



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB1196

Introduced 02/09/05, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-6

from Ch. 43, par. 123

Amends the Liquor Control Act of 1934. Prohibits foreign importers from providing furnishings, fixtures, or equipment on the premises of a business of a licensee, from helping pay license fees of a retail licensee, from becoming the owner of any indebtedness of a retail licensee, from having an interest in the ownership, conduct, or operation of a retail licensee's business, and from being a lessee or lessor in any premises that sells alcoholic liquor at retail. Prohibits foreign importers from providing signs or inside advertising materials except as otherwise provided. Provides that restrictions on advertising do not apply to promotional or advertising material provided by foreign importers to a government owned facility with a retailer's license. Effective immediately.

LRB094 07563 LJB 37731 b

1 AN ACT concerning liquor.

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

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

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

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

28 No manufacturer, ~~or~~ distributor, ~~or~~ importing distributor, or
29 foreign importer shall, directly or indirectly or through a
30 subsidiary or affiliate, or by any officer, director or firm of
31 such manufacturer, distributor, ~~or~~ importing distributor, or
32 foreign importer, furnish, give, lend or rent, install, repair

1 or maintain, to or for any retail licensee in this State, any
2 signs or inside advertising materials except as provided in
3 this Section and Section 6-5. With respect to retail licensees,
4 other than any government owned or operated auditorium,
5 exhibition hall, recreation facility or other similar facility
6 holding a retailer's license as described in Section 6-5, a
7 manufacturer, distributor, ~~or~~ importing distributor, or
8 foreign importer may furnish, give, lend or rent and erect,
9 install, repair and maintain to or for any retail licensee, for
10 use at any one time in or about or in connection with a retail
11 establishment on which the products of the manufacturer,
12 distributor or importing distributor are sold, the following
13 signs and inside advertising materials as authorized in
14 subparts (i), (ii), (iii), and (iv):

15 (i) Permanent outside signs shall be limited to one
16 outside sign, per brand, in place and in use at any one
17 time, costing not more than \$893, exclusive of erection,
18 installation, repair and maintenance costs, and permit
19 fees and shall bear only the manufacturer's name, brand
20 name, trade name, slogans, markings, trademark, or other
21 symbols commonly associated with and generally used in
22 identifying the product including, but not limited to,
23 "cold beer", "on tap", "carry out", and "packaged liquor".

24 (ii) Temporary outside signs shall be limited to one
25 temporary outside sign per brand. Examples of temporary
26 outside signs are banners, flags, pennants, streamers, and
27 other items of a temporary and non-permanent nature. Each
28 temporary outside sign must include the manufacturer's
29 name, brand name, trade name, slogans, markings,
30 trademark, or other symbol commonly associated with and
31 generally used in identifying the product. Temporary
32 outside signs may also include, for example, the product,
33 price, packaging, date or dates of a promotion and an
34 announcement of a retail licensee's specific sponsored
35 event, if the temporary outside sign is intended to promote
36 a product, and provided that the announcement of the retail

1 licensee's event and the product promotion are held
2 simultaneously. However, temporary outside signs may not
3 include names, slogans, markings, or logos that relate to
4 the retailer. Nothing in this subpart (ii) shall prohibit a
5 distributor or importing distributor from bearing the cost
6 of creating or printing a temporary outside sign for the
7 retail licensee's specific sponsored event or from bearing
8 the cost of creating or printing a temporary sign for a
9 retail licensee containing, for example, community
10 goodwill expressions, regional sporting event
11 announcements, or seasonal messages, provided that the
12 primary purpose of the temporary outside sign is to
13 highlight, promote, or advertise the product. In addition,
14 temporary outside signs provided by the manufacturer to the
15 distributor or importing distributor may also include, for
16 example, subject to the limitations of this Section,
17 preprinted community goodwill expressions, sporting event
18 announcements, seasonal messages, and manufacturer
19 promotional announcements. However, a distributor or
20 importing distributor shall not bear the cost of such
21 manufacturer preprinted signs.

22 (iii) Permanent inside signs, whether visible from the
23 outside or the inside of the premises, include, but are not
24 limited to: alcohol lists and menus that may include names,
25 slogans, markings, or logos that relate to the retailer;
26 neons; illuminated signs; clocks; table lamps; mirrors;
27 tap handles; decalcomanias; window painting; and window
28 trim. All permanent inside signs in place and in use at any
29 one time shall cost in the aggregate not more than \$2000
30 per manufacturer. A permanent inside sign must include the
31 manufacturer's name, brand name, trade name, slogans,
32 markings, trademark, or other symbol commonly associated
33 with and generally used in identifying the product.
34 However, permanent inside signs may not include names,
35 slogans, markings, or logos that relate to the retailer.
36 For the purpose of this subpart (iii), all permanent inside

1 signs may be displayed in an adjacent courtyard or patio
2 commonly referred to as a "beer garden" that is a part of
3 the retailer's licensed premises.

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

28 A "cost adjustment factor" shall be used to periodically
29 update the dollar limitations prescribed in subparts (i),
30 (iii), and (iv). The Commission shall establish the adjusted
31 dollar limitation on an annual basis beginning in January,
32 1997. The term "cost adjustment factor" means a percentage
33 equal to the change in the Bureau of Labor Statistics Consumer
34 Price Index or 5%, whichever is greater. The restrictions
35 contained in this Section 6-6 do not apply to signs, or
36 promotional or advertising materials furnished by

1 manufacturers, distributors, ~~or~~ importing distributors, or
2 foreign importers to a government owned or operated facility
3 holding a retailer's license as described in Section 6-5.

4 No distributor or importing distributor shall directly or
5 indirectly or through a subsidiary or affiliate, or by any
6 officer, director or firm of such manufacturer, distributor or
7 importing distributor, furnish, give, lend or rent, install,
8 repair or maintain, to or for any retail licensee in this
9 State, any signs or inside advertising materials described in
10 subparts (i), (ii), (iii), or (iv) of this Section except as
11 the agent for or on behalf of a manufacturer, provided that the
12 total cost of any signs and inside advertising materials
13 including but not limited to labor, erection, installation and
14 permit fees shall be paid by the manufacturer whose product or
15 products said signs and inside advertising materials advertise
16 and except as follows:

17 A distributor or importing distributor may purchase from or
18 enter into a written agreement with a manufacturer or a
19 manufacturer's designated supplier and such manufacturer or
20 the manufacturer's designated supplier may sell or enter into
21 an agreement to sell to a distributor or importing distributor
22 permitted signs and advertising materials described in
23 subparts (ii), (iii), or (iv) of this Section for the purpose
24 of furnishing, giving, lending, renting, installing,
25 repairing, or maintaining such signs or advertising materials
26 to or for any retail licensee in this State. Any purchase by a
27 distributor or importing distributor from a manufacturer or a
28 manufacturer's designated supplier shall be voluntary and the
29 manufacturer may not require the distributor or the importing
30 distributor to purchase signs or advertising materials from the
31 manufacturer or the manufacturer's designated supplier.

32 A distributor or importing distributor shall be deemed the
33 owner of such signs or advertising materials purchased from a
34 manufacturer or a manufacturer's designated supplier.

35 The provisions of Public Act 90-373 concerning signs or
36 advertising materials delivered by a manufacturer to a

1 distributor or importing distributor shall apply only to signs
2 or advertising materials delivered on or after August 14, 1997.

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

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

17 (Source: P.A. 89-238, eff. 8-4-95; 89-529, eff. 7-19-96;
18 90-373, eff. 8-14-97; 90-432, eff. 1-1-98; 90-655, eff.
19 7-30-98.)

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