

1 AN ACT in relation to alcoholic 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 3-12 as follows:

6 (235 ILCS 5/3-12) (from Ch. 43, par. 108)

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

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

10 (1) To receive applications and to issue licenses  
11 to manufacturers, foreign importers, importing  
12 distributors, distributors, non-resident dealers, on  
13 premise consumption retailers, off premise sale  
14 retailers, special event retailer licensees, special use  
15 permit licenses, auction liquor licenses, brew pubs,  
16 caterer retailers, non-beverage users, railroads,  
17 including owners and lessees of sleeping, dining and cafe  
18 cars, airplanes, boats, brokers, and wine maker's  
19 premises licensees in accordance with the provisions of  
20 this Act, and except as otherwise provided in paragraph  
21 (1.1), to suspend or revoke such licenses upon the State  
22 commission's determination, upon notice after hearing,  
23 that a licensee has violated any provision of this Act or  
24 any rule or regulation issued pursuant thereto and in  
25 effect for 30 days prior to such violation.

26 In lieu of suspending or revoking a license, the  
27 commission may impose a fine, upon the State commission's  
28 determination and notice after hearing, that a licensee  
29 has violated any provision of this Act or any rule or  
30 regulation issued pursuant thereto and in effect for 30  
31 days prior to such violation. The fine imposed under

1 this paragraph may not exceed \$500 for each violation.  
2 Each day that the activity, which gave rise to the  
3 original fine, continues is a separate violation. The  
4 maximum fine that may be levied against any licensee, for  
5 the period of the license, shall not exceed \$20,000. The  
6 maximum penalty that may be imposed on a licensee for  
7 selling a bottle of alcoholic liquor with a foreign  
8 object in it or serving from a bottle of alcoholic liquor  
9 with a foreign object in it shall be the destruction of  
10 that bottle of alcoholic liquor for the first 10 bottles  
11 so sold or served from by the licensee. For the eleventh  
12 bottle of alcoholic liquor and for each third bottle  
13 thereafter sold or served from by the licensee with a  
14 foreign object in it, the maximum penalty that may be  
15 imposed on the licensee is the destruction of the bottle  
16 of alcoholic liquor and a fine of up to \$50.

17 (1.1) If a licensee is cited for a violation of  
18 this Act, other than a violation of Section 6-1, 6-3,  
19 6-5, 6-9, 6-15, 6-16, 6-20, or any other Section that the  
20 State Commission determines potentially jeopardizes the  
21 health, safety, or welfare of any person, the State  
22 Commission shall warn the licensee that it has 30  
23 calendar days to correct the violation. If the licensee  
24 fails to correct the violation within 30 calendar days,  
25 the State Commission shall pursue the violation pursuant  
26 to paragraph (1).

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

1           (3) To call upon other administrative departments  
2 of the State, county and municipal governments, county  
3 and city police departments and upon prosecuting officers  
4 for such information and assistance as it deems necessary  
5 in 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  
11 premises in this State where alcoholic liquors are  
12 manufactured, distributed, warehoused, or sold.

13          (5.1) Upon receipt of a complaint or upon having  
14 knowledge that any person is engaged in business as a  
15 manufacturer, importing distributor, distributor, or  
16 retailer without a license or valid license, to notify  
17 the local liquor authority, file a complaint with the  
18 State's Attorney's Office of the county where the  
19 incident occurred, or initiate an investigation with the  
20 appropriate law enforcement officials.

21          (5.2) To issue a cease and desist notice to persons  
22 shipping alcoholic liquor into this State from a point  
23 outside of this State if the shipment is in violation of  
24 this Act.

25          (5.3) To receive complaints from licensees, local  
26 officials, law enforcement agencies, organizations, and  
27 persons stating that any licensee has been or is  
28 violating any provision of this Act or the rules and  
29 regulations issued pursuant to this Act. Such complaints  
30 shall be in writing, signed and sworn to by the person  
31 making the complaint, and shall state with specificity  
32 the facts in relation to the alleged violation. If the  
33 Commission has reasonable grounds to believe that the  
34 complaint substantially alleges a violation of this Act

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

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

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

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

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

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

24 (9) To investigate the administration of laws in  
25 relation to alcoholic liquors in this and other states  
26 and any foreign countries, and to recommend from time to  
27 time to the Governor and through him or her to the  
28 legislature of this State, such amendments to this Act,  
29 if any, as it may think desirable and as will serve to  
30 further the general broad purposes contained in Section  
31 1-2 hereof.

32 (10) To adopt such rules and regulations consistent  
33 with the provisions of this Act which shall be necessary  
34 for the control, sale or disposition of alcoholic liquor

1 damaged as a result of an accident, wreck, flood, fire or  
2 other similar occurrence.

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

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

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

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

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

30 (i) the number of retail distributors of  
31 tobacco products, by type and geographic area, in  
32 the State;

33 (ii) the number of reported citations and  
34 successful convictions, categorized by type and

1 location of retail distributor, for violation of the  
2 Sale of Tobacco to Minors Act and the Smokeless  
3 Tobacco Limitation Act;

4 (iii) the extent and nature of organized  
5 educational and governmental activities that are  
6 intended to promote, encourage or otherwise secure  
7 compliance with any Illinois laws that prohibit the  
8 sale or distribution of tobacco products to minors;  
9 and

10 (iv) the level of access and availability of  
11 tobacco products to individuals under the age of 18.

12 To obtain the data necessary to comply with the  
13 provisions of P.L. 102-321 and the requirements of this  
14 report, the Commission shall conduct random, unannounced  
15 inspections of a geographically and scientifically  
16 representative sample of the State's retail tobacco  
17 distributors.

18 The Commission shall consult with the Department of  
19 Public Health, the Department of Human Services, the Illinois  
20 State Police and any other executive branch agency, and  
21 private organizations that may have information relevant to  
22 this report.

23 The Commission may contract with the Food and Drug  
24 Administration of the U.S. Department of Health and Human  
25 Services to conduct unannounced investigations of Illinois  
26 tobacco vendors to determine compliance with federal laws  
27 relating to the illegal sale of cigarettes and smokeless  
28 tobacco products to persons under the age of 18.

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

1           As part of its report, the Commission shall provide the  
2 following information:

3           (i) the amount of State excise and sales tax  
4 revenues generated as a result of this amendatory Act of  
5 1998;

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

8           (iii) the number of reported violations, the number  
9 of cease and desist notices issued by the Commission, the  
10 number of notices of violations issued to the Department  
11 of Revenue, and the number of notices and complaints of  
12 violations to law enforcement officials.

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