

AN ACT concerning hospitality.

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

Section 1. This Act may be referred to as the COVID-19 Pandemic Hospitality Recovery Act.

Section 5. The Liquor Control Act of 1934 is amended by changing Sections 6-5 and 6-28.8 and by adding Section 6-37 as follows:

(235 ILCS 5/6-5) (from Ch. 43, par. 122)

Sec. 6-5. Except as otherwise provided in this Section, it is unlawful for any person having a retailer's license or any officer, associate, member, representative or agent of such licensee to accept, receive or borrow money, or anything else of value, or accept or receive credit (other than merchandising credit in the ordinary course of business for a period not to exceed 30 days) directly or indirectly from any manufacturer, importing distributor or distributor of alcoholic liquor, or from any person connected with or in any way representing, or from any member of the family of, such manufacturer, importing distributor, distributor or wholesaler, or from any stockholders in any corporation engaged in manufacturing, distributing or wholesaling of such

liquor, or from any officer, manager, agent or representative of said manufacturer. Except as provided below, it is unlawful for any manufacturer or distributor or importing distributor to give or lend money or anything of value, or otherwise loan or extend credit (except such merchandising credit) directly or indirectly to any retail licensee or to the manager, representative, agent, officer or director of such licensee. A manufacturer, distributor or importing distributor may furnish free advertising, posters, signs, brochures, hand-outs, or other promotional devices or materials to any unit of government owning or operating any auditorium, exhibition hall, recreation facility or other similar facility holding a retailer's license, provided that the primary purpose of such promotional devices or materials is to promote public events being held at such facility. A unit of government owning or operating such a facility holding a retailer's license may accept such promotional devices or materials designed primarily to promote public events held at the facility. No retail licensee delinquent beyond the 30 day period specified in this Section shall solicit, accept or receive credit, purchase or acquire alcoholic liquors, directly or indirectly from any other licensee, and no manufacturer, distributor or importing distributor shall knowingly grant or extend credit, sell, furnish or supply alcoholic liquors to any such delinquent retail licensee; provided that the purchase price of all beer sold to a retail licensee shall be paid by the

retail licensee in cash on or before delivery of the beer, and unless the purchase price payable by a retail licensee for beer sold to him in returnable bottles shall expressly include a charge for the bottles and cases, the retail licensee shall, on or before delivery of such beer, pay the seller in cash a deposit in an amount not less than the deposit required to be paid by the distributor to the brewer; but where the brewer sells direct to the retailer, the deposit shall be an amount no less than that required by the brewer from his own distributors; and provided further, that in no instance shall this deposit be less than 50 cents for each case of beer in pint or smaller bottles and 60 cents for each case of beer in quart or half-gallon bottles; and provided further, that the purchase price of all beer sold to an importing distributor or distributor shall be paid by such importing distributor or distributor in cash on or before the 15th day (Sundays and holidays excepted) after delivery of such beer to such purchaser; and unless the purchase price payable by such importing distributor or distributor for beer sold in returnable bottles and cases shall expressly include a charge for the bottles and cases, such importing distributor or distributor shall, on or before the 15th day (Sundays and holidays excepted) after delivery of such beer to such purchaser, pay the seller in cash a required amount as a deposit to assure the return of such bottles and cases. Nothing herein contained shall prohibit any licensee from

crediting or refunding to a purchaser the actual amount of money paid for bottles, cases, kegs or barrels returned by the purchaser to the seller or paid by the purchaser as a deposit on bottles, cases, kegs or barrels, when such containers or packages are returned to the seller. Nothing herein contained shall prohibit any manufacturer, importing distributor or distributor from extending usual and customary credit for alcoholic liquor sold to customers or purchasers who live in or maintain places of business outside of this State when such alcoholic liquor is actually transported and delivered to such points outside of this State.

A manufacturer, distributor, or importing distributor may furnish free social media advertising to a retail licensee if the social media advertisement does not contain the retail price of any alcoholic liquor and the social media advertisement complies with any applicable rules or regulations issued by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury. A manufacturer, distributor, or importing distributor may list the names of one or more unaffiliated retailers in the advertisement of alcoholic liquor through social media. Nothing in this Section shall prohibit a retailer from communicating with a manufacturer, distributor, or importing distributor on social media or sharing media on the social media of a manufacturer, distributor, or importing distributor. A retailer may request free social media

advertising from a manufacturer, distributor, or importing distributor. Nothing in this Section shall prohibit a manufacturer, distributor, or importing distributor from sharing, reposting, or otherwise forwarding a social media post by a retail licensee, so long as the sharing, reposting, or forwarding of the social media post does not contain the retail price of any alcoholic liquor. No manufacturer, distributor, or importing distributor shall pay or reimburse a retailer, directly or indirectly, for any social media advertising services, except as specifically permitted in this Act. No retailer shall accept any payment or reimbursement, directly or indirectly, for any social media advertising services offered by a manufacturer, distributor, or importing distributor, except as specifically permitted in this Act. For the purposes of this Section, "social media" means a service, platform, or site where users communicate with one another and share media, such as pictures, videos, music, and blogs, with other users free of charge.

No right of action shall exist for the collection of any claim based upon credit extended to a distributor, importing distributor or retail licensee contrary to the provisions of this Section.

Every manufacturer, importing distributor and distributor shall submit or cause to be submitted, to the State Commission, in triplicate, not later than Thursday of each calendar week, a verified written list of the names and

respective addresses of each retail licensee purchasing spirits or wine from such manufacturer, importing distributor or distributor who, on the first business day of that calendar week, was delinquent beyond the above mentioned permissible merchandising credit period of 30 days; or, if such is the fact, a verified written statement that no retail licensee purchasing spirits or wine was then delinquent beyond such permissible merchandising credit period of 30 days.

Every manufacturer, importing distributor and distributor shall submit or cause to be submitted, to the State Commission, in triplicate, a verified written list of the names and respective addresses of each previously reported delinquent retail licensee who has cured such delinquency by payment, which list shall be submitted not later than the close of the second full business day following the day such delinquency was so cured.

Such written verified reports required to be submitted by this Section shall be posted by the State Commission in each of its offices in places available for public inspection not later than the day following receipt thereof by the Commission. The reports so posted shall constitute notice to every manufacturer, importing distributor and distributor of the information contained therein. Actual notice to manufacturers, importing distributors and distributors of the information contained in any such posted reports, however received, shall also constitute notice of such information.

The 30 day merchandising credit period allowed by this Section shall commence with the day immediately following the date of invoice and shall include all successive days including Sundays and holidays to and including the 30th successive day.

In addition to other methods allowed by law, payment by check or credit card during the period for which merchandising credit may be extended under the provisions of this Section shall be considered payment. All checks received in payment for alcoholic liquor shall be promptly deposited for collection. A post dated check or a check dishonored on presentation for payment shall not be deemed payment.

A credit card payment in dispute by a retailer shall not be deemed payment, and the debt uncured for merchandising credit shall be reported as delinquent. Nothing in this Section shall prevent a distributor, self-distributing manufacturer, or importing distributor from assessing a usual and customary transaction fee representative of the actual finance charges incurred for processing a credit card payment. This transaction fee shall be disclosed on the invoice. It shall be considered unlawful for a distributor, importing distributor, or self-distributing manufacturer to waive finance charges for retailers.

A retail licensee shall not be deemed to be delinquent in payment for any alleged sale to him of alcoholic liquor when there exists a bona fide dispute between such retailer and a

manufacturer, importing distributor or distributor with respect to the amount of indebtedness existing because of such alleged sale. A retail licensee shall not be deemed to be delinquent under this provision and 11 Ill. Adm. Code 100.90 until 30 days after the date on which the region in which the retail licensee is located enters Phase 4 of the Governor's Restore Illinois Plan as issued on May 5, 2020.

A delinquent retail licensee who engages in the retail liquor business at 2 or more locations shall be deemed to be delinquent with respect to each such location.

The license of any person who violates any provision of this Section shall be subject to suspension or revocation in the manner provided by this Act.

If any part or provision of this Article or the application thereof to any person or circumstances shall be adjudged invalid by a court of competent jurisdiction, such judgment shall be confined by its operation to the controversy in which it was mentioned and shall not affect or invalidate the remainder of this Article or the application thereof to any other person or circumstance and to this and the provisions of this Article are declared severable.

(Source: P.A. 101-631, eff. 6-2-20.)

(235 ILCS 5/6-28.8)

(Section scheduled to be repealed on June 2, 2021)

Sec. 6-28.8. Delivery and carry out of mixed drinks

permitted.

(a) In this Section:

"Cocktail" or "mixed drink" means any beverage obtained by combining ingredients alcoholic in nature, whether brewed, fermented, or distilled, with ingredients non-alcoholic in nature, such as fruit juice, lemonade, cream, or a carbonated beverage.

"Original container" means, for the purposes of this Section only, a container that is (i) filled, sealed, and secured by a retail licensee's employee at the retail licensee's location with a tamper-evident lid or cap or (ii) filled and labeled by the manufacturer and secured by the manufacturer's original unbroken seal.

"Sealed container" means a rigid container that contains a mixed drink or a single serving of wine, is new, has never been used, has a secured lid or cap designed to prevent consumption without removal of the lid or cap, and is tamper-evident.

"Sealed container" includes a manufacturer's original container as defined in this subsection. "Sealed container" does not include a container with a lid with sipping holes or openings for straws or a container made of plastic, paper, or polystyrene foam.

"Tamper-evident" means a lid or cap that has been sealed with tamper-evident covers, including, but not limited to, wax dip or heat shrink wrap.

(b) A cocktail, ~~or~~ mixed drink, or single serving of wine

placed in a sealed container by a retail licensee at the retail licensee's location or a manufacturer's original container may be transferred and sold for off-premises consumption if the following requirements are met:

(1) the cocktail, mixed drink, or single serving of wine is transferred within the licensed premises, by a curbside pickup, or by delivery by an employee of the retail licensee who:

(A) has been trained in accordance with Section 6-27.1 at the time of the sale;

(B) is at least 21 years of age; and

(C) upon delivery, verifies the age of the person to whom the cocktail, mixed drink, or single serving of wine is being delivered;

(2) if the employee delivering the cocktail, mixed drink, or single serving of wine is not able to safely verify a person's age or level of intoxication upon delivery, the employee shall cancel the sale of alcohol and return the product to the retail license holder;

(3) the sealed container is placed in the trunk of the vehicle or if there is no trunk, in the vehicle's rear compartment that is not readily accessible to the passenger area;

(4) except for a manufacturer's original container, a ~~the sealed~~ container filled and sealed at a retail licensee's location shall be affixed with a label or tag

that contains the following information:

(A) the cocktail or mixed drink ingredients, type, and name of the alcohol;

(B) the name, license number, and address of the retail licensee that filled the original container and sold the product;

(C) the volume of the cocktail, ~~or~~ mixed drink, or single serving of wine in the sealed container; and

(D) the sealed container was filled less than 7 days before the date of sale; ~~and.~~

(5) a manufacturer's original container shall be affixed with a label or tag that contains the name, license number, and address of the retail licensee that sold the product.

(c) Third-party delivery services are not permitted to deliver cocktails and mixed drinks under this Section.

(d) If there is an executive order of the Governor in effect during a disaster, the employee delivering the mixed drink, ~~or~~ cocktail, or single serving of wine must comply with any requirements of that executive order, including, but not limited to, wearing gloves and a mask and maintaining distancing requirements when interacting with the public.

(e) Delivery or carry out of a cocktail, ~~or~~ mixed drink, or single serving of wine is prohibited if:

(1) a third party delivers the cocktail or mixed drink;

(2) a container of a mixed drink, ~~or~~ cocktail, or single serving of wine is not tamper-evident and sealed;

(3) a container of a mixed drink, ~~or~~ cocktail, or single serving of wine is transported in the passenger area of a vehicle;

(4) a mixed drink, ~~or~~ cocktail, or single serving of wine is delivered by a person or to a person who is under the age of 21; or

(5) the person delivering a mixed drink, ~~or~~ cocktail, or single serving of wine fails to verify the age of the person to whom the mixed drink or cocktail is being delivered.

(f) Violations of this Section shall be subject to any applicable penalties, including, but not limited to, the penalties specified under Section 11-502 of the Illinois Vehicle Code.

(f-5) This Section is not intended to prohibit or preempt the ability of a brew pub, tap room, or distilling pub to continue to temporarily deliver alcoholic liquor pursuant to guidance issued by the State Commission on March 19, 2020 entitled "Illinois Liquor Control Commission, COVID-19 Related Actions, Guidance on Temporary Delivery of Alcoholic Liquor". This Section shall only grant authorization to holders of State of Illinois retail liquor licenses but not to licensees that simultaneously hold any licensure or privilege to manufacture alcoholic liquors within or outside of the State

of Illinois.

(g) This Section is not a denial or limitation of home rule powers and functions under Section 6 of Article VII of the Illinois Constitution.

(h) This Section is repealed on January 3, 2024 ~~one year after the effective date of this amendatory Act of the 101st General Assembly.~~

(Source: P.A. 101-631, eff. 6-2-20.)

(235 ILCS 5/6-37 new)

Sec. 6-37. Hospitality vaccination incentive; temporary.

(a) Notwithstanding any other provision of law, from June 10, 2021 through July 10, 2021, a retail licensee may offer a single drink of alcoholic liquor at no cost to a customer as part of a publicly advertised promotion to encourage participation in any COVID-19 vaccination program if the customer provides proof of COVID-19 vaccination received at any time. Drinks may be provided under this Section only from 6 p.m. through 10 p.m.

This Section is subject to any rule or bulletin posted by the State Commission.

(b) A retail licensee's participation in providing a single drink of alcoholic liquor is voluntary and a retail licensee may refuse to provide a single drink at no charge. The retail licensee may determine or restrict which single drink of alcoholic liquor it will provide at no cost but under no

circumstances may a single drink of alcoholic liquor exceed 1.5 ounces of distilled spirits, 5 ounces of wine, or 12 ounces of beer.

(c) A local liquor control commissioner or local liquor control commission may prohibit retail licensees within its jurisdiction from providing a single drink of alcoholic liquor at no charge by promulgating a rule or policy preempting this Section.

(d) After receiving a single drink of alcoholic liquor at no charge, no customer shall receive a subsequent drink from the retail licensee providing the drink at no charge or from another retail licensee on the same day or any subsequent day. In addition to abiding by all other alcoholic liquor sales laws, before providing a single drink at no charge, the retail licensee shall develop procedures to verify the identity of the vaccinated customer by comparing the vaccination card to a form of valid federal or State identification. The retail licensee shall develop procedures to ensure that a customer does not obtain more than a single drink at no charge and the retail licensee shall be subject to penalties imposed by the State Commission if the retail licensee provides more than a single drink to a particular customer at no charge.

(e) The State Commission may publish further guidelines on the implementation of this Section not inconsistent with this Section and shall post them on the State Commission's website.

(f) This Section is repealed on July 11, 2021.

Public Act 102-0008

SB0104 Enrolled

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