

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

9 In lieu of suspending or revoking a license, the
10 commission may impose a fine, upon the State commission's
11 determination and notice after hearing, that a licensee
12 has violated any provision of this Act or any rule or
13 regulation issued pursuant thereto and in effect for 30
14 days prior to such violation. The fine imposed under
15 this paragraph may not exceed \$500 for each violation.
16 Each day that the activity, which gave rise to the
17 original fine, continues is a separate violation. The
18 maximum fine that may be levied against any licensee, for
19 the period of the license, shall not exceed \$20,000. The
20 maximum penalty that may be imposed on a licensee for
21 selling a bottle of alcoholic liquor with a foreign
22 object in it or serving from a bottle of alcoholic liquor
23 with a foreign object in it shall be the destruction of
24 that bottle of alcoholic liquor for the first 10 bottles
25 so sold or served from by the licensee. For the eleventh
26 bottle of alcoholic liquor and for each third bottle
27 thereafter sold or served from by the licensee with a
28 foreign object in it, the maximum penalty that may be
29 imposed on the licensee is the destruction of the bottle
30 of alcoholic liquor and a fine of up to \$50.

31 (2) To adopt such rules and regulations consistent
32 with the provisions of this Act which shall be necessary
33 to carry on its functions and duties to the end that the
34 health, safety and welfare of the People of the State of

1 Illinois shall be protected and temperance in the
2 consumption of alcoholic liquors shall be fostered and
3 promoted and to distribute copies of such rules and
4 regulations to all licensees affected thereby.

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

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

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

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

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

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

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

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

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

1 shall be available at all reasonable times for inspection
2 by authorized representatives of the State commission or
3 by any local liquor control commissioner or his or her
4 authorized representative. The commission, may, from time
5 to time, alter, amend or repeal, in whole or in part, any
6 uniform system of accounts, or the form and manner of
7 keeping accounts.

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

23 Any Circuit Court may by order duly entered, require
24 the attendance of witnesses and the production of
25 relevant books subpoenaed by the State commission and the
26 court may compel obedience to its order by proceedings
27 for contempt.

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

1 1-2 hereof.

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

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

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

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

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

32 As part of its report, the Commission shall provide
33 the following essential information:

34 (i) the number of retail distributors of

1 tobacco products, by type and geographic area, in
2 the State;

3 (ii) the number of reported citations and
4 successful convictions, categorized by type and
5 location of retail distributor, for violation of the
6 Sale of Tobacco to Minors Act and the Smokeless
7 Tobacco Limitation Act;

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

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

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

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

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

33 (b) On or before April 30, 1999, the Commission shall
34 present a written report to the Governor and the General

1 Assembly that shall be based on a study of the impact of this
2 amendatory Act of 1998 on the business of soliciting,
3 selling, and shipping alcoholic liquor from outside of this
4 State directly to residents of this State.

5 As part of its report, the Commission shall provide the
6 following information:

7 (i) the amount of State excise and sales tax
8 revenues generated as a result of this amendatory Act of
9 1998;

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

12 (iii) the number of reported violations, the number
13 of cease and desist notices issued by the Commission, the
14 number of notices of violations issued to the Department
15 of Revenue, and the number of notices and complaints of
16 violations to law enforcement officials.

17 (Source: P.A. 91-553, eff. 8-14-99; 91-922, eff. 7-7-00;
18 92-378, eff. 8-16-01; 92-813, eff. 8-21-02.)

19 (235 ILCS 5/6-2) (from Ch. 43, par. 120)

20 Sec. 6-2. Issuance of licenses to certain persons
21 prohibited.

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

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

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

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

1 (4) A person who has been convicted of a felony
2 under any Federal or State law, unless the Commission
3 determines that such person has been sufficiently
4 rehabilitated to warrant the public trust after
5 considering matters set forth in such person's
6 application and the Commission's investigation. The
7 burden of proof of sufficient rehabilitation shall be on
8 the applicant.

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

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

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

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

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

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

32 (10a) A corporation unless it is incorporated in
33 Illinois, or unless it is a foreign corporation which is
34 qualified under the Business Corporation Act of 1983 to

1 transact business in Illinois.

2 (11) A person whose place of business is conducted
3 by a manager or agent unless the manager or agent
4 possesses the same qualifications required by the
5 licensee.

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

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

15 (14) Any law enforcing public official, including
16 members of local liquor control commissions, any mayor,
17 alderman, or member of the city council or commission,
18 any president of the village board of trustees, any
19 member of a village board of trustees, or any president
20 or member of a county board; and no such official shall
21 be interested directly in the manufacture, sale, or
22 distribution of alcoholic liquor, except that a license
23 may be granted to such official in relation to premises
24 that are not located within the territory subject to the
25 jurisdiction of that official if the issuance of such
26 license is approved by the State Liquor Control
27 Commission and except that a license may be granted, in a
28 city or village with a population of 50,000 or less, to
29 any alderman, member of a city council, or member of a
30 village board of trustees in relation to premises that
31 are located within the territory subject to the
32 jurisdiction of that official if (i) the sale of
33 alcoholic liquor pursuant to the license is incidental to
34 the selling of food, (ii) the issuance of the license is

1 approved by the State Commission, (iii) the issuance of
2 the license is in accordance with all applicable local
3 ordinances in effect where the premises are located, and
4 (iv) the official granted a license does not vote on
5 alcoholic liquor issues pending before the board or
6 council to which the license holder is elected.

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

9 (16) A person who has been convicted of a gambling
10 offense as proscribed by any of subsections (a) (3)
11 through (a) (11) of Section 28-1 of, or as proscribed by
12 Section 28-1.1 or 28-3 of, the Criminal Code of 1961, or
13 as proscribed by a statute replaced by any of the
14 aforesaid statutory provisions.

15 (17) A person or entity to whom a federal wagering
16 stamp has been issued by the federal government, unless
17 the person or entity is eligible to be issued a license
18 under the Raffles Act or the Illinois Pull Tabs and Jar
19 Games Act.

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

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