

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 10. The Liquor Control Act of 1934 is amended by
5 changing Sections 3-12 and 5-3 as follows:

6 (235 ILCS 5/3-12)

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

8 (a) The State Commission ~~commission~~ shall have the
9 following powers, 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
17 lessees of sleeping, dining and cafe cars, airplanes,
18 boats, brokers, and wine maker's premises licensees in
19 accordance with the provisions of this Act, and to suspend
20 or revoke such licenses upon the State Commission's
21 ~~commission's~~ determination, upon notice after hearing,
22 that a licensee has violated any provision of this Act or
23 any rule or regulation issued pursuant thereto and in

1 effect for 30 days prior to such violation. Except in the
2 case of an action taken pursuant to a violation of Section
3 6-3, 6-5, or 6-9, any action by the State Commission to
4 suspend or revoke a licensee's license may be limited to
5 the license for the specific premises where the violation
6 occurred.

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

1 the destruction of the bottle of alcoholic liquor and a
2 fine of up to \$50.

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

11 (3) To call upon other administrative departments of
12 the State, county and municipal governments, county and
13 city police departments and upon prosecuting officers for
14 such information and assistance as it deems necessary in
15 the performance of its duties.

16 (4) To recommend to local commissioners rules and
17 regulations, not inconsistent with the law, for the
18 distribution and sale of alcoholic liquors throughout the
19 State.

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

23 (5.1) Upon receipt of a complaint or upon having
24 knowledge that any person is engaged in business as a
25 manufacturer, importing distributor, distributor, or
26 retailer without a license or valid license, to notify the

1 local liquor authority, file a complaint with the State's
2 Attorney's Office of the county where the incident
3 occurred, or initiate an investigation with the
4 appropriate law enforcement officials.

5 (5.2) To issue a cease and desist notice to persons
6 shipping alcoholic liquor into this State from a point
7 outside of this State if the shipment is in violation of
8 this Act.

9 (5.3) To receive complaints from licensees, local
10 officials, law enforcement agencies, organizations, and
11 persons stating that any licensee has been or is violating
12 any provision of this Act or the rules and regulations
13 issued pursuant to this Act. Such complaints shall be in
14 writing, signed and sworn to by the person making the
15 complaint, and shall state with specificity the facts in
16 relation to the alleged violation. If the State Commission
17 has reasonable grounds to believe that the complaint
18 substantially alleges a violation of this Act or rules and
19 regulations adopted pursuant to this Act, it shall conduct
20 an investigation. If, after conducting an investigation,
21 the State Commission is satisfied that the alleged
22 violation did occur, it shall proceed with disciplinary
23 action against the licensee as provided in this Act.

24 (6) To hear and determine appeals from orders of a
25 local commission in accordance with the provisions of this
26 Act, as hereinafter set forth. Hearings under this

1 subsection shall be held in Springfield or Chicago, at
2 whichever location is the more convenient for the majority
3 of persons who are parties to the hearing.

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

1 ~~commission~~, may, from time to time, alter, amend or repeal,
2 in whole or in part, any uniform system of accounts, or the
3 form and manner of keeping accounts.

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

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

24 (9) To investigate the administration of laws in
25 relation to alcoholic liquors in this and other states and
26 any foreign countries, and to recommend from time to time

1 to the Governor and through him or her to the legislature
2 of this State, such amendments to this Act, if any, as it
3 may think desirable and as will serve to further the
4 general broad purposes contained in Section 1-2 hereof.

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

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

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

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

25 (13) On or before January 15, 1994, the State
26 Commission shall issue a written report to the Governor and

1 General Assembly that is to be based on a comprehensive
2 study of the impact on and implications for the State of
3 Illinois of Section 1926 of the Federal ADAMHA
4 Reorganization Act of 1992 (Public Law 102-321). This study
5 shall address the extent to which Illinois currently
6 complies with the provisions of P.L. 102-321 and the rules
7 promulgated pursuant thereto.

8 As part of its report, the State Commission shall
9 provide the following essential information:

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

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

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

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

25 To obtain the data necessary to comply with the
26 provisions of P.L. 102-321 and the requirements of this

1 report, the State Commission shall conduct random,
2 unannounced inspections of a geographically and
3 scientifically representative sample of the State's retail
4 tobacco distributors.

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

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

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

25 (A) The amount of State excise and sales tax
26 revenues generated.

1 (B) The amount of licensing fees received.

2 (C) The number of cases of wine shipped from inside
3 and outside of this State directly to residents of this
4 State.

5 (D) The number of alcohol compliance operations
6 conducted.

7 (E) The number of winery shipper's licenses
8 issued.

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

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

25 (16) The State Commission shall, in addition to
26 notifying any appropriate law enforcement agency, submit

1 notices of complaints or violations of Sections 6-29 and
2 6-29.1 by persons who do not hold a winery shipper's
3 license under this amendatory Act to the Illinois Attorney
4 General and to the U.S. Department of Treasury's Alcohol
5 and Tobacco Tax and Trade Bureau.

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

18 (B) In the application, which shall be sworn under
19 penalty of perjury, such person shall state (1) the
20 date it was established; (2) its volume of production
21 and sales for each year since its establishment; (3)
22 its efforts to establish distributor relationships;
23 (4) that a self-distribution exemption is necessary to
24 facilitate the marketing of its wine; and (5) that it
25 will comply with the liquor and revenue laws of the
26 United States, this State, and any other state where it

1 is licensed.

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

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

24 (E) Except in hearings for violations of this Act
25 or amendatory Act or a bona fide investigation by duly
26 sworn law enforcement officials, the State Commission,

1 or its agents, the State Commission shall maintain the
2 production and sales information of a
3 self-distribution exemption holder as confidential and
4 shall not release such information to any person.

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

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

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

25 (18) The State Commission shall train and educate its
26 examination employees on an annual basis. The increase in the

1 amount of funds deposited into the Dram Shop Fund as a result
2 of this amendatory Act of the 96th General Assembly shall only
3 be used for this purpose and shall be in addition to the
4 regular expenditures being made from the Dram Shop Fund for
5 this purpose.

6 (b) On or before April 30, 1999, the State Commission shall
7 present a written report to the Governor and the General
8 Assembly that shall be based on a study of the impact of this
9 amendatory Act of 1998 on the business of soliciting, selling,
10 and shipping alcoholic liquor from outside of this State
11 directly to residents of this State.

12 As part of its report, the State Commission shall provide
13 the following information:

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

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

18 (iii) the number of reported violations, the number of
19 cease and desist notices issued by the State Commission,
20 the number of notices of violations issued to the
21 Department of Revenue, and the number of notices and
22 complaints of violations to law enforcement officials.

23 (Source: P.A. 95-634, eff. 6-1-08; 96-179, eff. 8-10-09;
24 96-446, eff. 1-1-10; revised 10-19-09.)

25 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

1 Sec. 5-3. License fees. Except as otherwise provided
 2 herein, at the time application is made to the State Commission
 3 for a license of any class, the applicant shall pay to the
 4 State Commission the fee hereinafter provided for the kind of
 5 license applied for.

6 The fee for licenses issued by the State Commission shall
 7 be as follows:

8 For a manufacturer's license:

9	Class 1. Distiller	\$3,600
10	Class 2. Rectifier	3,600
11	Class 3. Brewer	900
12	Class 4. First-class Wine Manufacturer	600
13	Class 5. Second-class	
14	Wine Manufacturer	1,200
15	Class 6. First-class wine-maker	600
16	Class 7. Second-class wine-maker	1200
17	Class 8. Limited Wine Manufacturer	120
18	For a Brew Pub License	1,050
19	For a caterer retailer's license	200
20	For a foreign importer's license	25
21	For an importing distributor's license	25
22	For a distributor's license	270
23	For a non-resident dealer's license	
24	(500,000 gallons or over)	270
25	For a non-resident dealer's license	
26	(under 500,000 gallons)	90

1	For a wine-maker's premises license	100
2	For a winery shipper's license	
3	(under 250,000 gallons)	150
4	For a winery shipper's license	
5	(250,000 or over, but under 500,000 gallons)	500
6	For a winery shipper's license	
7	(500,000 gallons or over)	1,000
8	For a wine-maker's premises license,	
9	second location	350
10	For a wine-maker's premises license,	
11	third location	350
12	For a retailer's license	500
13	For a special event retailer's license,	
14	(not-for-profit)	25
15	For a special use permit license,	
16	one day only	50
17	2 days or more	100
18	For a railroad license	60
19	For a boat license	180
20	For an airplane license, times the	
21	licensee's maximum number of aircraft	
22	in flight, serving liquor over the	
23	State at any given time, which either	
24	originate, terminate, or make	
25	an intermediate stop in the State	60
26	For a non-beverage user's license:	

1	Class 1	24
2	Class 2	60
3	Class 3	120
4	Class 4	240
5	Class 5	600
6	For a broker's license	600
7	For an auction liquor license	50

8 Fees collected under this Section shall be paid into the
 9 Dram Shop Fund. On and after July 1, 2010 ~~2003~~, of the funds
 10 received for a retailer's license, \$270 ~~in addition to the~~
 11 ~~first \$175, an additional \$75~~ shall be paid into the Dram Shop
 12 Fund, and \$230 ~~\$250~~ shall be paid into the General Revenue
 13 Fund. ~~Beginning June 30, 1990 and on June 30 of each subsequent~~
 14 ~~year through June 29, 2003, any balance over \$5,000,000~~
 15 ~~remaining in the Dram Shop Fund shall be credited to State~~
 16 ~~liquor licensees and applied against their fees for State~~
 17 ~~liquor licenses for the following year. The amount credited to~~
 18 ~~each licensee shall be a proportion of the balance in the Dram~~
 19 ~~Fund that is the same as the proportion of the license fee paid~~
 20 ~~by the licensee under this Section for the period in which the~~
 21 ~~balance was accumulated to the aggregate fees paid by all~~
 22 ~~licensees during that period.~~

23 No fee shall be paid for licenses issued by the State
 24 Commission to the following non-beverage users:

25 (a) Hospitals, sanitariums, or clinics when their use
 26 of alcoholic liquor is exclusively medicinal, mechanical

1 or scientific.

2 (b) Universities, colleges of learning or schools when
3 their use of alcoholic liquor is exclusively medicinal,
4 mechanical or scientific.

5 (c) Laboratories when their use is exclusively for the
6 purpose of scientific research.

7 (Source: P.A. 95-634, eff. 6-1-08.)

8 Section 99. Effective date. This Act takes effect July 1,
9 2010.