continues is a separate violation. The maximum fine that
16 may be levied against any licensee, for the period of the
17 license, shall not exceed \$20,000. The maximum penalty that
18 may be imposed on a licensee for selling a bottle of
19 alcoholic liquor with a foreign object in it or serving
20 from a bottle of alcoholic liquor with a foreign object in
21 it shall be the destruction of that bottle of alcoholic
22 liquor for the first 10 bottles so sold or served from by
23 the licensee. For the eleventh bottle of alcoholic liquor
24 and for each third bottle thereafter sold or served from by
25 the licensee with a foreign object in it, the maximum
26 penalty that may be imposed on the licensee is the
27 destruction of the bottle of alcoholic liquor and a fine of
28 up to \$50.

29 (2) To adopt such rules and regulations consistent with
30 the provisions of this Act which shall be necessary to
31 carry on its functions and duties to the end that the
32 health, safety and welfare of the People of the State of
33 Illinois shall be protected and temperance in the
34 consumption of alcoholic liquors shall be fostered and

1 promoted and to distribute copies of such rules and
2 regulations to all licensees affected thereby.

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

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

12 (5) To inspect, or cause to be inspected, any premises
13 in this State where alcoholic liquors are manufactured,
14 distributed, warehoused, or sold.

15 (5.1) Upon receipt of a complaint or upon having
16 knowledge that any person is engaged in business as a
17 manufacturer, importing distributor, distributor, or
18 retailer without a license or valid license, to notify the
19 local liquor authority, file a complaint with the State's
20 Attorney's Office of the county where the incident
21 occurred, or initiate an investigation with the
22 appropriate law enforcement officials.

23 (5.2) To issue a cease and desist notice to persons
24 shipping alcoholic liquor into this State from a point
25 outside of this State if the shipment is in violation of
26 this Act.

27 (5.3) To receive complaints from licensees, local
28 officials, law enforcement agencies, organizations, and
29 persons stating that any licensee has been or is violating
30 any provision of this Act or the rules and regulations
31 issued pursuant to this Act. Such complaints shall be in
32 writing, signed and sworn to by the person making the
33 complaint, and shall state with specificity the facts in
34 relation to the alleged violation. If the Commission has

1 reasonable grounds to believe that the complaint
2 substantially alleges a violation of this Act or rules and
3 regulations adopted pursuant to this Act, it shall conduct
4 an investigation. If, after conducting an investigation,
5 the Commission is satisfied that the alleged violation did
6 occur, it shall proceed with disciplinary action against
7 the licensee as provided in this Act.

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

14 (7) The commission shall establish uniform systems of
15 accounts to be kept by all retail licensees having more
16 than 4 employees, and for this purpose the commission may
17 classify all retail licensees having more than 4 employees
18 and establish a uniform system of accounts for each class
19 and prescribe the manner in which such accounts shall be
20 kept. The commission may also prescribe the forms of
21 accounts to be kept by all retail licensees having more
22 than 4 employees, including but not limited to accounts of
23 earnings and expenses and any distribution, payment, or
24 other distribution of earnings or assets, and any other
25 forms, records and memoranda which in the judgment of the
26 commission may be necessary or appropriate to carry out any
27 of the provisions of this Act, including but not limited to
28 such forms, records and memoranda as will readily and
29 accurately disclose at all times the beneficial ownership
30 of such retail licensed business. The accounts, forms,
31 records and memoranda shall be available at all reasonable
32 times for inspection by authorized representatives of the
33 State commission or by any local liquor control
34 commissioner or his or her authorized representative. The

1 commission, may, from time to time, alter, amend or repeal,
2 in whole or in part, any uniform system of accounts, or the
3 form and manner of keeping accounts.

4 (8) In the conduct of any hearing authorized to be held
5 by the commission, to appoint, at the commission's
6 discretion, hearing officers to conduct hearings involving
7 complex issues or issues that will require a protracted
8 period of time to resolve, to examine, or cause to be
9 examined, under oath, any licensee, and to examine or cause
10 to be examined the books and records of such licensee; to
11 hear testimony and take proof material for its information
12 in the discharge of its duties hereunder; to administer or
13 cause to be administered oaths; for any such purpose to
14 issue subpoena or subpoenas to require the attendance of
15 witnesses and the production of books, which shall be
16 effective in any part of this State, and to adopt rules to
17 implement its powers under this paragraph (8).

18 Any Circuit Court may by order duly entered, require
19 the attendance of witnesses and the production of relevant
20 books subpoenaed by the State commission and the court may
21 compel obedience to its order by proceedings for contempt.

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

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

34 (11) To develop industry educational programs related

1 to responsible serving and selling, particularly in the
2 areas of overserving consumers and illegal underage
3 purchasing and consumption of alcoholic beverages.

4 (11.1) To license persons providing education and
5 training to alcohol beverage sellers and servers under the
6 Beverage Alcohol Sellers and Servers Education and
7 Training (BASSET) programs and to develop and administer a
8 public awareness program in Illinois to reduce or eliminate
9 the illegal purchase and consumption of alcoholic beverage
10 products by persons under the age of 21. Application for a
11 license shall be made on forms provided by the State
12 Commission.

13 (12) To develop and maintain a repository of license
14 and regulatory information.

15 (13) On or before January 15, 1994, the Commission
16 shall issue a written report to the Governor and General
17 Assembly that is to be based on a comprehensive study of
18 the impact on and implications for the State of Illinois of
19 Section 1926 of the Federal ADAMHA Reorganization Act of
20 1992 (Public Law 102-321). This study shall address the
21 extent to which Illinois currently complies with the
22 provisions of P.L. 102-321 and the rules promulgated
23 pursuant thereto.

24 As part of its report, the Commission shall provide the
25 following essential information:

26 (i) the number of retail distributors of tobacco
27 products, by type and geographic area, in the State;

28 (ii) the number of reported citations and
29 successful convictions, categorized by type and
30 location of retail distributor, for violation of the
31 Sale of Tobacco to Minors Act and the Smokeless Tobacco
32 Limitation Act;

33 (iii) the extent and nature of organized
34 educational and governmental activities that are

1 intended to promote, encourage or otherwise secure
2 compliance with any Illinois laws that prohibit the
3 sale or distribution of tobacco products to minors; and
4 (iv) the level of access and availability of
5 tobacco products to individuals under the age of 18.

6 To obtain the data necessary to comply with the provisions
7 of P.L. 102-321 and the requirements of this report, the
8 Commission shall conduct random, unannounced inspections of a
9 geographically and scientifically representative sample of the
10 State's retail tobacco distributors.

11 The Commission shall consult with the Department of Public
12 Health, the Department of Human Services, the Illinois State
13 Police and any other executive branch agency, and private
14 organizations that may have information relevant to this
15 report.

16 The Commission may contract with the Food and Drug
17 Administration of the U.S. Department of Health and Human
18 Services to conduct unannounced investigations of Illinois
19 tobacco vendors to determine compliance with federal laws
20 relating to the illegal sale of cigarettes and smokeless
21 tobacco products to persons under the age of 18.

22 (b) On or before April 30, 1999, the Commission shall
23 present a written report to the Governor and the General
24 Assembly that shall be based on a study of the impact of this
25 amendatory Act of 1998 on the business of soliciting, selling,
26 and shipping alcoholic liquor from outside of this State
27 directly to residents of this State.

28 As part of its report, the Commission shall provide the
29 following information:

30 (i) the amount of State excise and sales tax revenues
31 generated as a result of this amendatory Act of 1998;

32 (ii) the amount of licensing fees received as a result
33 of this amendatory Act of 1998;

34 (iii) the number of reported violations, the number of

1 cease and desist notices issued by the Commission, the
2 number of notices of violations issued to the Department of
3 Revenue, and the number of notices and complaints of
4 violations to law enforcement officials.

5 (Source: P.A. 91-553, eff. 8-14-99; 91-922, eff. 7-7-00;
6 92-378, eff. 8-16-01; 92-813, eff. 8-21-02.)

7 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

8 Sec. 5-1. Licenses issued by the Illinois Liquor Control
9 Commission shall be of the following classes:

10 (a) Manufacturer's license - Class 1. Distiller, Class 2.
11 Rectifier, Class 3. Brewer, Class 4. First Class Wine
12 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
13 First Class Winemaker, Class 7. Second Class Winemaker, Class
14 8. Limited Wine Manufacturer,

15 (b) Distributor's license,

16 (c) Importing Distributor's license,

17 (d) Retailer's license,

18 (e) Special Event Retailer's license (not-for-profit),

19 (f) Railroad license,

20 (g) Boat license,

21 (h) Non-Beverage User's license,

22 (i) Wine-maker's premises license,

23 (j) Airplane license,

24 (k) Foreign importer's license,

25 (l) Broker's license,

26 (m) Non-resident dealer's license,

27 (n) Brew Pub license,

28 (o) Auction liquor license,

29 (p) Caterer retailer license,

30 (q) Special use permit license.

31 No person, firm, partnership, corporation, or other legal
32 business entity that is engaged in the manufacturing of wine
33 may concurrently obtain and hold a wine-maker's license and a

1 wine manufacturer's license.

2 (a) A manufacturer's license shall allow the manufacture,
3 importation in bulk, storage, distribution and sale of
4 alcoholic liquor to persons without the State, as may be
5 permitted by law and to licensees in this State as follows:

6 Class 1. A Distiller may make sales and deliveries of
7 alcoholic liquor to distillers, rectifiers, importing
8 distributors, distributors and non-beverage users and to no
9 other licensees.

10 Class 2. A Rectifier, who is not a distiller, as defined
11 herein, may make sales and deliveries of alcoholic liquor to
12 rectifiers, importing distributors, distributors, retailers
13 and non-beverage users and to no other licensees.

14 Class 3. A Brewer may make sales and deliveries of beer to
15 importing distributors, distributors, and to non-licensees,
16 and to retailers provided the brewer obtains an importing
17 distributor's license or distributor's license in accordance
18 with the provisions of this Act.

19 Class 4. A first class wine-manufacturer may make sales and
20 deliveries of up to 50,000 gallons of wine to manufacturers,
21 importing distributors and distributors, and to no other
22 licensees.

23 Class 5. A second class Wine manufacturer may make sales
24 and deliveries of more than 50,000 gallons of wine to
25 manufacturers, importing distributors and distributors and to
26 no other licensees.

27 Class 6. A first-class wine-maker's license shall allow the
28 manufacture of up to 50,000 gallons of wine per year, and the
29 storage and sale of such wine to distributors in the State and
30 to persons without the State, as may be permitted by law. A
31 first-class wine-maker's license shall allow the sale of no
32 more than 5,000 gallons of the licensee's wine to retailers.
33 The State Commission shall issue only one first-class
34 wine-maker's license to any person, firm, partnership,

1 corporation, or other legal business entity that is engaged in
2 the making of less than 50,000 gallons of wine annually that
3 applies for a first-class wine-maker's license. No subsidiary
4 or affiliate thereof, nor any officer, associate, member,
5 partner, representative, employee, agent, or shareholder may
6 be issued an additional wine-maker's license by the State
7 Commission.

8 Class 7. A second-class wine-maker's license shall allow
9 the manufacture of between 50,000 and 100,000 gallons of wine
10 per year, and the storage and sale of such wine to distributors
11 in this State and to persons without the State, as may be
12 permitted by law. A second-class wine-maker's license shall
13 allow the sale of no more than 10,000 gallons of the licensee's
14 wine directly to retailers. The State Commission shall issue
15 only one second-class wine-maker's license to any person, firm,
16 partnership, corporation, or other legal business entity that
17 is engaged in the making of less than 100,000 gallons of wine
18 annually that applies for a second-class wine-maker's license.
19 No subsidiary or affiliate thereof, or any officer, associate,
20 member, partner, representative, employee, agent, or
21 shareholder may be issued an additional wine-maker's license by
22 the State Commission.

23 Class 8. A limited wine-manufacturer may make sales and
24 deliveries not to exceed 40,000 gallons of wine per year to
25 distributors, and to non-licensees in accordance with the
26 provisions of this Act.

27 (a-1) A manufacturer which is licensed in this State to
28 make sales or deliveries of alcoholic liquor and which enlists
29 agents, representatives, or individuals acting on its behalf
30 who contact licensed retailers on a regular and continual basis
31 in this State must register those agents, representatives, or
32 persons acting on its behalf with the State Commission.

33 Registration of agents, representatives, or persons acting
34 on behalf of a manufacturer is fulfilled by submitting a form

1 to the Commission. The form shall be developed by the
2 Commission and shall include the name and address of the
3 applicant, the name and address of the manufacturer he or she
4 represents, the territory or areas assigned to sell to or
5 discuss pricing terms of alcoholic liquor, and any other
6 questions deemed appropriate and necessary. All statements in
7 the forms required to be made by law or by rule shall be deemed
8 material, and any person who knowingly misstates any material
9 fact under oath in an application is guilty of a Class B
10 misdemeanor. Fraud, misrepresentation, false statements,
11 misleading statements, evasions, or suppression of material
12 facts in the securing of a registration are grounds for
13 suspension or revocation of the registration.

14 (b) A distributor's license shall allow the wholesale
15 purchase and storage of alcoholic liquors and sale of alcoholic
16 liquors to licensees in this State and to persons without the
17 State, as may be permitted by law.

18 (c) An importing distributor's license may be issued to and
19 held by those only who are duly licensed distributors, upon the
20 filing of an application by a duly licensed distributor, with
21 the Commission and the Commission shall, without the payment of
22 any fee, immediately issue such importing distributor's
23 license to the applicant, which shall allow the importation of
24 alcoholic liquor by the licensee into this State from any point
25 in the United States outside this State, and the purchase of
26 alcoholic liquor in barrels, casks or other bulk containers and
27 the bottling of such alcoholic liquors before resale thereof,
28 but all bottles or containers so filled shall be sealed,
29 labeled, stamped and otherwise made to comply with all
30 provisions, rules and regulations governing manufacturers in
31 the preparation and bottling of alcoholic liquors. The
32 importing distributor's license shall permit such licensee to
33 purchase alcoholic liquor from Illinois licensed non-resident
34 dealers and foreign importers only.

1 (d) A retailer's license shall allow the licensee to sell
2 and offer for sale at retail, only in the premises specified in
3 such license, alcoholic liquor for use or consumption, but not
4 for resale in any form: Provided that any retail license issued
5 to a manufacturer shall only permit such manufacturer to sell
6 beer at retail on the premises actually occupied by such
7 manufacturer.

8 After January 1, 1995 there shall be 2 classes of licenses
9 issued under a retailers license.

10 (1) A "retailers on premise consumption license" shall
11 allow the licensee to sell and offer for sale at retail,
12 only on the premises specified in the license, alcoholic
13 liquor for use or consumption on the premises or on and off
14 the premises, but not for resale in any form.

15 (2) An "off premise sale license" shall allow the
16 licensee to sell, or offer for sale at retail, alcoholic
17 liquor intended only for off premise consumption and not
18 for resale in any form.

19 Notwithstanding any other provision of this subsection
20 (d), a retail licensee may sell alcoholic liquors to a special
21 event retailer licensee for resale to the extent permitted
22 under subsection (e).

23 (e) A special event retailer's license (not-for-profit)
24 shall permit the licensee to purchase alcoholic liquors from an
25 Illinois licensed distributor (unless the licensee purchases
26 less than \$500 of alcoholic liquors for the special event, in
27 which case the licensee may purchase the alcoholic liquors from
28 a licensed retailer) and shall allow the licensee to sell and
29 offer for sale, at retail, alcoholic liquors for use or
30 consumption, but not for resale in any form and only at the
31 location and on the specific dates designated for the special
32 event in the license. An applicant for a special event retailer
33 license must (i) furnish with the application: (A) a resale
34 number issued under Section 2c of the Retailers' Occupation Tax

1 Act or evidence that the applicant is registered under Section
2 2a of the Retailers' Occupation Tax Act, (B) a current, valid
3 exemption identification number issued under Section 1g of the
4 Retailers' Occupation Tax Act, and a certification to the
5 Commission that the purchase of alcoholic liquors will be a
6 tax-exempt purchase, or (C) a statement that the applicant is
7 not registered under Section 2a of the Retailers' Occupation
8 Tax Act, does not hold a resale number under Section 2c of the
9 Retailers' Occupation Tax Act, and does not hold an exemption
10 number under Section 1g of the Retailers' Occupation Tax Act,
11 in which event the Commission shall set forth on the special
12 event retailer's license a statement to that effect; (ii)
13 submit with the application proof satisfactory to the State
14 Commission that the applicant will provide dram shop liability
15 insurance in the maximum limits; and (iii) show proof
16 satisfactory to the State Commission that the applicant has
17 obtained local authority approval.

18 (f) A railroad license shall permit the licensee to import
19 alcoholic liquors into this State from any point in the United
20 States outside this State and to store such alcoholic liquors
21 in this State; to make wholesale purchases of alcoholic liquors
22 directly from manufacturers, foreign importers, distributors
23 and importing distributors from within or outside this State;
24 and to store such alcoholic liquors in this State; provided
25 that the above powers may be exercised only in connection with
26 the importation, purchase or storage of alcoholic liquors to be
27 sold or dispensed on a club, buffet, lounge or dining car
28 operated on an electric, gas or steam railway in this State;
29 and provided further, that railroad licensees exercising the
30 above powers shall be subject to all provisions of Article VIII
31 of this Act as applied to importing distributors. A railroad
32 license shall also permit the licensee to sell or dispense
33 alcoholic liquors on any club, buffet, lounge or dining car
34 operated on an electric, gas or steam railway regularly

1 operated by a common carrier in this State, but shall not
 2 permit the sale for resale of any alcoholic liquors to any
 3 licensee within this State. A license shall be obtained for
 4 each car in which such sales are made.

5 (g) A boat license shall allow the sale of alcoholic liquor
 6 in individual drinks, on any passenger boat regularly operated
 7 as a common carrier on navigable waters in this State or on any
 8 riverboat operated under the Riverboat Gambling Act, which boat
 9 or riverboat maintains a public dining room or restaurant
 10 thereon.

11 (h) A non-beverage user's license shall allow the licensee
 12 to purchase alcoholic liquor from a licensed manufacturer or
 13 importing distributor, without the imposition of any tax upon
 14 the business of such licensed manufacturer or importing
 15 distributor as to such alcoholic liquor to be used by such
 16 licensee solely for the non-beverage purposes set forth in
 17 subsection (a) of Section 8-1 of this Act, and such licenses
 18 shall be divided and classified and shall permit the purchase,
 19 possession and use of limited and stated quantities of
 20 alcoholic liquor as follows:

- 21 Class 1, not to exceed 500 gallons
- 22 Class 2, not to exceed 1,000 gallons
- 23 Class 3, not to exceed 5,000 gallons
- 24 Class 4, not to exceed 10,000 gallons
- 25 Class 5, not to exceed 50,000 gallons

26 (i) A wine-maker's premises license shall allow a licensee
 27 that concurrently holds a first-class wine-maker's license to
 28 sell and offer for sale at retail in the premises specified in
 29 such license not more than 50,000 gallons of the first-class
 30 wine-maker's wine that is made at the first-class wine-maker's
 31 licensed premises per year for use or consumption, but not for
 32 resale in any form. A wine-maker's premises license shall allow
 33 a licensee who concurrently holds a second-class wine-maker's
 34 license to sell and offer for sale at retail in the premises

1 specified in such license up to 100,000 gallons of the
2 second-class wine-maker's wine that is made at the second-class
3 wine-maker's licensed premises per year for use or consumption
4 but not for resale in any form. A wine-maker's premises license
5 shall allow a licensee that concurrently holds a first-class
6 wine-maker's license or a second-class wine-maker's license to
7 sell and offer for sale at retail at the premises specified in
8 the wine-maker's premises license, for use or consumption but
9 not for resale in any form, any beer, wine, and spirits
10 purchased from a licensed distributor. Upon approval from the
11 State Commission, a wine-maker's premises license shall allow
12 the licensee to sell and offer for sale at (i) the wine-maker's
13 licensed premises and (ii) at up to 2 additional locations for
14 use and consumption and not for resale. Each location shall
15 require additional licensing per location as specified in
16 Section 5-3 of this Act.

17 (j) An airplane license shall permit the licensee to import
18 alcoholic liquors into this State from any point in the United
19 States outside this State and to store such alcoholic liquors
20 in this State; to make wholesale purchases of alcoholic liquors
21 directly from manufacturers, foreign importers, distributors
22 and importing distributors from within or outside this State;
23 and to store such alcoholic liquors in this State; provided
24 that the above powers may be exercised only in connection with
25 the importation, purchase or storage of alcoholic liquors to be
26 sold or dispensed on an airplane; and provided further, that
27 airplane licensees exercising the above powers shall be subject
28 to all provisions of Article VIII of this Act as applied to
29 importing distributors. An airplane licensee shall also permit
30 the sale or dispensing of alcoholic liquors on any passenger
31 airplane regularly operated by a common carrier in this State,
32 but shall not permit the sale for resale of any alcoholic
33 liquors to any licensee within this State. A single airplane
34 license shall be required of an airline company if liquor

1 service is provided on board aircraft in this State. The annual
2 fee for such license shall be as determined in Section 5-3.

3 (k) A foreign importer's license shall permit such licensee
4 to purchase alcoholic liquor from Illinois licensed
5 non-resident dealers only, and to import alcoholic liquor other
6 than in bulk from any point outside the United States and to
7 sell such alcoholic liquor to Illinois licensed importing
8 distributors and to no one else in Illinois; provided that the
9 foreign importer registers with the State Commission every
10 brand of alcoholic liquor that it proposes to sell to Illinois
11 licensees during the license period and provided further that
12 the foreign importer complies with all of the provisions of
13 Section 6-9 of this Act with respect to registration of such
14 Illinois licensees as may be granted the right to sell such
15 brands at wholesale.

16 (l) (i) A broker's license shall be required of all persons
17 who solicit orders for, offer to sell or offer to supply
18 alcoholic liquor to retailers in the State of Illinois, or who
19 offer to retailers to ship or cause to be shipped or to make
20 contact with distillers, rectifiers, brewers or manufacturers
21 or any other party within or without the State of Illinois in
22 order that alcoholic liquors be shipped to a distributor,
23 importing distributor or foreign importer, whether such
24 solicitation or offer is consummated within or without the
25 State of Illinois.

26 No holder of a retailer's license issued by the Illinois
27 Liquor Control Commission shall purchase or receive any
28 alcoholic liquor, the order for which was solicited or offered
29 for sale to such retailer by a broker unless the broker is the
30 holder of a valid broker's license.

31 The broker shall, upon the acceptance by a retailer of the
32 broker's solicitation of an order or offer to sell or supply or
33 deliver or have delivered alcoholic liquors, promptly forward
34 to the Illinois Liquor Control Commission a notification of

1 said transaction in such form as the Commission may by
2 regulations prescribe.

3 (ii) A broker's license shall be required of a person
4 within this State, other than a retail licensee, who, for a fee
5 or commission, promotes, solicits, or accepts orders for
6 alcoholic liquor, for use or consumption and not for resale, to
7 be shipped from this State and delivered to residents outside
8 of this State by an express company, common carrier, or
9 contract carrier. This Section does not apply to any person who
10 promotes, solicits, or accepts orders for wine as specifically
11 authorized in Section 6-29 of this Act.

12 A broker's license under this subsection (1) shall not
13 entitle the holder to buy or sell any alcoholic liquors for his
14 own account or to take or deliver title to such alcoholic
15 liquors.

16 This subsection (1) shall not apply to distributors,
17 employees of distributors, or employees of a manufacturer who
18 has registered the trademark, brand or name of the alcoholic
19 liquor pursuant to Section 6-9 of this Act, and who regularly
20 sells such alcoholic liquor in the State of Illinois only to
21 its registrants thereunder.

22 Any agent, representative, or person subject to
23 registration pursuant to subsection (a-1) of this Section shall
24 not be eligible to receive a broker's license.

25 (m) A non-resident dealer's license shall permit such
26 licensee to ship into and warehouse alcoholic liquor into this
27 State from any point outside of this State, and to sell such
28 alcoholic liquor to Illinois licensed foreign importers and
29 importing distributors and to no one else in this State;
30 provided that said non-resident dealer shall register with the
31 Illinois Liquor Control Commission each and every brand of
32 alcoholic liquor which it proposes to sell to Illinois
33 licensees during the license period; and further provided that
34 it shall comply with all of the provisions of Section 6-9

1 hereof with respect to registration of such Illinois licensees
2 as may be granted the right to sell such brands at wholesale.

3 (n) A brew pub license shall allow the licensee to
4 manufacture beer only on the premises specified in the license,
5 to make sales of the beer manufactured on the premises to
6 importing distributors, distributors, and to non-licensees for
7 use and consumption, to store the beer upon the premises, and
8 to sell and offer for sale at retail from the licensed
9 premises, provided that a brew pub licensee shall not sell for
10 off-premises consumption more than 50,000 gallons per year.

11 (o) A caterer retailer license shall allow the holder to
12 serve alcoholic liquors as an incidental part of a food service
13 that serves prepared meals which excludes the serving of snacks
14 as the primary meal, either on or off-site whether licensed or
15 unlicensed.

16 (p) An auction liquor license shall allow the licensee to
17 sell and offer for sale at auction wine and spirits for use or
18 consumption, or for resale by an Illinois liquor licensee in
19 accordance with provisions of this Act. An auction liquor
20 license will be issued to a person and it will permit the
21 auction liquor licensee to hold the auction anywhere in the
22 State. An auction liquor license must be obtained for each
23 auction at least 14 days in advance of the auction date.

24 (q) A special use permit license shall allow an Illinois
25 licensed retailer to transfer a portion of its alcoholic liquor
26 inventory from its retail licensed premises to the premises
27 specified in the license hereby created, and to sell or offer
28 for sale at retail, only in the premises specified in the
29 license hereby created, the transferred alcoholic liquor for
30 use or consumption, but not for resale in any form. A special
31 use permit license may be granted for the following time
32 periods: one day or less; 2 or more days to a maximum of 15 days
33 per location in any 12 month period. An applicant for the
34 special use permit license must also submit with the

1 application proof satisfactory to the State Commission that the
2 applicant will provide dram shop liability insurance to the
3 maximum limits and have local authority approval.

4 (Source: P.A. 91-357, eff. 7-29-99; 92-105, eff. 1-1-02;
5 92-378, eff. 8-16-01; 92-651, eff. 7-11-02; 92-672, eff.
6 7-16-02.)

7 (235 ILCS 5/6-2) (from Ch. 43, par. 120)

8 Sec. 6-2. Issuance of licenses to certain persons
9 prohibited.

10 (a) Except as otherwise provided in subsection (b) of this
11 Section and in paragraph (1) of subsection (a) of Section 3-12,
12 no license of any kind issued by the State Commission or any
13 local commission shall be issued to:

14 (1) A person who is not a resident of any city, village
15 or county in which the premises covered by the license are
16 located; except in case of railroad or boat licenses.

17 (2) A person who is not of good character and
18 reputation in the community in which he resides.

19 (3) A person who is not a citizen of the United States.

20 (4) A person who has been convicted of a felony under
21 any Federal or State law, unless the Commission determines
22 that such person has been sufficiently rehabilitated to
23 warrant the public trust after considering matters set
24 forth in such person's application and the Commission's
25 investigation. The burden of proof of sufficient
26 rehabilitation shall be on the applicant.

27 (5) A person who has been convicted of being the keeper
28 or is keeping a house of ill fame.

29 (6) A person who has been convicted of pandering or
30 other crime or misdemeanor opposed to decency and morality.

31 (7) A person whose license issued under this Act has
32 been revoked for cause.

33 (8) A person who at the time of application for renewal

1 of any license issued hereunder would not be eligible for
2 such license upon a first application.

3 (9) A copartnership, if any general partnership
4 thereof, or any limited partnership thereof, owning more
5 than 5% of the aggregate limited partner interest in such
6 copartnership would not be eligible to receive a license
7 hereunder for any reason other than residence within the
8 political subdivision, unless residency is required by
9 local ordinance.

10 (10) A corporation, if any officer, manager or director
11 thereof, or any stockholder or stockholders owning in the
12 aggregate more than 5% of the stock of such corporation,
13 would not be eligible to receive a license hereunder for
14 any reason other than citizenship and residence within the
15 political subdivision.

16 (10a) A corporation unless it is incorporated in
17 Illinois, or unless it is a foreign corporation which is
18 qualified under the Business Corporation Act of 1983 to
19 transact business in Illinois.

20 (11) A person whose place of business is conducted by a
21 manager or agent unless the manager or agent possesses the
22 same qualifications required by the licensee.

23 (12) A person who has been convicted of a violation of
24 any Federal or State law concerning the manufacture,
25 possession or sale of alcoholic liquor, subsequent to the
26 passage of this Act or has forfeited his bond to appear in
27 court to answer charges for any such violation.

28 (13) A person who does not beneficially own the
29 premises for which a license is sought, or does not have a
30 lease thereon for the full period for which the license is
31 to be issued.

32 (14) Any law enforcing public official, including
33 members of local liquor control commissions, any mayor,
34 alderman, or member of the city council or commission, any

1 president of the village board of trustees, any member of a
2 village board of trustees, or any president or member of a
3 county board; and no such official shall be interested
4 directly in the manufacture, sale, or distribution of
5 alcoholic liquor, except that a license may be granted to
6 such official in relation to premises that are not located
7 within the territory subject to the jurisdiction of that
8 official if the issuance of such license is approved by the
9 State Liquor Control Commission and except that a license
10 may be granted, in a city or village with a population of
11 50,000 or less, to any alderman, member of a city council,
12 or member of a village board of trustees in relation to
13 premises that are located within the territory subject to
14 the jurisdiction of that official if (i) the sale of
15 alcoholic liquor pursuant to the license is incidental to
16 the selling of food, (ii) the issuance of the license is
17 approved by the State Commission, (iii) the issuance of the
18 license is in accordance with all applicable local
19 ordinances in effect where the premises are located, and
20 (iv) the official granted a license does not vote on
21 alcoholic liquor issues pending before the board or council
22 to which the license holder is elected.

23 (15) A person who is not a beneficial owner of the
24 business to be operated by the licensee.

25 (16) A person who has been convicted of a gambling
26 offense as proscribed by any of subsections (a) (3) through
27 (a) (11) of Section 28-1 of, or as proscribed by Section
28 28-1.1 or 28-3 of, the Criminal Code of 1961, or as
29 proscribed by a statute replaced by any of the aforesaid
30 statutory provisions.

31 (17) A person or entity to whom a federal wagering
32 stamp has been issued by the federal government, unless the
33 person or entity is eligible to be issued a license under
34 the Raffles Act or the Illinois Pull Tabs and Jar Games

1 Act.

2 (18) A person who intends to sell alcoholic liquors for
3 use or consumption on his or her licensed retail premises
4 who does not have liquor liability insurance coverage for
5 that premises in an amount that is at least equal to the
6 maximum liability amounts set out in subsection (a) of
7 Section 6-21.

8 (b) A criminal conviction of a corporation is not grounds
9 for the denial, suspension, or revocation of a license applied
10 for or held by the corporation if the criminal conviction was
11 not the result of a violation of any federal or State law
12 concerning the manufacture, possession or sale of alcoholic
13 liquor, the offense that led to the conviction did not result
14 in any financial gain to the corporation and the corporation
15 has terminated its relationship with each director, officer,
16 employee, or controlling shareholder whose actions directly
17 contributed to the conviction of the corporation. The
18 Commission shall determine if all provisions of this subsection
19 (b) have been met before any action on the corporation's
20 license is initiated.

21 (Source: P.A. 92-378, eff. 8-16-01; 93-266, eff. 1-1-04.)

22 (235 ILCS 5/6-16.1)

23 Sec. 6-16.1. Enforcement actions.

24 (a) A licensee or an officer, associate, member,
25 representative, agent, or employee of a licensee may sell,
26 give, or deliver alcoholic liquor to a person under the age of
27 21 years or authorize the sale, gift, or delivery of alcoholic
28 liquor to a person under the age of 21 years pursuant to a plan
29 or action to investigate, patrol, or otherwise conduct a "sting
30 operation" or enforcement action against a person employed by
31 the licensee or on any licensed premises if the licensee or
32 officer, associate, member, representative, agent, or employee
33 of the licensee provides written notice, at least 14 days

1 before the "sting operation" or enforcement action, unless
2 governing body of the municipality or county having
3 jurisdiction sets a shorter period by ordinance, to the law
4 enforcement agency having jurisdiction, the local liquor
5 control commissioner, or both. Notice provided under this
6 Section shall be valid for a "sting operation" or enforcement
7 action conducted within 60 days of the provision of that
8 notice, unless the governing body of the municipality or county
9 having jurisdiction sets a shorter period by ordinance.

10 (b) A local liquor control commission or unit of local
11 government that conducts alcohol and tobacco compliance
12 operations shall establish a policy and standards for alcohol
13 and tobacco compliance operations to investigate whether a
14 licensee is furnishing (1) alcoholic liquor to persons under 21
15 years of age in violation of this Act or (2) tobacco to persons
16 in violation of the Sale of Tobacco to Minors Act.

17 (c) The Illinois Law Enforcement Training Standards Board
18 shall develop a model policy and guidelines for the operation
19 of alcohol and tobacco compliance checks by local law
20 enforcement officers. The Illinois Law Enforcement Training
21 Standards Board shall also require the supervising officers of
22 such compliance checks to have met a minimum training standard
23 as determined by the Board. The Board shall have the right to
24 waive any training based on current written policies and
25 procedures for alcohol and tobacco compliance check operations
26 and in-service training already administered by the local law
27 enforcement agency, department, or office.

28 (d) The provisions of subsections (b) and (c) do not apply
29 to a home rule unit with more than 2,000,000 inhabitants.

30 (e) A home rule unit, other than a home rule unit with more
31 than 2,000,000 inhabitants, may not regulate enforcement
32 actions in a manner inconsistent with the regulation of
33 enforcement actions under this Section. This subsection (e) is
34 a limitation under subsection (i) of Section 6 of Article VII

1 of the Illinois Constitution on the concurrent exercise by home
2 rule units of powers and functions exercised by the State.

3 (f) A licensee who is the subject of an enforcement action
4 or "sting operation" under this Section and is found, pursuant
5 to the enforcement action, to be in compliance with this Act
6 shall be notified by the enforcement agency action that no
7 violation was found within 30 days after the finding.

8 (Source: P.A. 92-503, eff. 1-1-02.)".