

1 AN ACT in relation to alcohol.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-12 and 6-2 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 to suspend or revoke such licenses upon the
21 State commission's determination, upon notice after
22 hearing, that a licensee has violated any provision of
23 this Act or any rule or regulation issued pursuant
24 thereto and in effect for 30 days prior to such
25 violation. Except in the case of an action taken
26 pursuant to a violation of Section 6-3, 6-5, or 6-9, any
27 action by the State Commission to suspend or revoke a
28 licensee's license shall be limited to the license for
29 the specific premises where the violation occurred.

30 In lieu of suspending or revoking a license, the
31 commission may impose a fine, upon the State commission's

1 determination and notice after hearing, that a licensee
2 has violated any provision of this Act or any rule or
3 regulation issued pursuant thereto and in effect for 30
4 days prior to such violation. The fine imposed under
5 this paragraph may not exceed \$500 for each violation.
6 Each day that the activity, which gave rise to the
7 original fine, continues is a separate violation. The
8 maximum fine that may be levied against any licensee, for
9 the period of the license, shall not exceed \$20,000. The
10 maximum penalty that may be imposed on a licensee for
11 selling a bottle of alcoholic liquor with a foreign
12 object in it or serving from a bottle of alcoholic liquor
13 with a foreign object in it shall be the destruction of
14 that bottle of alcoholic liquor for the first 10 bottles
15 so sold or served from by the licensee. For the eleventh
16 bottle of alcoholic liquor and for each third bottle
17 thereafter sold or served from by the licensee with a
18 foreign object in it, the maximum penalty that may be
19 imposed on the licensee is the destruction of the bottle
20 of alcoholic liquor and a fine of up to \$50.

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

29 (3) To call upon other administrative departments
30 of the State, county and municipal governments, county
31 and city police departments and upon prosecuting officers
32 for such information and assistance as it deems necessary
33 in the performance of its duties.

34 (4) To recommend to local commissioners rules and

1 regulations, not inconsistent with the law, for the
2 distribution and sale of alcoholic liquors throughout the
3 State.

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

7 (5.1) Upon receipt of a complaint or upon having
8 knowledge that any person is engaged in business as a
9 manufacturer, importing distributor, distributor, or
10 retailer without a license or valid license, to notify
11 the local liquor authority, file a complaint with the
12 State's Attorney's Office of the county where the
13 incident occurred, or initiate an investigation with the
14 appropriate law enforcement officials.

15 (5.2) To issue a cease and desist notice to persons
16 shipping alcoholic liquor into this State from a point
17 outside of this State if the shipment is in violation of
18 this Act.

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

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

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

32 (8) In the conduct of any hearing authorized to be
33 held by the commission, to appoint, at the commission's
34 discretion, hearing officers to conduct hearings

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

13 Any Circuit Court may by order duly entered, require
14 the attendance of witnesses and the production of
15 relevant books subpoenaed by the State commission and the
16 court may compel obedience to its order by proceedings
17 for contempt.

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

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

31 (11) To develop industry educational programs
32 related to responsible serving and selling, particularly
33 in the areas of overserving consumers and illegal
34 underage purchasing and consumption of alcoholic

1 beverages.

2 (11.1) To license persons providing education and
3 training to alcohol beverage sellers and servers under
4 the Beverage Alcohol Sellers and Servers Education and
5 Training (BASSET) programs and to develop and administer
6 a public awareness program in Illinois to reduce or
7 eliminate the illegal purchase and consumption of
8 alcoholic beverage products by persons under the age of
9 21. Application for a license shall be made on forms
10 provided by the State Commission.

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

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

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

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

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

32 (iii) the extent and nature of organized
33 educational and governmental activities that are
34 intended to promote, encourage or otherwise secure

1 compliance with any Illinois laws that prohibit the
2 sale or distribution of tobacco products to minors;
3 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
7 provisions of P.L. 102-321 and the requirements of this
8 report, the Commission shall conduct random, unannounced
9 inspections of a geographically and scientifically
10 representative sample of the State's retail tobacco
11 distributors.

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

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

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

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

31 (i) the amount of State excise and sales tax
32 revenues generated as a result of this amendatory Act of
33 1998;

34 (ii) the amount of licensing fees received as a

1 result of this amendatory Act of 1998;

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

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

9 (235 ILCS 5/6-2) (from Ch. 43, par. 120)

10 Sec. 6-2. Issuance of licenses to certain persons
11 prohibited.

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

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

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

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

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

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

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

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

6 (8) A person who at the time of application for
7 renewal of any license issued hereunder would not be
8 eligible for such license upon a first application.

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

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

22 (10a) A corporation unless it is incorporated in
23 Illinois, or unless it is a foreign corporation which is
24 qualified under the Business Corporation Act of 1983 to
25 transact business in Illinois.

26 (11) A person whose place of business is conducted
27 by a manager or agent unless the manager or agent
28 possesses the same qualifications required by the
29 licensee.

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

1 (13) A person who does not beneficially own the
2 premises for which a license is sought, or does not have
3 a lease thereon for the full period for which the license
4 is to be issued.

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

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

33 (16) A person who has been convicted of a gambling
34 offense as proscribed by any of subsections (a) (3)

1 through (a) (11) of Section 28-1 of, or as proscribed by
2 Section 28-1.1 or 28-3 of, the Criminal Code of 1961, or
3 as proscribed by a statute replaced by any of the
4 aforesaid statutory provisions.

5 (17) A person or entity to whom a federal wagering
6 stamp has been issued by the federal government, unless
7 the person or entity is eligible to be issued a license
8 under the Raffles Act or the Illinois Pull Tabs and Jar
9 Games Act.

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

24 (Source: P.A. 92-378, eff. 8-16-01.)