



Rep. Sara Feigenholtz

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1 AMENDMENT TO HOUSE BILL 5926

2 AMENDMENT NO. _____. Amend House Bill 5926 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 3-12 and by adding Section 6-27.1 as follows:

6 (235 ILCS 5/3-12)

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

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

10 (1) To receive applications and to issue licenses to
11 manufacturers, foreign importers, importing distributors,
12 distributors, non-resident dealers, on premise consumption
13 retailers, off premise sale retailers, special event
14 retailer licensees, special use permit licenses, auction
15 liquor licenses, brew pubs, caterer retailers,
16 non-beverage users, railroads, including owners and

1 lessees of sleeping, dining and cafe cars, airplanes,
2 boats, brokers, and wine maker's premises licensees in
3 accordance with the provisions of this Act, and to suspend
4 or revoke such licenses upon the State commission's
5 determination, upon notice after hearing, that a licensee
6 has violated any provision of this Act or any rule or
7 regulation issued pursuant thereto and in effect for 30
8 days prior to such violation. Except in the case of an
9 action taken pursuant to a violation of Section 6-3, 6-5,
10 or 6-9, any action by the State Commission to suspend or
11 revoke a licensee's license may be limited to the license
12 for the specific premises where the violation occurred.

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

1 it shall be the destruction of that bottle of alcoholic
2 liquor for the first 10 bottles so sold or served from by
3 the licensee. For the eleventh bottle of alcoholic liquor
4 and for each third bottle thereafter sold or served from by
5 the licensee with a foreign object in it, the maximum
6 penalty that may be imposed on the licensee is the
7 destruction of the bottle of alcoholic liquor and a fine of
8 up to \$50.

9 (2) To adopt such rules and regulations consistent with
10 the provisions of this Act which shall be necessary to
11 carry on its functions and duties to the end that the
12 health, safety and welfare of the People of the State of
13 Illinois shall be protected and temperance in the
14 consumption of alcoholic liquors shall be fostered and
15 promoted and to distribute copies of such rules and
16 regulations to all licensees affected thereby.

17 (3) To call upon other administrative departments of
18 the State, county and municipal governments, county and
19 city police departments and upon prosecuting officers for
20 such information and assistance as it deems necessary in
21 the performance of its duties.

22 (4) To recommend to local commissioners rules and
23 regulations, not inconsistent with the law, for the
24 distribution and sale of alcoholic liquors throughout the
25 State.

26 (5) To inspect, or cause to be inspected, any premises

1 in this State where alcoholic liquors are manufactured,
2 distributed, warehoused, or sold.

3 (5.1) Upon receipt of a complaint or upon having
4 knowledge that any person is engaged in business as a
5 manufacturer, importing distributor, distributor, or
6 retailer without a license or valid license, to notify the
7 local liquor authority, file a complaint with the State's
8 Attorney's Office of the county where the incident
9 occurred, or initiate an investigation with the
10 appropriate law enforcement officials.

11 (5.2) To issue a cease and desist notice to persons
12 shipping alcoholic liquor into this State from a point
13 outside of this State if the shipment is in violation of
14 this Act.

15 (5.3) To receive complaints from licensees, local
16 officials, law enforcement agencies, organizations, and
17 persons stating that any licensee has been or is violating
18 any provision of this Act or the rules and regulations
19 issued pursuant to this Act. Such complaints shall be in
20 writing, signed and sworn to by the person making the
21 complaint, and shall state with specificity the facts in
22 relation to the alleged violation. If the Commission has
23 reasonable grounds to believe that the complaint
24 substantially alleges a violation of this Act or rules and
25 regulations adopted pursuant to this Act, it shall conduct
26 an investigation. If, after conducting an investigation,

1 the Commission is satisfied that the alleged violation did
2 occur, it shall proceed with disciplinary action against
3 the licensee as provided in this Act.

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

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

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

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

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

26 (9) To investigate the administration of laws in

1 relation to alcoholic liquors in this and other states and
2 any foreign countries, and to recommend from time to time
3 to the Governor and through him or her to the legislature
4 of this State, such amendments to this Act, if any, as it
5 may think desirable and as will serve to further the
6 general broad purposes contained in Section 1-2 hereof.

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

12 (11) To develop industry educational programs related
13 to responsible serving and selling, particularly in the
14 areas of overserving consumers and illegal underage
15 purchasing and consumption of alcoholic beverages.

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

26 (12) To develop and maintain a repository of license

1 and regulatory information.

2 (13) On or before January 15, 1994, the Commission
3 shall issue a written report to the Governor and General
4 Assembly that is to be based on a comprehensive study of
5 the impact on and implications for the State of Illinois of
6 Section 1926 of the Federal ADAMHA Reorganization Act of
7 1992 (Public Law 102-321). This study shall address the
8 extent to which Illinois currently complies with the
9 provisions of P.L. 102-321 and the rules promulgated
10 pursuant thereto.

11 As part of its report, the Commission shall provide the
12 following essential information:

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

15 (ii) the number of reported citations and
16 successful convictions, categorized by type and
17 location of retail distributor, for violation of the
18 Prevention of Tobacco Use by Minors and Sale and
19 Distribution of Tobacco Products Act and the Smokeless
20 Tobacco Limitation Act;

21 (iii) the extent and nature of organized
22 educational and governmental activities that are
23 intended to promote, encourage or otherwise secure
24 compliance with any Illinois laws that prohibit the
25 sale or distribution of tobacco products to minors; and

26 (iv) the level of access and availability of

1 tobacco products to individuals under the age of 18.

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

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

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

19 (14) On or before April 30, 2008 and every 2 years
20 thereafter, the Commission shall present a written report
21 to the Governor and the General Assembly that shall be
22 based on a study of the impact of this amendatory Act of
23 the 95th General Assembly on the business of soliciting,
24 selling, and shipping wine from inside and outside of this
25 State directly to residents of this State. As part of its
26 report, the Commission shall provide all of the following

1 information:

2 (A) The amount of State excise and sales tax
3 revenues generated.

4 (B) The amount of licensing fees received.

5 (C) The number of cases of wine shipped from inside
6 and outside of this State directly to residents of this
7 State.

8 (D) The number of alcohol compliance operations
9 conducted.

10 (E) The number of winery shipper's licenses
11 issued.

12 (F) The number of each of the following: reported
13 violations; cease and desist notices issued by the
14 Commission; notices of violations issued by the
15 Commission and to the Department of Revenue; and
16 notices and complaints of violations to law
17 enforcement officials, including, without limitation,
18 the Illinois Attorney General and the U.S. Department
19 of Treasury's Alcohol and Tobacco Tax and Trade Bureau.

20 (15) As a means to reduce the underage consumption of
21 alcoholic liquors, the Commission shall conduct alcohol
22 compliance operations to investigate whether businesses
23 that are soliciting, selling, and shipping wine from inside
24 or outside of this State directly to residents of this
25 State are licensed by this State or are selling or
26 attempting to sell wine to persons under 21 years of age in

1 violation of this Act.

2 (16) The Commission shall, in addition to notifying any
3 appropriate law enforcement agency, submit notices of
4 complaints or violations of Sections 6-29 and 6-29.1 by
5 persons who do not hold a winery shipper's license under
6 this amendatory Act to the Illinois Attorney General and to
7 the U.S. Department of Treasury's Alcohol and Tobacco Tax
8 and Trade Bureau.

9 (17) (A) A person licensed to make wine under the laws
10 of another state who has a winery shipper's license under
11 this amendatory Act and annually produces less than 25,000
12 gallons of wine or a person who has a first-class or
13 second-class wine manufacturer's license, a first-class or
14 second-class wine-maker's license, or a limited wine
15 manufacturer's license under this Act and annually
16 produces less than 25,000 gallons of wine may make
17 application to the Commission for a self-distribution
18 exemption to allow the sale of not more than 5,000 gallons
19 of the exemption holder's wine to retail licensees per
20 year.

21 (B) In the application, which shall be sworn under
22 penalty of perjury, such person shall state (1) the
23 date it was established; (2) its volume of production
24 and sales for each year since its establishment; (3)
25 its efforts to establish distributor relationships;
26 (4) that a self-distribution exemption is necessary to

1 facilitate the marketing of its wine; and (5) that it
2 will comply with the liquor and revenue laws of the
3 United States, this State, and any other state where it
4 is licensed.

5 (C) The Commission shall approve the application
6 for a self-distribution exemption if such person: (1)
7 is in compliance with State revenue and liquor laws;
8 (2) is not a member of any affiliated group that
9 produces more than 25,000 gallons of wine per annum or
10 produces any other alcoholic liquor; (3) will not
11 annually produce for sale more than 25,000 gallons of
12 wine; and (4) will not annually sell more than 5,000
13 gallons of its wine to retail licensees.

14 (D) A self-distribution exemption holder shall
15 annually certify to the Commission its production of
16 wine in the previous 12 months and its anticipated
17 production and sales for the next 12 months. The
18 Commission may fine, suspend, or revoke a
19 self-distribution exemption after a hearing if it
20 finds that the exemption holder has made a material
21 misrepresentation in its application, violated a
22 revenue or liquor law of Illinois, exceeded production
23 of 25,000 gallons of wine in any calendar year, or
24 become part of an affiliated group producing more than
25 25,000 gallons of wine or any other alcoholic liquor.

26 (E) Except in hearings for violations of this Act

1 or amendatory Act or a bona fide investigation by duly
2 sworn law enforcement officials, the Commission, or
3 its agents, the Commission shall maintain the
4 production and sales information of a
5 self-distribution exemption holder as confidential and
6 shall not release such information to any person.

7 (F) The Commission shall issue regulations
8 governing self-distribution exemptions consistent with
9 this Section and this Act.

10 (G) Nothing in this subsection (17) shall prohibit
11 a self-distribution exemption holder from entering
12 into or simultaneously having a distribution agreement
13 with a licensed Illinois distributor.

14 (H) It is the intent of this subsection (17) to
15 promote and continue orderly markets. The General
16 Assembly finds that in order to preserve Illinois'
17 regulatory distribution system it is necessary to
18 create an exception for smaller makers of wine as their
19 wines are frequently adjusted in varietals, mixes,
20 vintages, and taste to find and create market niches
21 sometimes too small for distributor or importing
22 distributor business strategies. Limited
23 self-distribution rights will afford and allow smaller
24 makers of wine access to the marketplace in order to
25 develop a customer base without impairing the
26 integrity of the 3-tier system.

1 (18) (A) A craft brewer licensee, who must also be
2 either a licensed brewer or licensed non-resident dealer
3 and annually manufacture less than 930,000 gallons of beer,
4 may make application to the Commission for a
5 self-distribution exemption to allow the sale of not more
6 than 232,500 gallons of the exemption holder's beer to
7 retail licensees per year.

8 (B) In the application, which shall be sworn under
9 penalty of perjury, the craft brewer licensee shall
10 state (1) the date it was established; (2) its volume
11 of beer manufactured and sold for each year since its
12 establishment; (3) its efforts to establish
13 distributor relationships; (4) that a
14 self-distribution exemption is necessary to facilitate
15 the marketing of its beer; and (5) that it will comply
16 with the alcoholic beverage and revenue laws of the
17 United States, this State, and any other state where it
18 is licensed.

19 (C) Any application submitted shall be posted on
20 the Commission's website at least 45 days prior to
21 action by the Commission. The Commission shall approve
22 the application for a self-distribution exemption if
23 the craft brewer licensee: (1) is in compliance with
24 the State, revenue, and alcoholic beverage laws; (2) is
25 not a member of any affiliated group that manufacturers
26 more than 930,000 gallons of beer per annum or produces

1 any other alcoholic beverages; (3) shall not annually
2 manufacture for sale more than 930,000 gallons of beer;
3 and (4) shall not annually sell more than 232,500
4 gallons of its beer to retail licensees.

5 (D) A self-distribution exemption holder shall
6 annually certify to the Commission its manufacture of
7 beer during the previous 12 months and its anticipated
8 manufacture and sales of beer for the next 12 months.
9 The Commission may fine, suspend, or revoke a
10 self-distribution exemption after a hearing if it
11 finds that the exemption holder has made a material
12 misrepresentation in its application, violated a
13 revenue or alcoholic beverage law of Illinois,
14 exceeded the manufacture of 930,000 gallons of beer in
15 any calendar year or became part of an affiliated group
16 manufacturing more than 930,000 gallons of beer or any
17 other alcoholic beverage.

18 (E) The Commission shall issue rules and
19 regulations governing self-distribution exemptions
20 consistent with this Act.

21 (F) Nothing in this paragraph (18) shall prohibit a
22 self-distribution exemption holder from entering into
23 or simultaneously having a distribution agreement with
24 a licensed Illinois importing distributor or a
25 distributor. If a self-distribution exemption holder
26 enters into a distribution agreement and has assigned

1 distribution rights to an importing distributor or
2 distributor, then the self-distribution exemption
3 holder's distribution rights in the assigned
4 territories shall cease in a reasonable time not to
5 exceed 60 days.

6 (G) It is the intent of this paragraph (18) to
7 promote and continue orderly markets. The General
8 Assembly finds that in order to preserve Illinois'
9 regulatory distribution system, it is necessary to
10 create an exception for smaller manufacturers in order
11 to afford and allow such smaller manufacturers of beer
12 access to the marketplace in order to develop a
13 customer base without impairing the integrity of the
14 3-tier system.

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

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

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

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

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

6 (Source: P.A. 97-5, eff. 6-1-11; 98-401, eff. 8-16-13.)

7 (235 ILCS 5/6-27.1 new)

8 Sec. 6-27.1. Responsible alcohol service server training.

9 (a) Unless issued a valid server training certificate
10 between July 1, 2012 and July 1, 2015 by a certified Beverage
11 Alcohol Sellers and Servers Education and Training (BASSET)
12 trainer, all alcohol servers are required to obtain and
13 complete training in basic responsible alcohol service as
14 outlined in 77 Ill. Adm. Code 3500 by July 1, 2015 or within 30
15 days after the alcohol server begins his or her employment,
16 whichever is later. There is no limit to the amount of times a
17 server may take the training. A certificate of training belongs
18 to the server, and a server may transfer a certificate of
19 training to a different employer, but shall not transfer a
20 certificate of training to another server. Proof that an
21 alcohol server has been trained must be available upon
22 reasonable request by State law enforcement officials. For the
23 purpose of this Section, "alcohol servers" means persons who
24 sell or serve open containers of alcoholic beverages at retail
25 and anyone whose job description entails the checking of

1 identification for the purchase of open containers of alcoholic
2 beverages at retail or for entry into the licensed premises.
3 The definition does not include (i) a distributor or importing
4 distributor conducting product sampling as authorized in
5 Section 6-31 of this Act or a registered tasting
6 representative, as provided in 11 Ill. Adm. Code 100.40,
7 conducting a tasting, as defined in 11 Ill. Adm. Code 100.10;
8 (ii) a volunteer serving alcoholic beverages at a charitable
9 function; or (iii) an instructor engaged in training or
10 educating on the proper technique for using a system that
11 dispenses alcoholic beverages.

12 (b) Responsible alcohol service training must cover and
13 assess knowledge of the topics noted in 77 Ill. Adm. Code
14 3500.155.

15 (c) Beginning on the effective date of this amendatory Act
16 of the 98th General Assembly, but no later than April 1, 2015,
17 all existing BASSET trainers who are already BASSET certified
18 as of the effective date of this amendatory Act of the 98th
19 General Assembly shall be recertified by the State Commission
20 and be required to comply with the conditions for server
21 training set forth in this amendatory Act of the 98th General
22 Assembly.

23 (d) Training modules and certificate program plans must be
24 approved by the State Commission. All documents, materials, or
25 information related to responsible alcohol service training
26 program approval that are submitted to the State Commission are

1 confidential and shall not be open to public inspection or
2 dissemination and are exempt from disclosure.

3 The State Commission shall only approve programs that meet
4 the following criteria:

5 (1) the training course covers the content specified in
6 77 Ill. Adm. Code 3500.155;

7 (2) if the training course is classroom-based, the
8 classroom training is at least 4 hours, is available in
9 English and Spanish, and includes a test;

10 (3) if the training course is online or computer-based,
11 the course is designed in a way that ensures that no
12 content can be skipped, is interactive, has audio for
13 content for servers that have a disability, and includes a
14 test;

15 (4) training and testing is based on a job task
16 analysis that clearly identifies and focuses on the
17 knowledge, skills, and abilities needed to responsibly
18 serve alcoholic beverages and is developed using best
19 practices in instructional design and exam development to
20 ensure that the program is fair and legally defensible;

21 (5) training and testing is conducted by any means
22 available, including, but not limited to, online,
23 computer, classroom, or live trainers; and

24 (6) the program must provide access on a
25 24-hour-per-day, 7-days-per-week basis for certificate
26 verification for State Commission, State law enforcement

1 officials, and employers to be able to verify certificate
2 authenticity.

3 (e) Nothing in subsection (d) of this Section shall be
4 construed to require a program to use a test administrator or
5 proctor.

6 (f) A certificate issued from a BASSET-licensed training
7 program shall be accepted as meeting the training requirements
8 for all server license and permit laws and ordinances in the
9 State.

10 (g) A responsible alcohol service training certificate
11 from a BASSET-licensed program shall be valid for 3 years.

12 (h) The provisions of this Section shall apply beginning
13 July 1, 2015. From July 1, 2015 through December 31, 2015,
14 enforcement of the provisions of this Section shall be limited
15 to education and notification of the requirements to encourage
16 compliance.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.".