



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3828

Introduced 2/6/2026, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

35 ILCS 128/1-15	
35 ILCS 128/1-20	
35 ILCS 128/1-40	
35 ILCS 128/1-105	
35 ILCS 130/4	from Ch. 120, par. 453.4
35 ILCS 130/4a	from Ch. 120, par. 453.4a
35 ILCS 130/4b	from Ch. 120, par. 453.4b
35 ILCS 130/4c	
35 ILCS 130/4f	
35 ILCS 130/4g	
35 ILCS 130/4i	
35 ILCS 130/6	from Ch. 120, par. 453.6
35 ILCS 130/21	from Ch. 120, par. 453.21
35 ILCS 130/9c rep.	
35 ILCS 135/4	from Ch. 120, par. 453.34
35 ILCS 135/4b	
35 ILCS 135/6	from Ch. 120, par. 453.36
35 ILCS 135/7	from Ch. 120, par. 453.37
35 ILCS 135/7a	
35 ILCS 135/27	from Ch. 120, par. 453.57
35 ILCS 143/10-20	
35 ILCS 143/10-21	
35 ILCS 143/10-25	
35 ILCS 143/10-58	

Amends the Cigarette Machine Operators' Occupation Tax Act, the Cigarette Tax Act, the Cigarette Use Tax Act, and the Tobacco Products Tax Act of 1995. Makes changes concerning applications for various licenses under those Acts. Provides that, beginning on July 1, 2027, applicants are no longer required to file a bond with their application. Makes changes concerning persons who are prohibited from receiving those licenses. Makes changes concerning hearings regarding contraband cigarettes and the destruction of contraband cigarettes.

LRB104 16359 HLH 29746 b

1 AN ACT concerning revenue.

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

4 Section 5. The Cigarette Machine Operators' Occupation Tax
5 Act is amended by changing Sections 1-15, 1-20, 1-40, and
6 1-105 as follows:

7 (35 ILCS 128/1-15)

8 Sec. 1-15. Cigarette machine operator license. No person
9 may engage in the business of operating a cigarette machine in
10 this State on or after August 1, 2012 without first having
11 obtained a license from the Department. Application for a
12 license shall be made to the Department, by electronic means,
13 in ~~on~~ a form ~~furnished and~~ prescribed by the Department. Each
14 applicant for a license under this Section shall furnish ~~the~~
15 ~~following information~~ to the Department in ~~on~~ a form signed
16 and verified by the applicant under penalty of perjury, in an
17 electronic format established by the Department, the
18 following:

19 (1) a statement that the applicant will fully comply
20 with the Tobacco Products Manufacturers' Escrow
21 Enforcement Act of 2003; and

22 (2) the following information:

23 (A) the name and address of the applicant;

1 (B) ~~(2)~~ the address of the location at which the
2 applicant proposes to engage in the business of
3 operating a cigarette machine in this State; and

4 (C) ~~(3)~~ any other additional information the
5 Department may reasonably require by its rules.

6 The ~~annual~~ license fee payable to the Department for each
7 initial and renewal cigarette machine operator license is
8 \$250. Each applicant for a license shall pay that fee to the
9 Department at the time of submitting an application for
10 license to the Department.

11 Through June 30, 2027, every ~~Every~~ applicant who is
12 required to procure a cigarette machine operator license shall
13 file with his or her application a joint and several bond. Such
14 bond shall be executed to the Department of Revenue, with good
15 and sufficient surety or sureties residing or licensed to do
16 business within the State of Illinois, in the amount of
17 \$2,500, conditioned upon the true and faithful compliance by
18 the licensee with all of the provisions of this Act. Such bond,
19 or a reissue thereof, or a substitute therefore, shall be kept
20 in effect during the entire period covered by the license. On
21 and after July 1, 2027, applicants are no longer required to
22 file a bond with their application. The Department shall
23 discharge any surety and shall release and return any bond
24 provided to it by a taxpayer under this Section within 90 days
25 after July 1, 2027.

26 A separate application for license shall be made and ~~7~~ a

1 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
2 for each place of business at which a person who is required to
3 procure a cigarette machine operator license under this
4 Section proposes to engage in business as a cigarette machine
5 operator in Illinois under this Act.

6 The following are ineligible to receive a cigarette
7 machine operator license under this Act:

8 (1) a person who is not of good character and
9 reputation in the community in which he resides; the
10 Department may consider whether the applicant has
11 previously been convicted of a felony when determining
12 whether the person is of good character and reputation,
13 but, except as provided in paragraph (2), the conviction
14 shall not operate as an absolute bar to licensure;

15 (2) a person who has been convicted of a felony under
16 any federal or State law, if the Department, after
17 investigation and consideration of any mitigating factors
18 and evidence of rehabilitation contained in the
19 applicant's record, including those provided in Section 4i
20 of the Cigarette Tax Act, and after a hearing, if
21 requested by the applicant, determines that the ~~such~~
22 person has not been sufficiently rehabilitated to warrant
23 the public trust and the conviction will impair the
24 ability of the person to engage in the position for which a
25 license is sought;

26 (3) a corporation, if any officer, manager, or

1 director thereof, or any stockholder or stockholders
2 owning in the aggregate more than 5% of the stock of such
3 corporation, would not be eligible to receive a license
4 under this Act for any reason; ~~or~~

5 (4) a person who has delinquent reports under Section
6 25 of the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003; or

8 (5) a person, or any person who owns more than 15% of
9 the ownership interests in an entity or a related party,
10 who:

11 (A) owes, at the time of application, any
12 delinquent ~~cigarette taxes or tobacco~~ taxes that have
13 been determined by law to be due and unpaid under this
14 Act or any other tax Act administered by the
15 Department, unless the license applicant has entered
16 into an agreement approved by the Department to pay
17 the amount due;

18 (B) has had a license under this Act, the
19 Cigarette Tax Act, the Cigarette Use Tax Act, or the
20 Tobacco Products Tax Act of 1995 revoked within the
21 past 2 years by the Department for misconduct relating
22 to stolen or contraband cigarettes or has been
23 convicted of a State or federal crime, punishable by
24 imprisonment of one year or more, relating to stolen
25 or contraband cigarettes;

26 (B-5) manufactures cigarettes, whether in this

1 State or outside of this State, and who is neither (i)
2 a participating manufacturer as defined in subsection
3 II(jj) of the "Master Settlement Agreement", as
4 defined in Sections 10 of the Tobacco Products
5 Manufacturers' Escrow Act and the Tobacco Products
6 Manufacturers' Escrow Enforcement Act of 2003 nor (ii)
7 in full compliance with the Tobacco Products
8 Manufacturers' Escrow Act and the Tobacco Products
9 Manufacturers' Escrow Enforcement Act of 2003;

10 (C) has been found by the Department, after notice
11 and a hearing, to have imported or caused to be
12 imported into the United States for sale or
13 distribution any cigarette in violation of 19 U.S.C.
14 1681a;

15 (D) has been found by the Department, after notice
16 and a hearing, to have imported or caused to be
17 imported into the United States for sale or
18 distribution, or manufactured for sale or distribution
19 in the United States, any cigarette that does not
20 fully comply with the Federal Cigarette Labeling and
21 Advertising Act (15 U.S.C. 1331, et seq.); or

22 (E) has been found by the Department, after notice
23 and a hearing, to have made a materially ~~material~~
24 false statement in the application or has failed to
25 produce records required to be maintained by this Act.

26 The Department, upon receipt of an application and 7

1 license fee, ~~and bond~~ in proper form from a person who is
2 eligible to receive a cigarette machine operator license under
3 this Act, shall issue to such applicant a license in a form as
4 prescribed by the Department. That license shall permit the
5 applicant to whom it is issued to engage in business as a
6 cigarette machine operator at the place shown in his or her
7 application. All licenses issued by the Department under this
8 Section shall be valid for a period not to exceed one year
9 after issuance unless sooner revoked, canceled, or suspended
10 as provided in this Act. No license issued under this Section
11 is transferable or assignable. Such license shall be
12 conspicuously displayed in the place of business conducted by
13 the licensee in Illinois under such license. No cigarette
14 machine operator acquires any vested interest or compensable
15 property right in a license issued under this Section ~~Act~~.

16 A cigarette machine operator shall notify the Department
17 of any change in the information contained in ~~on~~ the
18 application form, including any change in ownership, and shall
19 do so within 30 days after that change.

20 Every prior continuous compliance taxpayer shall be exempt
21 from all requirements under this Section concerning the
22 furnishing of bond as a condition precedent to his being
23 authorized to engage in the business licensed under this Act.
24 This exemption shall continue for each prior continuous
25 compliance taxpayer until such time as he may be determined by
26 the Department to be delinquent in the filing of any returns,

1 or is determined by the Department (either through the
2 Department's issuance of a final assessment which has become
3 final under the Act, or by the taxpayer's filing of a return
4 which admits tax to be due that is not paid) to be delinquent
5 or deficient in the paying of any tax under this Act, at which
6 time that taxpayer shall become subject to the bond
7 requirements of this Section and, as a condition of being
8 allowed to continue to engage in the business licensed under
9 this Act, shall be required to furnish bond to the Department
10 in such form as provided in this Section. The taxpayer shall
11 furnish such bond for a period of 2 years, after which, if the
12 taxpayer has not been delinquent in the filing of any returns,
13 or delinquent or deficient in the paying of any tax under this
14 Act, the Department may reinstate that person as a prior
15 continuance compliance taxpayer. Any taxpayer who fails to pay
16 an admitted or established liability under this Act may also
17 be required by the Department to post bond or other acceptable
18 security with the Department guaranteeing the payment of that
19 admitted or established liability.

20 The Department shall discharge any surety and shall
21 release and return any bond or security deposited, assigned,
22 pledged, or otherwise provided to it by a taxpayer under this
23 Section within 30 days after:

24 (1) that taxpayer becomes a prior continuous
25 compliance taxpayer; or

26 (2) that taxpayer has ceased to collect receipts on

1 which the taxpayer ~~he~~ is required to remit tax to the
2 Department, has filed a final tax return, and has paid to
3 the Department an amount sufficient to discharge the ~~his~~
4 remaining tax liability as determined by the Department
5 under this Act. The Department shall make a final
6 determination of the taxpayer's outstanding tax liability
7 as expeditiously as possible after the ~~his~~ final tax
8 return has been filed. If the Department cannot make the
9 final determination within 45 days after receiving the
10 final tax return, it shall so notify the taxpayer within
11 that period, stating its reasons therefore.

12 Any person aggrieved by any decision of the Department
13 under this Section may, within 30 ~~20~~ days after receiving
14 notice of the decision, protest and request a hearing. Upon
15 receiving a written request for a hearing, the Department
16 shall give notice to the person requesting the hearing of the
17 time and place fixed for the hearing and shall hold a hearing
18 in conformity with the provisions of this Act and then issue
19 its final administrative decision in the matter to that
20 person. In the absence of a protest and request for a hearing
21 within 20 days, the Department's decision shall become final
22 without any further determination being made or notice given.

23 (Source: P.A. 97-688, eff. 6-14-12.)

24 (35 ILCS 128/1-20)

25 Sec. 1-20. Revocation, cancellation, or suspension of

1 license. The Department may, after notice and hearing as
2 provided for by this Act, revoke, cancel, or suspend the
3 license of any cigarette machine operator for the violation of
4 any provision of this Act, or for noncompliance with the
5 provisions of this Act, or for any noncompliance with any
6 lawful rule ~~or regulation~~ promulgated by the Department under
7 this Act, or because the licensee is determined to be
8 ineligible for a cigarette machine operator's license for any
9 one or more of the reasons provided for in Section 1-15 of this
10 Act.

11 Any cigarette machine operator aggrieved by any decision
12 of the Department under this Section may, within 30 ~~20~~ days
13 after notice of the decision, protest and request a hearing.
14 Upon receiving a written request for a hearing, the Department
15 shall give notice in writing to the cigarette machine operator
16 requesting the hearing that contains a statement of the
17 charges preferred against the cigarette machine operator and
18 that states the time and place fixed for the hearing. The
19 Department shall hold the hearing in conformity with the
20 provisions of this Act and then issue its final administrative
21 decision in the matter to the cigarette machine operator. In
22 the absence of a written protest and request for a hearing
23 within 20 days, the Department's decision shall become final
24 without any further determination being made or notice given.

25 No license so revoked shall be reissued to any cigarette
26 machine operator for a period of 6 months after the date of the

1 final determination of such revocation. No license shall be
2 reissued at all so long as the person who would receive the
3 license is ineligible to receive a cigarette machine
4 operator's license under this Act for any one or more of the
5 reasons provided for in Section 1-15 of this Act.

6 The Department, upon complaint filed in the circuit court,
7 may, by injunction, restrain any person who fails or refuses
8 to comply with any of the provisions of this Act from acting as
9 a cigarette machine operator in this State.

10 (Source: P.A. 97-688, eff. 6-14-12.)

11 (35 ILCS 128/1-40)

12 Sec. 1-40. Returns.

13 (a) Cigarette machine operators shall file a return and
14 remit the tax imposed by Section 1-10 by the 15th day of each
15 month covering the preceding calendar month. Each such return
16 shall show: the quantity of cigarettes made or fabricated
17 during the period covered by the return; the beginning and
18 ending meter reading for each cigarette machine for the period
19 covered by the return; the quantity of such cigarettes sold or
20 otherwise disposed of during the period covered by the return;
21 the brand family and manufacturer and quantity of tobacco
22 products used to make or fabricate cigarettes by use of a
23 cigarette machine; the license number of each distributor from
24 whom tobacco products are purchased; the type and quantity of
25 cigarette tubes purchased for use in a cigarette machine; the

1 type and quantity of cigarette tubes used in a cigarette
2 machine; and such other information as the Department may
3 require. Information that the Department may reasonably
4 require includes information related to the uniform regulation
5 and taxation of cigarettes. All returns and supporting
6 schedules required to be filed under this Section and all
7 payments required to be made under this Section shall be by
8 electronic means in the form prescribed by the Department.

9 Cigarette machine operators shall send a copy of those
10 returns, together with supporting schedule data, to the
11 Attorney General's Office by the 15th day of each month for the
12 period covering the preceding calendar month.

13 (b) Cigarette machine operators may take a credit against
14 any tax due under Section 1-10 of this Act for taxes imposed
15 and paid under the Tobacco Products Tax Act of 1995 on tobacco
16 products sold to a customer and used in a rolling machine
17 located at the cigarette machine operator's place of business.
18 To be eligible for such credit, the tobacco product must meet
19 the requirements of subsection (a) of Section 1-25 of this
20 Act. This subsection (b) is exempt from the provisions of
21 Section 1-155 of this Act.

22 (c) If any payment provided for in this Section exceeds
23 the cigarette machine operator's liabilities under this Act,
24 as shown on an original return, the cigarette machine operator
25 may credit such excess payment against liability subsequently
26 to be remitted to the Department under this Act, in accordance

1 with reasonable rules adopted by the Department.

2 (Source: P.A. 104-6, eff. 1-1-26.)

3 (35 ILCS 128/1-105)

4 Sec. 1-105. Hearings regarding seized cigarettes and
5 cigarette machines. After seizing any cigarettes or cigarette
6 machines, as provided in Section 1-100 of this Act, the
7 Department shall hold a hearing and shall determine whether
8 such cigarettes, at the time of their seizure by the
9 Department, were contraband cigarettes, or whether such
10 cigarette machines, at the time of their seizure by the
11 Department, contained or made contraband cigarettes. The
12 Department is not required to hold such a hearing if a waiver
13 and consent to forfeiture has been executed by (i) the owner of
14 the property, if the owner is known, and (ii) the person in
15 whose possession the property was found, if the person in
16 whose possession the property was found is known and if that
17 person is not the owner of the property. The Department shall
18 give not less than 7 days' notice of the time and place of such
19 hearing to the owner of such property, if he is known, and also
20 to the person in whose possession the property so taken was
21 found, if such person is known and if such person in possession
22 is not the owner of said property. In case neither the owner
23 nor the person in possession of such property is known, the
24 Department shall cause publication of the time and place of
25 such hearing to be made at least once in each week for 3 weeks

1 successively in a newspaper of general circulation in the
2 county where such hearing is to be held.

3 If, as the result of such hearing, the Department
4 determines that the cigarettes seized were, at the time of
5 seizure, contraband cigarettes, or that any cigarette machine
6 at the time of its seizure contained or made contraband
7 cigarettes, or upon receipt of a properly executed waiver and
8 consent to forfeiture as provided in this Section, the
9 Department shall enter an order declaring such cigarettes or
10 such cigarette machine confiscated and forfeited to the State,
11 and to be held by the Department for disposal as provided in
12 this Section. The Department shall give notice of such order
13 to the owner of such property if he is known, and also to the
14 person in whose possession the property so taken was found, if
15 such person is known, and if such person in possession is not
16 the owner of the property. In case neither the owner nor the
17 person in possession of such property is known, the Department
18 shall cause publication of such order to be made at least once
19 in each week for 3 weeks successively in a newspaper of general
20 circulation in the county where such hearing was held.

21 When any cigarettes or any cigarette machine shall have
22 been declared forfeited to the State by the Department, as
23 provided hereunder, and when all proceedings for the judicial
24 review of the Department's decision have terminated, the
25 Department shall, to the extent that its decision is sustained
26 on review, destroy or maintain and use such property in an

1 undercover capacity.

2 The cost of destruction shall be assessed against the
3 owner of the forfeited property or the person in possession of
4 the forfeited property. Those costs shall be assessed
5 regardless of whether the forfeiture is determined by hearing
6 or waiver.

7 Any person aggrieved by any decision of the Department
8 under this Section may, within 20 days after receiving notice
9 of the decision, protest to the Department and request a
10 hearing. Upon receiving a written request for a hearing, the
11 Department shall give notice of the time and place fixed for
12 the hearing to the person requesting the hearing and shall
13 hold a hearing in conformity with the provisions of this Act.
14 After the hearing has concluded, the Department shall issue
15 its final administrative decision in the matter to the person.
16 In the absence of a protest and request for a hearing within
17 the 20-day period set forth in this paragraph, the
18 Department's decision shall become final without any further
19 determination being made or notice given.

20 (Source: P.A. 97-688, eff. 6-14-12.)

21 Section 10. The Cigarette Tax Act is amended by changing
22 Sections 4, 4a, 4b, 4c, 4f, 4g, 4i, 6, 9c, and 21 as follows:

23 (35 ILCS 130/4) (from Ch. 120, par. 453.4)

24 Sec. 4. Distributor's license.

1 (a) No person may engage in business as a distributor of
2 cigarettes in this State within the meaning of the first 2
3 definitions of distributor in Section 1 of this Act without
4 first having obtained a license ~~therefor~~ from the Department.
5 Application for license shall be made to the Department, by
6 electronic means, in a form ~~as furnished and~~ prescribed by the
7 Department. Each applicant for a license under this Section
8 shall furnish to the Department in a ~~on the~~ form signed and
9 verified by the applicant under penalty of perjury, in an
10 electronic format established by the Department, the following
11 information:

12 (1) a statement that the applicant will fully comply
13 with the Tobacco Products Manufacturers' Escrow
14 Enforcement Act of 2003; and

15 (2) the following information:

16 (A) the ~~(a) The~~ name and address of the applicant;

17 (B) the ~~(b) The~~ address of the location at which
18 the applicant proposes to engage in business as a
19 distributor of cigarettes in this State; and

20 (C) such ~~(c) Such~~ other additional information as
21 the Department may reasonably ~~lawfully~~ require by its
22 rules ~~and regulations~~.

23 The ~~annual~~ license fee payable to the Department for the
24 initial and each renewal distributor's license shall be \$250.
25 The purpose of the initial and renewal ~~such annual~~ license fee
26 is to defray the cost, to the Department, of serializing

1 cigarette tax stamps. Each applicant for license shall pay
2 such fee to the Department at the time of submitting the ~~his~~
3 application for license to the Department.

4 Through June 30, 2027, every ~~Every~~ applicant who is
5 required to procure a distributor's license shall file with
6 his application a joint and several bond. Such bond shall be
7 executed to the Department of Revenue, with good and
8 sufficient surety or sureties residing or licensed to do
9 business within the State of Illinois, in the amount of
10 \$2,500, conditioned upon the true and faithful compliance by
11 the licensee with all of the provisions of this Act. Such bond,
12 or a reissue thereof, or a substitute therefor, shall be kept
13 in effect during the entire period covered by the license. On
14 and after July 1, 2027, applicants are no longer required to
15 file a bond with their application. The Department shall
16 discharge any surety and shall release and return any bond
17 provided to it by a taxpayer under this Section within 90 days
18 after July 1, 2027.

19 A separate application for license shall be made and ~~7~~ a
20 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
21 for each place of business at which a person who is required to
22 procure a distributor's license under this Section proposes to
23 engage in business as a distributor in Illinois under this
24 Section ~~Act~~.

25 (b) The following are ineligible to receive a
26 distributor's license under this Section ~~Act~~:

1 (1) a person who is not of good character and
2 reputation in the community in which the person ~~he~~
3 resides; the Department may consider whether the person
4 has previously been convicted of a felony when determining
5 whether the person is of good character and reputation,
6 ~~past conviction of a felony~~ but, except as provided in
7 paragraph (2), the conviction shall not operate as an
8 absolute bar to licensure;

9 (2) a person who has been convicted of a felony under
10 any federal ~~Federal~~ or State law, if the Department, after
11 investigation and ~~a hearing and~~ consideration of any
12 mitigating factors and evidence of rehabilitation
13 contained in the applicant's record, including those
14 provided in Section 4i of this Act, and after a hearing, if
15 requested by the applicant, determines that the ~~such~~
16 person has not been sufficiently rehabilitated to warrant
17 the public trust and the conviction will impair the
18 ability of the person to engage in the position for which a
19 license is sought;

20 (3) a corporation, if any officer, manager, or
21 director thereof, or any stockholder or stockholders
22 owning in the aggregate more than 5% of the stock of such
23 corporation, would not be eligible to receive a license
24 under this Act for any reason;

25 (4) a person who has delinquent reports under Section
26 25 of the Tobacco Products Manufacturers' Escrow

1 Enforcement Act of 2003; or

2 (5) a person, or any person who owns more than 15% ~~15~~
3 ~~percent~~ of the ownership interests in a person or a
4 related party who:

5 (A) ~~(a)~~ owes, at the time of application, any
6 delinquent ~~cigarette~~ taxes that have been determined
7 by law to be due and unpaid under this Act or any other
8 tax Act administered by the Department, unless the
9 license applicant has entered into an agreement
10 approved by the Department to pay the amount due;

11 (B) ~~(b)~~ had a license under this Act, the
12 Cigarette Use Tax Act, the Tobacco Products Tax Act of
13 1995, or the Cigarette Machine Operator's Occupation
14 Tax Act revoked within the past 2 ~~two~~ years by the
15 Department for misconduct relating to stolen or
16 contraband cigarettes or has been convicted of a State
17 or federal crime, punishable by imprisonment of one
18 year or more, relating to stolen or contraband
19 cigarettes;

20 (C) ~~(c)~~ manufactures cigarettes, whether in this
21 State or out of this State, and who is neither (i) a
22 participating manufacturer as defined in subsection
23 II(jj) of the "Master Settlement Agreement" as defined
24 in Sections 10 of the Tobacco Products Manufacturers'
25 Escrow Act and the Tobacco Products Manufacturers'
26 Escrow Enforcement Act of 2003 (30 ILCS 168/10 and 30

1 ILCS 167/10); nor (ii) in full compliance with Tobacco
2 Products Manufacturers' Escrow Act and the Tobacco
3 Products Manufacturers' Escrow Enforcement Act of 2003
4 (30 ILCS 168/ and 30 ILCS 167/);

5 (D) ~~(d)~~ has been found by the Department, after
6 notice and a hearing, to have imported or caused to be
7 imported into the United States for sale or
8 distribution any cigarette in violation of 19 U.S.C.
9 1681a;

10 (E) ~~(e)~~ has been found by the Department, after
11 notice and a hearing, to have imported or caused to be
12 imported into the United States for sale or
13 distribution or manufactured for sale or distribution
14 in the United States any cigarette that does not fully
15 comply with the Federal Cigarette Labeling and
16 Advertising Act (15 U.S.C. 1331, et seq.); or

17 (F) ~~(f)~~ has been found by the Department, after
18 notice and a hearing, to have made a materially
19 ~~material~~ false statement in the application or has
20 failed to produce records required to be maintained by
21 this Act.

22 (c) The Department, upon receipt of an application and ~~7~~
23 license fee ~~and bond in proper form~~, from a person who is
24 eligible to receive a distributor's license under this
25 Section, Act, shall issue to such applicant a license. That ~~in~~
26 ~~form as prescribed by the Department, which~~ license shall

1 permit the applicant ~~to which it is issued~~ to engage in
2 business as a distributor at the place shown in the ~~his~~
3 application. All licenses issued by the Department under this
4 Section ~~Act~~ shall be valid for a period not to exceed one year
5 after issuance unless sooner revoked, canceled, or suspended
6 as provided in this Act. No license issued under this Section
7 ~~Act~~ is transferable or assignable. Such license shall be
8 conspicuously displayed in the place of business conducted by
9 the licensee in Illinois under such license. No distributor
10 licensee acquires any vested interest or compensable property
11 right in a license issued under this Section ~~Act~~.

12 A licensed distributor shall notify the Department of any
13 change in the information contained on the application form,
14 including any change in ownership and shall do so within 30
15 days after any such change.

16 Any person aggrieved by any decision of the Department
17 under this Section may, within 30 ~~20~~ days after notice of the
18 decision, protest and request a hearing. Upon receiving a
19 request for a hearing, the Department shall give notice to the
20 person requesting the hearing of the time and place fixed for
21 the hearing and shall hold a hearing in conformity with the
22 provisions of this Act and then issue its final administrative
23 decision in the matter to that person. In the absence of a
24 protest and request for a hearing within 30 ~~20~~ days, the
25 Department's decision shall become final without any further
26 determination being made or notice given.

1 (Source: P.A. 100-286, eff. 1-1-18.)

2 (35 ILCS 130/4a) (from Ch. 120, par. 453.4a)

3 Sec. 4a. If a distributor shall be convicted of the
4 violation of any of the provisions of this Act, or if the
5 distributor's ~~his or her~~ license shall be revoked and no
6 review is had of the order or revocation, or if on review
7 thereof the decision is adverse to the distributor, or if a
8 distributor fails to pay an assessment as to which no judicial
9 review is sought and which has become final, or pursuant to
10 which, upon review thereof, the circuit court has entered a
11 judgment that is in favor of the Department and that has become
12 final, the bond filed pursuant to this Act shall thereupon be
13 forfeited, and the Department may institute a suit upon such
14 bond in its own name for the entire amount of such bond and
15 costs. Such suit upon the bond shall be in addition to any
16 other remedy provided for herein.

17 This Section is repealed on January 1, 2028.

18 (Source: P.A. 96-1027, eff. 7-12-10.)

19 (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

20 Sec. 4b. Distributor's permit; cigarettes in original
21 packages contained inside a sealed transparent wrapper.

22 (a) The Department may, in its discretion, upon
23 application, issue permits authorizing the payment of the tax
24 herein imposed by out-of-State cigarette manufacturers who are

1 not required to be licensed as distributors of cigarettes in
2 this State, but who elect to qualify under this subsection ~~Act~~
3 as distributors of cigarettes in this State, and who, to the
4 satisfaction of the Department, furnish adequate security to
5 insure payment of the tax, provided that any such permit shall
6 extend only to cigarettes which such permittee manufacturer
7 places in original packages that are contained inside a sealed
8 transparent wrapper. Applications for permits shall be made to
9 the Department, by electronic means, in a form prescribed by
10 the Department. ~~Such permits shall be issued without charge in~~
11 ~~such form as the Department may prescribe and shall not be~~
12 ~~transferable or assignable.~~

13 Each applicant for a permit under this Section shall
14 furnish to the Department in a form signed and verified by the
15 applicant under penalty of perjury, in an electronic format
16 established by the Department, the following:

17 (1) a statement that the applicant will fully comply
18 with the Tobacco Products Manufacturers' Escrow
19 Enforcement Act of 2003; and

20 (2) the following information:

21 (A) the name and address of the applicant;

22 (B) the address of the location at which the
23 applicant proposes to engage in business; and

24 (C) such other additional information as the
25 Department may reasonably require by its rules.

26 The following are ineligible to receive a distributor's

1 permit under this subsection:

2 (1) a person who is not of good character and
3 reputation in the community in which the person ~~he~~
4 resides; the Department may consider whether the person
5 has previously been convicted of a felony when determining
6 whether the person is of good character and reputation,
7 ~~past conviction of a felony~~ but, except as provided in
8 paragraph (2), the conviction shall not operate as an
9 absolute bar to receiving a permit;

10 (2) a person who has been convicted of a felony under
11 any federal ~~Federal~~ or State law, if the Department, after
12 investigation, ~~and a hearing and~~ consideration of any
13 mitigating factors and evidence of rehabilitation
14 contained in the applicant's record, including those in
15 Section 4i of this Act, and after a hearing, if requested
16 by the applicant, determines that such person has not been
17 sufficiently rehabilitated to warrant the public trust and
18 the conviction will impair the ability of the person to
19 engage in the position for which a permit is sought;

20 (3) a corporation, if any officer, manager or director
21 thereof, or any stockholder or stockholders owning in the
22 aggregate more than 5% of the stock of such corporation,
23 would not be eligible to receive a permit under this Act
24 for any reason.

25 (4) a person who has delinquent reports under Section
26 25 of the Tobacco Products Manufacturers' Escrow

1 Enforcement Act of 2003; or

2 (5) a person, or any person who owns more than 15% of
3 the ownership interests in a person or a related party
4 who:

5 (A) owes, at the time of application, any
6 delinquent taxes that have been determined by law to
7 be due and unpaid under this Act or any other tax Act
8 administered by the Department, unless the license
9 applicant has entered into an agreement approved by
10 the Department to pay the amount due;

11 (B) had a license under this Act, the Cigarette
12 Use Tax Act, the Tobacco Products Act of 1995, or the
13 Cigarette Machine Operator's Occupation Tax Act
14 revoked within the 2 years immediately preceding the
15 application by the Department for misconduct relating
16 to stolen or contraband cigarettes or has been
17 convicted of a State or federal crime, punishable by
18 imprisonment of one year or more, relating to stolen
19 or contraband cigarettes;

20 (C) manufactures cigarettes, whether in this State
21 or out of this State, and who is neither (i) a
22 participating manufacturer as defined in subsection
23 II(jj) of the "Master Settlement Agreement" as defined
24 in Sections 10 of the Tobacco Products Manufacturers'
25 Escrow Act and the Tobacco Products Manufacturers'
26 Escrow Enforcement Act of 2003; nor (ii) in full

1 compliance with the Tobacco Products Manufacturers'
2 Escrow Act and the Tobacco Products Manufacturers'
3 Escrow Enforcement Act of 2003;

4 (D) has been found by the Department, after notice
5 and a hearing, to have imported or caused to be
6 imported into the United States for sale or
7 distribution any cigarette in violation of 19 U.S.C.
8 1681a;

9 (E) has been found by the Department, after notice
10 and a hearing, to have imported or caused to be
11 imported into the United States for sale or
12 distribution or manufactured for sale or distribution
13 in the United States any cigarette that does not fully
14 comply with the Federal Cigarette Labeling and
15 Advertising Act (15 U.S.C. 1331, et seq.); or

16 (F) has been found by the Department, after notice
17 and a hearing, to have made a materially false
18 statement in the application or has failed to produce
19 records required to be maintained by this Act.

20 There is no application fee for the initial and renewal
21 permits. A permittee shall notify the Department of any change
22 in the information contained on the application form,
23 including any change in ownership and shall do so within 30
24 days after any the change. The permit shall not be
25 transferable or assignable. A permittee does not acquire any
26 vested interest or compensable property right in a permit

1 issued under this subsection.

2 Any person aggrieved by any decision of the Department
3 under this subsection may, within 30 days after notice of the
4 decision, protest and request a hearing. Upon receiving a
5 request for a hearing, the Department shall give notice to the
6 person requesting the hearing of the time and place fixed for
7 the hearing and shall hold a hearing in conformity with the
8 provisions of this Act and then issue its final administrative
9 decision in the matter to that person. In the absence of a
10 protest and request for a hearing within 30 days, the
11 Department's decision shall become final without any further
12 determination being made or notice given.

13 With respect to cigarettes which come within the scope of
14 such a permit and which any such permittee delivers or causes
15 to be delivered in Illinois to licensed distributors, such
16 permittee shall remit the tax imposed by this Act at the times
17 provided for in Section 3 of this Act. Each such remittance
18 shall be accompanied by a return filed with the Department in
19 ~~on~~ a form ~~to be prescribed and furnished~~ by the Department and
20 shall disclose such information as the Department may lawfully
21 require. Information that the Department may lawfully require
22 includes information related to the uniform regulation and
23 taxation of cigarettes. All returns and supporting schedules
24 required to be filed under this Section and all payments
25 required to be made under this Section shall be by electronic
26 means in the form prescribed by the Department. Each such

1 return shall be accompanied by a copy of each invoice rendered
2 by the permittee to any licensed distributor to whom the
3 permittee delivered cigarettes of the type covered by the
4 permit (or caused cigarettes of the type covered by the permit
5 to be delivered) in Illinois during the period covered by such
6 return.

7 Such permit may be suspended, canceled, or revoked when,
8 at any time, the Department considers that the security given
9 is inadequate, or that such tax can more effectively be
10 collected from distributors located in this State, or whenever
11 the permittee violates any provision of this Act or any lawful
12 rule ~~or regulation~~ issued by the Department pursuant to this
13 Act or is determined to be ineligible for a distributor's
14 permit under this Act as provided in this subsection ~~Section~~,
15 whenever the permittee shall notify the Department in writing
16 ~~of his desire~~ to have the permit canceled. The Department
17 shall have the power, in its discretion, to issue a new permit
18 after such suspension, cancellation or revocation, except when
19 the person who would receive the permit is ineligible to
20 receive a distributor's permit under this Act.

21 All permits issued by the Department under this subsection
22 ~~Act~~ shall be valid for a period not to exceed one year after
23 issuance unless sooner revoked, canceled, or suspended as
24 provided in this Act ~~provided~~.

25 (b) Out-of-state cigarette manufacturers who are not
26 required to be licensed as distributors of cigarettes in this

1 State and who do not elect to obtain approval under subsection
2 4b(a) to pay the tax imposed by this Act, but who elect to
3 qualify under this subsection ~~Act~~ as distributors of
4 cigarettes in this State for purposes of shipping and
5 delivering unstamped original packages of cigarettes into this
6 State to licensed distributors, shall obtain a permit from the
7 Department. Application for a permit shall be made to the
8 Department, by electronic means, in a form prescribed by the
9 Department. ~~These permits shall be issued without charge in~~
10 ~~such form as the Department may prescribe and shall not be~~
11 ~~transferable or assignable.~~

12 Each applicant for a permit under this Section shall
13 furnish to the Department in a form signed and verified by the
14 applicant under penalty of perjury, in an electronic format
15 established by the Department, the following:

16 (A) a statement that the applicant will fully comply
17 with the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003; and

19 (B) the following information:

20 (i) the name and address of the applicant;

21 (ii) the address of the location at which the
22 applicant proposes to engage in business; and

23 (iii) such other additional information as the
24 Department may reasonably require by its rules.

25 The following are ineligible to receive a distributor's
26 permit under this subsection:

1 (1) a person who is not of good character and
2 reputation in the community in which the person ~~he~~ or she
3 resides; the Department may consider whether the person
4 has previously been convicted of a felony when determining
5 whether the person is of good character and reputation,
6 ~~past conviction of a felony~~ but, except as provided in
7 paragraph (2), the conviction shall not operate as an
8 absolute bar to receiving a permit;

9 (2) a person who has been convicted of a felony under
10 any federal or State law, if the Department, after
11 investigation and a hearing and consideration of
12 mitigating factors and evidence of rehabilitation
13 contained in the applicant's record, including those set
14 forth in Section 4i of this Act, determines that the
15 person has not been sufficiently rehabilitated to warrant
16 the public trust and the conviction will impair the
17 ability of the person to engage in the position for which a
18 permit is sought; and

19 (3) a corporation, if any officer, manager, or
20 director thereof, or any stockholder or stockholders
21 owning in the aggregate more than 5% of the stock of the
22 corporation, would not be eligible to receive a permit
23 under this Act for any reason.

24 With respect to original packages of cigarettes that such
25 permittee delivers or causes to be delivered in Illinois and
26 distributes to the public for promotional purposes without

1 consideration, the permittee shall pay the tax imposed by this
2 Act by remitting the amount thereof to the Department by the
3 5th day of each month covering cigarettes shipped or otherwise
4 delivered in Illinois for those purposes during the preceding
5 calendar month. The permittee, before delivering those
6 cigarettes or causing those cigarettes to be delivered in this
7 State, shall evidence his or her obligation to remit the taxes
8 due with respect to those cigarettes by imprinting language to
9 be prescribed by the Department on each original package of
10 cigarettes, in such place thereon and in such manner also to be
11 prescribed by the Department. The imprinted language shall
12 acknowledge the permittee's payment of or liability for the
13 tax imposed by this Act with respect to the distribution of
14 those cigarettes.

15 With respect to cigarettes that the permittee delivers or
16 causes to be delivered in Illinois to Illinois licensed
17 distributors or distributed to the public for promotional
18 purposes, the permittee shall, by the 5th day of each month,
19 file with the Department, a report covering cigarettes shipped
20 or otherwise delivered in Illinois to licensed distributors or
21 distributed to the public for promotional purposes during the
22 preceding calendar month on a form to be prescribed and
23 furnished by the Department and shall disclose such other
24 information as the Department may lawfully require.
25 Information that the Department may lawfully require includes
26 information related to the uniform regulation and taxation of

1 cigarettes. All reports and supporting schedules required to
2 be filed under this Section shall be filed electronically in
3 the form prescribed by the Department. Each such report shall
4 be accompanied by a copy of each invoice rendered by the
5 permittee to any purchaser to whom the permittee delivered
6 cigarettes of the type covered by the permit (or caused
7 cigarettes of the type covered by the permit to be delivered)
8 in Illinois during the period covered by such report.

9 Such permit may be suspended, canceled, or revoked
10 whenever the permittee violates any provision of this Act or
11 any lawful rule or regulation issued by the Department
12 pursuant to this Act, is determined to be ineligible for a
13 distributor's permit under this Act as provided in this
14 Section, or notifies the Department in writing of his or her
15 desire to have the permit canceled. The Department shall have
16 the power, in its discretion, to issue a new permit after such
17 suspension, cancellation, or revocation, except when the
18 person who would receive the permit is ineligible to receive a
19 distributor's permit under this Act.

20 All permits issued by the Department under this Act shall
21 be valid for a period not to exceed one year after issuance
22 unless sooner revoked, canceled, or suspended as provided in
23 this Act.

24 (Source: P.A. 103-592, eff. 1-1-25; 104-6, eff. 1-1-26.)

1 Sec. 4c. Secondary distributor's license.

2 (a) No person may engage in business as a secondary
3 distributor of cigarettes in this State without first having
4 obtained a license ~~therefor~~ from the Department. Application
5 for license shall be made to the Department, by electronic
6 means, in ~~on~~ a form ~~as furnished and~~ prescribed by the
7 Department. Each applicant for a license under this Section
8 shall furnish ~~the following information~~ to the Department in
9 ~~on~~ a form signed and verified by the applicant under penalty of
10 perjury, in an electronic format established by the
11 Department, the following:

12 (1) a statement that the applicant will fully comply
13 with the Tobacco Products Manufacturers' Escrow
14 Enforcement Act of 2003; and

15 (2) the following information:

16 (A) the name and address of the applicant;

17 (B) ~~(2)~~ the address of the location at which the
18 applicant proposes to engage in business as a
19 secondary distributor of cigarettes in this State; ~~and~~

20 (C) ~~(3)~~ such other additional information as the
21 Department may reasonably require by its rule.

22 The ~~annual~~ license fee payable to the Department for the
23 initial and each renewal secondary distributor's license shall
24 be \$250. Each applicant for a license shall pay such fee to the
25 Department at the time of submitting an application for
26 license to the Department.

1 A separate application for license shall be made and
2 separate ~~annual~~ license fee paid for each place of business at
3 which a person who is required to procure a secondary
4 distributor's license under this Section proposes to engage in
5 business as a secondary distributor in Illinois under this
6 Act.

7 (b) The following are ineligible to receive a secondary
8 distributor's license under this Section ~~Act~~:

9 (1) a person who is not of good character and
10 reputation in the community in which the person ~~he~~
11 resides; the Department may consider prior ~~past~~ conviction
12 of a felony but, except as provided in item (2), the
13 conviction shall not operate as an absolute bar to
14 licensure ~~receiving a license~~;

15 (2) a person who has been convicted of a felony under
16 any federal or State law, if the Department, after
17 investigation, ~~and a hearing and~~ consideration of any the
18 mitigating factors and evidence of rehabilitation
19 contained in the applicant's record, including those
20 provided in subsection (b) of Section 4i of this Act, and
21 hearing, if requested by the applicant, determines that
22 such person has not been sufficiently rehabilitated to
23 warrant the public trust and the conviction will impair
24 the ability of the person to engage in the position for
25 which a license is sought;

26 (3) a corporation, if any officer, manager, or

1 director thereof, or any stockholder or stockholders
2 owning in the aggregate more than 5% of the stock of such
3 corporation, would not be eligible to receive a license
4 under this Act for any reason;

5 (4) a person who manufactures cigarettes, whether in
6 this State or out of this State and who is neither (i) a
7 participating manufacturer as defined in subsection II(jj)
8 of the "Master Settlement Agreement" as defined in
9 Sections 10 of the Tobacco Products Manufacturers' Escrow
10 Act and the Tobacco Products Manufacturers' Escrow
11 Enforcement Act of 2003; nor (ii) in full compliance with
12 Tobacco Products Manufacturers' Escrow Act and the Tobacco
13 Products Manufacturers' Escrow Enforcement Act of 2003;

14 (5) a person who has delinquent reports under Section
15 25 of the Tobacco Products Manufacturers' Escrow
16 Enforcement Act of 2003; or

17 (6) a person, or any person who owns more than 15% of
18 the ownership interests in a person or a related party
19 who:

20 (A) owes, at the time of application, any
21 delinquent ~~cigarette~~ taxes that have been determined
22 by law to be due and unpaid under this Act or any other
23 tax Act administered by the Department, unless the
24 license applicant has entered into an agreement
25 approved by the Department to pay the amount due;

26 (B) had a license under this Act, the Cigarette

1 Use Tax Act, the Tobacco Products Act of 1995, or the
2 Cigarette Machine Operator's Occupation Tax Act
3 revoked within the past 2 ~~two~~ years by the Department
4 for misconduct relating to stolen or contraband
5 cigarettes or has been convicted of a State or federal
6 crime, punishable by imprisonment of one year or more,
7 relating to stolen or contraband cigarettes;

8 (C) has been found by the Department, after notice
9 and a hearing, to have imported or caused to be
10 imported into the United States for sale or
11 distribution any cigarette in violation of 19 U.S.C.
12 1681a;

13 (D) has been found by the Department, after notice
14 and a hearing, to have imported or caused to be
15 imported into the United States for sale or
16 distribution or manufactured for sale or distribution
17 in the United States any cigarette that does not fully
18 comply with the Federal Cigarette Labeling and
19 Advertising Act (15 U.S.C. 1331, et seq.); or

20 (E) has been found by the Department, after notice
21 and a hearing, to have made a materially ~~material~~
22 false statement in the application or has failed to
23 produce records required to be maintained by this Act.

24 The Department, upon receipt of an application and license
25 fee from a person who is eligible to receive a secondary
26 distributor's license under this Section Act, shall issue to

1 such applicant a license in such form as prescribed by the
2 Department. The license shall permit the applicant to which it
3 is issued to engage in business as a secondary distributor at
4 the place shown in the ~~his~~ application. All licenses issued by
5 the Department under this Section ~~Act~~ shall be valid for a
6 period not to exceed one year after issuance unless sooner
7 revoked, canceled, or suspended as provided in this Act.

8 No license issued under this Section ~~Act~~ is transferable
9 or assignable. Such license shall be conspicuously displayed
10 in the place of business conducted by the licensee in Illinois
11 under such license. No secondary distributor licensee acquires
12 any vested interest or compensable property right in a license
13 issued under this Act.

14 A licensed secondary distributor shall notify the
15 Department of any change in the information contained on the
16 application form, including any change in ownership, and shall
17 do so within 30 days after any such change.

18 Any person aggrieved by any decision of the Department
19 under this Section may, within 30 ~~20~~ days after notice of the
20 decision, protest and request a hearing. Upon receiving a
21 request for a hearing, the Department shall give notice to the
22 person requesting the hearing of the time and place fixed for
23 the hearing and shall hold a hearing in conformity with the
24 provisions of this Act and then issue its final administrative
25 decision in the matter to that person. In the absence of a
26 protest and request for a hearing within 30 ~~20~~ days, the

1 Department's decision shall become final without any further
2 determination being made or notice given.

3 (Source: P.A. 100-286, eff. 1-1-18.)

4 (35 ILCS 130/4f)

5 Sec. 4f. Manufacturer representatives.

6 (a) No manufacturer may market cigarettes produced by the
7 manufacturer directly to retailers in this State issued a
8 license under Section 4g of this Act without first having
9 obtained authorization from the Department. Application for
10 authority to maintain representatives in this State to market
11 in this State cigarettes produced by the manufacturer shall be
12 made to the Department, by electronic means, in ~~on~~ a form
13 ~~furnished and~~ prescribed by the Department. Each applicant
14 under this Section shall furnish ~~the following information~~ to
15 the Department in ~~on~~ a form signed and verified by the
16 applicant under penalty of perjury, in an electronic format
17 established by the Department, the following:

18 (1) a statement that the applicant will fully comply
19 with the Tobacco Products Manufacturers' Escrow
20 Enforcement Act of 2003; and

21 (2) the following information:

22 (A) the name and address of the applicant;

23 (B) (2) the address of every location from which
24 the applicant proposes to engage in business in this
25 State;

1 (C) (3) the number of manufacturer representatives
2 the applicant requests to maintain in this State; and

3 (D) (4) such ~~any~~ other additional information as
4 the Department may reasonably require by its rule.

5 (a-5) The following manufacturers are ineligible to
6 receive authorization to maintain manufacturer representatives
7 in this State:

8 (1) a manufacturer who owes, at the time of
9 application, any delinquent ~~cigarette~~ taxes that have been
10 determined by law to be due and unpaid under this Act or
11 any other tax Act administered by the Department, unless
12 the applicant has entered into an agreement approved by
13 the Department to pay the amount due;

14 (2) a manufacturer who has had a license revoked
15 within the past 2 years for misconduct relating to stolen
16 or contraband cigarettes or has been convicted of a state
17 or federal crime, punishable by imprisonment of one year
18 or more, relating to stolen or contraband cigarettes;

19 (3) a manufacturer who manufactures cigarettes,
20 whether in this State or out of this State, and who is
21 neither (i) a participating manufacturer as defined in
22 subsection II(jj) of the "Master Settlement Agreement" as
23 defined in Sections 10 of the Tobacco Products
24 Manufacturers' Escrow Act and the Tobacco Products
25 Manufacturers' Escrow Enforcement Act of 2003; nor (ii) in
26 full compliance with Tobacco Products Manufacturers'

1 Escrow Act and the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003;

3 (3.5) a manufacturer who has been found, after notice
4 and a hearing, to have imported or caused to be imported
5 into the United States for sale or distribution any
6 cigarette in violation of 19 U.S.C. 1681a;

7 (4) a manufacturer who has been found, after notice
8 and a hearing, to have imported or caused to be imported
9 into the United States for sale or distribution or
10 manufactured for sale or distribution in the United States
11 any cigarette that does not fully comply with the Federal
12 Cigarette Labeling and Advertising Act (15 U.S.C. 1331, et
13 seq.);

14 (5) a manufacturer who has been found, after notice
15 and a hearing, to have made a materially ~~material~~ false
16 statement in an application or has failed to produce
17 records required to be maintained by this Act;

18 (6) a manufacturer who has been found, after notice
19 and hearing, to have violated any Section of this Act; ~~or~~

20 (7) a manufacturer licensed as a distributor under
21 Section 4 of this Act or holding a permit under Section 4b
22 of this Act; or

23 (8) a manufacturer who has delinquent reports under
24 Section 25 of the Tobacco Products Manufacturers' Escrow
25 Enforcement Act of 2003.

26 The Department, upon receipt of an application from a

1 manufacturer who is eligible to maintain manufacturer
2 representatives in this State, shall notify the applicant in
3 writing, not more than 60 days after an application has been
4 received, that the applicant may or may not maintain the
5 requested number of manufacturer representatives in this
6 State. A copy of the notice authorizing a manufacturer to
7 maintain manufacturer representatives in this State shall be
8 available for inspection by the Department at each place of
9 business identified in the application and in the motor
10 vehicle operated by marketing representatives in the course of
11 performing their ~~his or her~~ duties in this State on behalf of
12 the manufacturer.

13 A manufacturer representative shall notify the Department
14 of any change in the information contained on the application
15 form and shall do so within 30 days after any such change.

16 (b) Only directors, officers, and employees of the
17 manufacturer may act as manufacturer representatives in this
18 State. The manufacturer shall provide to the Department the
19 names and addresses of the manufacturer representatives
20 operating in this State and the make, model, and license plate
21 number of each motor vehicle operated by a manufacturer
22 representative in the course of performing his or her duties
23 in this State on behalf of the manufacturer. The following
24 individuals may not act as manufacturer representatives:

25 (1) an individual who is not of good character and
26 reputation in the community in which the individual

1 resides; the Department may consider prior conviction of a
2 felony, but the conviction shall not operate as an
3 absolute bar to licensure;

4 (1.5) an individual who owes any delinquent ~~cigarette~~
5 taxes that have been determined by law to be due and unpaid
6 under this Act or any other tax Act administered by the
7 Department, unless the individual has entered into an
8 agreement approved by the Department to pay the amount
9 due;

10 (2) an individual who has had a license under this
11 Act, the Cigarette Use Tax Act, the Tobacco Products Act
12 of 1995, or the Cigarette Machine Operator's Occupation
13 Tax Act revoked within the past 2 years for misconduct
14 relating to stolen or contraband cigarettes or has been
15 convicted of a state or federal crime, punishable by
16 imprisonment of one year or more, relating to stolen or
17 contraband cigarettes;

18 (3) an individual who has been found, after notice and
19 a hearing, to have made a materially ~~material~~ false
20 statement in an application or has failed to produce
21 records required to be maintained by this Act; or

22 (4) an individual who has been found, after notice and
23 hearing, to have violated any Section of this Act.

24 (c) Manufacturer representatives may sell to retailers in
25 this State who are licensed under Section 4g of this Act only
26 original packages of cigarettes made, manufactured, or

1 fabricated by the manufacturer and purchased or obtained from
2 a distributor licensed under this Act, or the Cigarette Tax
3 Use Act, and on which tax stamps have been affixed.
4 Manufacturer representatives may sell up to 600 stamped
5 original packages of cigarettes in a calendar year, for the
6 purpose of promoting the manufacturer's brands of cigarettes.
7 A manufacturer representative may not possess more than 500
8 stamped original packages of cigarettes made, manufactured, or
9 fabricated by the manufacturer and purchased or obtained from
10 a distributor licensed under this Act or the Cigarette Use Tax
11 Act. Any original packages of cigarettes in the possession of
12 a manufacturer representative that (i) are not made,
13 manufactured, or fabricated by the manufacturer and purchased
14 or obtained from a distributor licensed under this Act or the
15 Cigarette Use Tax Act, other than cigarettes for personal use
16 and consumption, (ii) exceed the maximum quantity of 500
17 original packages of cigarettes, excluding packages of
18 cigarettes for personal use and consumption; (iii) violate
19 Section 3-10 of this Act; or (iv) do not have the proper tax
20 stamps affixed, are contraband and subject to seizure and
21 forfeiture.

22 Manufacturer representatives may sell, on behalf of
23 licensed distributors, stamped original packages of cigarettes
24 to retailers who are licensed under Section 4g of this Act. The
25 manufacturer representative shall provide the distributor with
26 a signed receipt for the cigarettes obtained from the

1 distributor. The distributor shall invoice the licensed
2 retailer, and the licensed retailer shall pay the distributor
3 for all cigarettes provided to licensed retailers by
4 manufacturer representatives on behalf of a distributor.

5 Manufacturer representatives may sell stamped original
6 packages of cigarettes to licensed retailers that are
7 purchased from licensed distributors. Distributors shall
8 provide manufacturer representatives with invoices for stamped
9 original packages of cigarettes sold to manufacturer
10 representatives. Manufacturer representatives shall invoice
11 licensed retailers, and the licensed retailers shall pay the
12 manufacturer representatives for all original packages of
13 cigarettes sold to licensed retailers.

14 (d) Authorizations issued under this Section shall be
15 valid for a period not to exceed one year after issuance, and
16 may be renewed thereafter, unless sooner revoked, canceled, or
17 suspended as provided in this Act. There is no application fee
18 for the initial and renewal authorization under this Section.
19 Such authorization shall not be transferable or assignable. A
20 person does not acquire any vested interest or compensable
21 property right in an authorization issued under this Section.

22 Any person aggrieved by any decision of the Department
23 under this Section may, within 30 ~~20~~ days after notice of the
24 decision, protest and request a hearing. Upon receiving a
25 request for a hearing, the Department shall give notice to the
26 person requesting the hearing of the time and place fixed for

1 the hearing and shall hold a hearing in conformity with the
2 provisions of this Act and then issue its final administrative
3 decision in the matter to that person. In the absence of a
4 protest and request for a hearing within 30 ~~20~~ days, the
5 Department's decision shall become final without any further
6 determination being made or notice given.

7 (Source: P.A. 97-587, eff. 8-26-11; 98-1055, eff. 1-1-16.)

8 (35 ILCS 130/4g)

9 Sec. 4g. Retailer's license.

10 (a) Beginning on January 1, 2016, no person may engage in
11 business as a retailer of cigarettes in this State without
12 first having obtained a license from the Department.
13 Application for license shall be made to the Department, by
14 electronic means, in a form prescribed by the Department. Each
15 applicant for a license under this Section shall furnish to
16 the Department in a form signed and verified by the applicant
17 under penalty of perjury, in an electronic format established
18 by the Department, the following information:

19 (1) the name and address of the applicant;

20 (2) the address of the location at which the applicant
21 proposes to engage in business as a retailer of cigarettes
22 in this State; and

23 (3) such other additional information as the
24 Department may lawfully require by its rules ~~and~~
25 regulations.

1 The annual license fee payable to the Department for each
2 retailer's license shall be \$75. The fee shall be deposited
3 into the Tax Compliance and Administration Fund and shall be
4 for the cost of tobacco retail inspection and contraband
5 tobacco and tobacco smuggling with at least two-thirds of the
6 money being used for contraband tobacco and tobacco smuggling
7 operations and enforcement.

8 Each applicant for a license shall pay the fee to the
9 Department at the time of submitting its application for a
10 license to the Department. The Department shall require an
11 applicant for a license under this Section to electronically
12 file and pay the fee.

13 A separate annual license fee shall be paid for each place
14 of business at which a person who is required to procure a
15 retailer's license under this Section proposes to engage in
16 business as a retailer in Illinois under this Act.

17 **(b)** The following are ineligible to receive a retailer's
18 license under this Section ~~Act~~:

19 (1) a person who has been convicted of a felony
20 related to the illegal transportation, sale, or
21 distribution of cigarettes, or a tobacco-related felony,
22 under any federal or State law, if the Department, after
23 investigation and consideration of any mitigating factors
24 and evidence of rehabilitation contained in the
25 applicant's record, including those provided in Section 4i
26 of the Act, and a hearing if requested by the applicant,

1 determines that the person has not been sufficiently
2 rehabilitated to warrant the public trust; or

3 (2) a corporation, if any officer, manager, or
4 director thereof, or any stockholder or stockholders
5 owning in the aggregate more than 5% of the stock of such
6 corporation, would not be eligible to receive a license
7 under this Act for any reason; a limited liability
8 company, if any member or managing member would not be
9 eligible to receive a license under this Act for any
10 reason; a partnership, if any partner would not be
11 eligible to receive a license under this Act for any
12 reason.

13 (c) The Department, upon receipt of an application and
14 license fee, in proper form, from a person who is eligible to
15 receive a retailer's license under this Section Act, shall
16 issue to such applicant a license in form as prescribed by the
17 Department. That license shall permit the applicant to whom it
18 is issued to engage in business as a retailer under this Act at
19 the place shown in the ~~his or her~~ application. All licenses
20 issued by the Department under this Section shall be valid for
21 a period not to exceed one year after issuance unless sooner
22 revoked, canceled, or suspended as provided in this Act. No
23 license issued under this Section is transferable or
24 assignable. The license shall be conspicuously displayed in
25 the place of business conducted by the licensee in Illinois
26 under such license.

1 A licensed retailer shall notify the Department of any
2 change in the information contained on the application form,
3 including any change in ownership and shall do so within 30
4 days after the change.

5 ~~The Department shall not issue a retailer's license to a~~
6 ~~retailer unless the retailer is also registered under the~~
7 ~~Retailers' Occupation Tax Act. A person who obtains a license~~
8 ~~as a retailer who ceases to do business as specified in the~~
9 ~~license, or who never commenced business, or whose license is~~
10 ~~suspended or revoked, shall immediately surrender the license~~
11 ~~to the Department.~~

12 Any person aggrieved by any decision of the Department
13 under this Section may, within 30 days after notice of the
14 decision, protest and request a hearing. Upon receiving a
15 request for a hearing, the Department shall give written
16 notice to the person requesting the hearing of the time and
17 place fixed for the hearing and shall hold a hearing in
18 conformity with the provisions of this Act and then issue its
19 final administrative decision in the matter to that person. In
20 the absence of a protest and request for a hearing within 30
21 days, the Department's decision shall become final without any
22 further determination being made or notice given.

23 (Source: P.A. 98-1055, eff. 1-1-16; 99-78, 7-20-15; 99-192,
24 eff. 1-1-16.)

1 Sec. 4i. Applicant convictions.

2 (a) The Department shall not require applicants to report
3 the following information and shall not consider the following
4 criminal history records in connection with an application for
5 a license or permit under this Act:

6 (1) Juvenile adjudications of delinquent minors as
7 defined in Section 5-105 of the Juvenile Court Act of
8 1987, subject to the restrictions set forth in Section
9 5-130 of the Juvenile Court Act of 1987.

10 (2) Law enforcement records, court records, and
11 conviction records of an individual who was 17 years old
12 at the time of the offense and before January 1, 2014,
13 unless the nature of the offense required the individual
14 to be tried as an adult.

15 (3) Records of arrest not followed by a conviction.

16 (4) Convictions overturned by a higher court.

17 (5) Convictions or arrests that have been sealed or
18 expunged.

19 (b) The Department, upon a finding that an applicant for a
20 license or permit was previously convicted of a felony under
21 any federal or State law, shall consider any mitigating
22 factors and evidence of rehabilitation contained in the
23 applicant's record, including any of the following factors and
24 evidence, to determine if the applicant has been sufficiently
25 rehabilitated and whether a prior conviction will impair the
26 ability of the applicant to engage in the position for which a

1 license or permit is sought:

2 (1) the lack of direct relation of the offense for
3 which the applicant was previously convicted to the
4 duties, functions, and responsibilities of the position
5 for which a license or permit is sought;

6 (2) whether 5 years since a felony conviction or 3
7 years since release from confinement for the conviction,
8 whichever is later, have passed without a subsequent
9 conviction;

10 (3) if the applicant was previously licensed or
11 employed in this State or other states or jurisdictions,
12 then the lack of prior misconduct arising from or related
13 to the licensed position or position of employment;

14 (4) the age of the person at the time of the criminal
15 offense;

16 (5) successful completion of sentence and, for
17 applicants serving a term of parole or probation, a
18 progress report provided by the applicant's probation or
19 parole officer that documents the applicant's compliance
20 with conditions of supervision;

21 (6) evidence of the applicant's present fitness and
22 professional character;

23 (7) evidence of rehabilitation or rehabilitative
24 effort during or after incarceration, or during or after a
25 term of supervision, including, but not limited to, a
26 certificate of good conduct under Section 5-5.5-25 of the

1 Unified Code of Corrections or a certificate of relief
2 from disabilities under Section 5-5.5-10 of the Unified
3 Code of Corrections; and

4 (8) any other mitigating factors that contribute to
5 the person's potential and current ability to perform the
6 duties and responsibilities of the position for which a
7 license, permit or employment is sought.

8 (c) If the Department refuses to issue a license or permit
9 to an applicant, then the Department shall notify the
10 applicant of the denial in writing with the following included
11 in the notice of denial:

12 (1) a statement about the decision to refuse to issue
13 a license or permit;

14 (2) a list of the convictions that the Department
15 determined will impair the applicant's ability to engage
16 in the position for which a license or permit is sought;

17 (3) a list of convictions that formed the sole or
18 partial basis for the refusal to issue a license or
19 permit; and

20 (4) (blank). ~~a summary of the appeal process or the~~
21 ~~earliest the applicant may reapply for a license,~~
22 ~~whichever is applicable.~~

23 (d) No later than May 1 of each year, the Department must
24 prepare, publicly announce, and publish a report of summary
25 statistical information relating to new and renewal license or
26 permit applications during the preceding calendar year. Each

1 report shall show, at a minimum:

2 (1) the number of applicants for a new or renewal
3 license or permit under this Act within the previous
4 calendar year;

5 (2) the number of applicants for a new or renewal
6 license or permit under this Act within the previous
7 calendar year who had any criminal conviction;

8 (3) the number of applicants for a new or renewal
9 license or permit under this Act in the previous calendar
10 year who were granted a license or permit;

11 (4) the number of applicants for a new or renewal
12 license or permit with a criminal conviction who were
13 granted a license or permit under this Act within the
14 previous calendar year;

15 (5) the number of applicants for a new or renewal
16 license or permit under this Act within the previous
17 calendar year who were denied a license or permit; and

18 (6) the number of applicants for a new or renewal
19 license or permit with a criminal conviction who were
20 denied a license or permit under this Act in the previous
21 calendar year in whole or in part because of a prior
22 conviction.

23 (Source: P.A. 100-286, eff. 1-1-18.)

24 (35 ILCS 130/6) (from Ch. 120, par. 453.6)

25 Sec. 6. Revocation, cancellation, or suspension of

1 license.

2 (a) The Department may, after notice and hearing as
3 provided for by this Act, revoke, cancel or suspend the
4 license of any distributor, secondary distributor, or
5 retailer:

6 (1) for the violation of any provision of this Act, or
7 for noncompliance with any provision herein contained, or
8 for any noncompliance with any lawful rule ~~or regulation~~
9 promulgated by the Department under Section 8 of this Act,
10 or

11 (2) because the licensee is determined to be
12 ineligible for a distributor's license for any one or more
13 of the reasons provided for in Section 4 of this Act, or

14 (3) because the licensee is determined to be
15 ineligible for a secondary distributor's license for any
16 one or more of the reasons provided for in Section 4c of
17 this Act, or

18 (4) because the licensee is determined to be
19 ineligible for a retailer's license for any one or more of
20 the reasons provided for in Section 4g of this Act.

21 However, no such license shall be revoked, cancelled or
22 suspended, except after a hearing by the Department with
23 notice to the distributor, secondary distributor, or retailer,
24 as aforesaid, and affording such distributor, secondary
25 distributor, or retailer a reasonable opportunity to appear
26 and defend, and any distributor, secondary distributor, or

1 retailer aggrieved by any decision of the Department with
2 respect thereto may have the determination of the Department
3 judicially reviewed, as herein provided.

4 (b) The Department may revoke, cancel, or suspend the
5 license of any distributor for a violation of the Tobacco
6 Products Manufacturers' Escrow Enforcement Act of 2003 as
7 provided in Section 30 of that Act. The Department may revoke,
8 cancel, or suspend the license of any secondary distributor
9 for a violation of subsection (e) of Section 15 of the Tobacco
10 Products Manufacturers' Escrow Enforcement Act of 2003.

11 (c) If the retailer has a training program that
12 facilitates compliance with minimum-age tobacco laws, the
13 Department shall suspend for 3 days the license of that
14 retailer for a fourth or subsequent violation of the
15 Prevention of Tobacco Use by Persons under 21 Years of Age and
16 Sale and Distribution of Tobacco Products Act, as provided in
17 subsection (a) of Section 2 of that Act. For the purposes of
18 this Section, any violation of subsection (a) of Section 2 of
19 the Prevention of Tobacco Use by Persons under 21 Years of Age
20 and Sale and Distribution of Tobacco Products Act occurring at
21 the retailer's licensed location during a 24-month period
22 shall be counted as a violation against the retailer.

23 (d) If the retailer does not have a training program that
24 facilitates compliance with minimum-age tobacco laws, the
25 Department shall suspend for 3 days the license of that
26 retailer for a second violation of the Prevention of Tobacco

1 Use by Persons under 21 Years of Age and Sale and Distribution
2 of Tobacco Products Act, as provided in subsection (a-5) of
3 Section 2 of that Act.

4 If the retailer does not have a training program that
5 facilitates compliance with minimum-age tobacco laws, the
6 Department shall suspend for 7 days the license of that
7 retailer for a third violation of the Prevention of Tobacco
8 Use by Persons under 21 Years of Age and Sale and Distribution
9 of Tobacco Products Act, as provided in subsection (a-5) of
10 Section 2 of that Act.

11 If the retailer does not have a training program that
12 facilitates compliance with minimum-age tobacco laws, the
13 Department shall suspend for 30 days the license of a retailer
14 for a fourth or subsequent violation of the Prevention of
15 Tobacco Use by Persons under 21 Years of Age and Sale and
16 Distribution of Tobacco Products Act, as provided in
17 subsection (a-5) of Section 2 of that Act.

18 A training program that facilitates compliance with
19 minimum-age tobacco laws must include at least the following
20 elements: (i) it must explain that only individuals displaying
21 valid identification demonstrating that they are 21 years of
22 age or older shall be eligible to purchase cigarettes or
23 tobacco products and (ii) it must explain where a clerk can
24 check identification for a date of birth. The training may be
25 conducted electronically. Each retailer that has a training
26 program shall require each employee who completes the training

1 program to sign a form attesting that the employee has
2 received and completed tobacco training. The form shall be
3 kept in the employee's file and may be used to provide proof of
4 training.

5 (e) Any distributor, secondary distributor, or retailer
6 aggrieved by any decision of the Department under this Section
7 may, within 30 ~~20~~ days after notice of the decision, protest
8 and request a hearing. Upon receiving a request for a hearing,
9 the Department shall give notice in writing to the
10 distributor, secondary distributor, or retailer requesting the
11 hearing that contains a statement of the charges preferred
12 against the distributor, secondary distributor, or retailer
13 and that states the time and place fixed for the hearing. The
14 Department shall hold the hearing in conformity with the
15 provisions of this Act and then issue its final administrative
16 decision in the matter to the distributor, secondary
17 distributor, or retailer. In the absence of a protest and
18 request for a hearing within 30 ~~20~~ days, the Department's
19 decision shall become final without any further determination
20 being made or notice given.

21 (f) No license so revoked, as aforesaid, shall be reissued
22 to any such distributor, secondary distributor, or retailer
23 within a period of 6 months after the date of the final
24 determination of such revocation. No such license shall be
25 reissued at all so long as the person who would receive the
26 license is ineligible to receive a distributor's license under

1 this Act for any one or more of the reasons provided for in
2 Section 4 of this Act, is ineligible to receive a secondary
3 distributor's license under this Act for any one or more of the
4 reasons provided for in Section 4c of this Act, or is
5 determined to be ineligible for a retailer's license under the
6 Act for any one or more of the reasons provided for in Section
7 4g of this Act.

8 The Department upon complaint filed in the circuit court
9 may by injunction restrain any person who fails, or refuses,
10 to comply with any of the provisions of this Act from acting as
11 a distributor, secondary distributor, or retailer of
12 cigarettes in this State.

13 (Source: P.A. 104-6, eff. 6-16-25.)

14 (35 ILCS 130/21) (from Ch. 120, par. 453.21)

15 Sec. 21. Destruction or use of forfeited property.

16 (a) When any original packages of cigarettes or any
17 cigarette vending device shall have been declared forfeited to
18 the State by the Department, as provided in Section 18a of this
19 Act, and when all proceedings for the judicial review of the
20 Department's decision have terminated, the Department shall,
21 to the extent that its decision is sustained on review,
22 destroy or maintain and use such property in an undercover
23 capacity.

24 (b) The Department may, prior to any destruction of
25 cigarettes, permit the true holder of the trademark rights in

1 the cigarette brand to inspect such contraband cigarettes in
2 order to assist the Department in any investigation regarding
3 such cigarettes.

4 (c) The cost of destruction shall be assessed against the
5 owner or the person in possession of the forfeited property.
6 That cost shall be assessed regardless of whether the
7 forfeiture is determined by hearing or waiver.

8 (d) Any person aggrieved by any decision of the Department
9 under this Section may, within 20 days after receiving notice
10 of the decision, protest and request a hearing. Upon receiving
11 a written request for a hearing, the Department shall give
12 notice to the person requesting the hearing of the time and
13 place fixed for the hearing and shall hold a hearing in
14 conformity with the provisions of this Act and then issue its
15 final administrative decision in the matter to that person. In
16 the absence of a protest and request for a hearing within 20
17 days, the Department's decision shall become final without any
18 further determination being made or notice given. If a hearing
19 has already been set pursuant to Section 18a or Section 6 of
20 this Act, all issues related to the cost of destruction shall
21 be heard simultaneously

22 (Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

23 (35 ILCS 130/9c rep.)

24 Section 15. The Cigarette Tax Act is amended by repealing
25 Section 9c.

1 Section 20. The Cigarette Use Tax Act is amended by
2 changing Sections 4, 4b, 6, 7, 7a, and 27 as follows:

3 (35 ILCS 135/4) (from Ch. 120, par. 453.34)

4 Sec. 4. Distributor's license.

5 (a) A distributor maintaining a place of business in this
6 State, if required to procure a license or allowed to obtain a
7 permit as a distributor under the Cigarette Tax Act, need not
8 obtain an additional license or permit under this Section Act,
9 but shall be deemed to be sufficiently licensed or registered
10 by virtue of ~~his~~ being licensed or registered under the
11 Cigarette Tax Act.

12 Every distributor maintaining a place of business in this
13 State, if not required to procure a license or allowed to
14 obtain a permit as a distributor under the Cigarette Tax Act,
15 shall make an ~~a verified~~ application to the Department, by
16 electronic means, in ~~(upon~~ a form prescribed ~~and furnished~~ by
17 the Department~~)~~ for a license to act as a distributor under
18 this Section. Each applicant for a license under this Section
19 shall furnish to the Department in a form signed and verified
20 by the applicant under penalty of perjury, in an electronic
21 format established by the Department, the following: Act. In
22 ~~completing such application, the applicant shall furnish such~~
23 ~~information as the Department may reasonably require~~

24 (1) a statement that the applicant will fully comply

1 with the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; and

3 (2) the following information:

4 (A) the name and address of the applicant;

5 (B) the address of the location at which the
6 applicant proposes to engage in business as a
7 distributor of cigarettes in this State; and

8 (C) such other additional information as the
9 Department may reasonably require by its rules.

10 The ~~annual~~ license fee payable to the Department for each
11 initial and renewal distributor's license shall be \$250. The
12 purpose of such initial and renewal ~~annual~~ license ~~fees~~ ~~fee~~ is
13 to defray the cost, to the Department, of serializing
14 cigarette tax stamps. The applicant for license shall pay such
15 fee to the Department at the time of submitting the
16 application for license to the Department.

17 Through June 30, 2027, such~~Such~~ applicant shall file, with
18 the ~~his~~ application, a joint and several bond. Such bond shall
19 be executed to the Department of Revenue, with good and
20 sufficient surety or sureties residing or licensed to do
21 business within the State of Illinois, in the amount of
22 \$2,500, conditioned upon the true and faithful compliance by
23 the licensee with all of the provisions of this Act. Such bond,
24 or a reissue thereof, or a substitute therefor, shall be kept
25 in effect during the entire period covered by the license.
26 Beginning July 1, 2027, applicants are no longer required to

1 file a bond with their application. The Department shall
2 discharge any surety and shall release and return any bond
3 provided to it by a taxpayer under this Section within 90 days
4 after July 1, 2027.

5 A separate application for license shall be made and ~~7~~ a
6 separate ~~annual~~ license fee paid, ~~and a separate bond filed,~~
7 for each place of business at or from which the applicant
8 proposes to act as a distributor under this Section ~~Act~~ and for
9 which the applicant is not required to procure a license or
10 allowed to obtain a permit as a distributor under the
11 Cigarette Tax Act.

12 (b) The following are ineligible to receive a
13 distributor's license under this Section ~~Act~~:

14 (1) a person who is not of good character and
15 reputation in the community in which the person ~~he~~
16 resides; the Department may consider prior conviction of a
17 felony but, except as provided in item (2), the conviction
18 shall not operate as an absolute bar to licensure;

19 (2) a person who has been convicted of a felony under
20 any federal ~~Federal~~ or State law, if the Department, after
21 investigation and consideration of any mitigating factors
22 and evidence of rehabilitation contained in the
23 applicant's record, including those provided in Section 4i
24 of the Cigarette Tax Act, and a hearing, if requested by
25 the applicant, determines that such person has not been
26 sufficiently rehabilitated to warrant the public trust and

1 the conviction will impair the ability of the person to
2 engage in the position for which a license is sought;

3 (3) a corporation, if any officer, manager, or
4 director thereof, or any stockholder or stockholders
5 owning in the aggregate more than 5% of the stock of such
6 corporation, would not be eligible to receive a license
7 hereunder for any reason;

8 (4) a person who has delinquent reports under Section
9 25 of the Tobacco Products Manufacturers' Escrow
10 Enforcement Act of 2003; or

11 (5) a person, or any person who owns more than 15% ~~15~~
12 ~~percent~~ of the ownership interests in a person or a
13 related party who:

14 (A) ~~(a)~~ owes, at the time of application, any
15 delinquent ~~cigarette~~ taxes that have been determined
16 by law to be due and unpaid under this Act or any other
17 tax Act administered by the Department, unless the
18 license applicant has entered into an agreement
19 approved by the Department to pay the amount due;

20 (B) ~~(b)~~ had a license under this Act, the
21 Cigarette Tax Act, the Tobacco Products Act of 1995,
22 or the Cigarette Machine Operator's Occupation Tax Act
23 revoked within the past 2 years by the Department for
24 misconduct relating to stolen or contraband cigarettes
25 or has been convicted of a State or federal crime,
26 punishable by imprisonment of one year or more,

1 relating to stolen or contraband cigarettes;

2 (C) ~~(e)~~ manufactures cigarettes, whether in this
3 State or out of this State, and who is neither (i) a
4 participating manufacturer as defined in subsection
5 II(jj) of the "Master Settlement Agreement" as defined
6 in Sections 10 of the Tobacco Products Manufacturers'
7 Escrow Act and the Tobacco Products Manufacturers'
8 Escrow Enforcement Act of 2003 (30 ILCS 168/10 and 30
9 ILCS 167/10); nor (ii) in full compliance with Tobacco
10 Products Manufacturers' Escrow Act and the Tobacco
11 Products Manufacturers' Escrow Enforcement Act of 2003
12 (30 ILCS 168~~/~~ and 30 ILCS 167~~/~~);

13 (D) ~~(d)~~ has been found by the Department, after
14 notice and a hearing, to have imported or caused to be
15 imported into the United States for sale or
16 distribution any cigarette in violation of 19 U.S.C.
17 1681a;

18 (E) ~~(e)~~ has been found by the Department, after
19 notice and a hearing, to have imported or caused to be
20 imported into the United States for sale or
21 distribution or manufactured for sale or distribution
22 in the United States any cigarette that does not fully
23 comply with the Federal Cigarette Labeling and
24 Advertising Act (15 U.S.C. 1331, et seq.); or

25 (F) ~~(f)~~ has been found by the Department, after
26 notice and a hearing, to have made a materially

1 ~~material~~ false statement in the application or has
2 failed to produce records required to be maintained by
3 this Act.

4 (c) Upon receipt ~~approval~~ of an ~~such~~ application ~~and bond~~
5 and payment of the required ~~annual~~ license fee from a person
6 who is eligible to receive a distributor's license under this
7 Section, ~~7~~ the Department shall issue a license to the
8 applicant. Such license shall permit the applicant to engage
9 in business as a distributor at or from the place shown in the
10 ~~his~~ application. All licenses issued by the Department under
11 this Section ~~Act~~ shall be valid for a period not to exceed one
12 year after issuance unless sooner revoked, canceled, or
13 suspended as in this Act provided. No license issued under
14 this Section ~~Act~~ is transferable or assignable. Such license
15 shall be conspicuously displayed at the place of business for
16 which it is issued.

17 No distributor licensee acquires any vested interest or
18 compensable property right in a license issued under this
19 Section ~~Act~~.

20 A licensed distributor shall notify the Department of any
21 change in the information contained on the application form,
22 including any change in ownership, and shall do so within 30
23 days after any such change.

24 Any person aggrieved by any decision of the Department
25 under this Section may, within 30 ~~20~~ days after notice of the
26 decision, protest and request a hearing. Upon receiving a

1 request for a hearing, the Department shall give notice to the
2 person requesting the hearing of the time and place fixed for
3 the hearing and shall hold a hearing in conformity with the
4 provisions of this Act and then issue its final administrative
5 decision in the matter to that person. In the absence of a
6 protest and request for a hearing within 30 ~~20~~ days, the
7 Department's decision shall become final without any further
8 determination being made or notice given.

9 (Source: P.A. 95-1053, eff. 1-1-10; 96-782, eff. 1-1-10.)

10 (35 ILCS 135/4b)

11 Sec. 4b. Secondary distributor's license.

12 (a) No person may engage in business as a secondary
13 distributor of cigarettes in this State without first having
14 obtained a license ~~therefor~~ from the Department. A secondary
15 distributor maintaining a place of business within this State,
16 if required to procure a license as a secondary distributor
17 under the Cigarette Tax Act, need not obtain an additional
18 license or permit under this Section ~~Act~~, but shall be deemed
19 to be sufficiently licensed or registered by virtue of ~~his~~
20 being licensed or registered under the Cigarette Tax Act.

21 Every secondary distributor maintaining a place of
22 business in this State, if not required to procure a license
23 under the Cigarette Tax Act, shall make application for a
24 license, by electronic means, in ~~on~~ a form ~~as furnished and~~
25 prescribed by the Department. Such applicant shall furnish ~~the~~

1 ~~following information~~ to the Department in ~~on~~ a form signed
2 and verified by the applicant under penalty of perjury, in an
3 electronic format established by the Department, the
4 following:

5 (1) a statement that the applicant will fully comply
6 with the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003; and

8 (2) the following information:

9 (A) the name and address of the applicant;

10 (B) ~~(2)~~ the address of the location at which the
11 applicant proposes to engage in business as a
12 secondary distributor of cigarettes in this State; and

13 (C) ~~(3)~~ such other additional information as the
14 Department may reasonably require by its rules.

15 The ~~annual~~ license fee payable to the Department for
16 initial and each renewal secondary distributor's license shall
17 be \$250. The applicant for license shall pay such fee to the
18 Department at the time of submitting the application for
19 license to the Department.

20 A separate application for license shall be made and a
21 separate ~~annual~~ license fee paid, for each place of business
22 at or from which the applicant proposes to act as a secondary
23 distributor under this Section ~~Act~~ and for which the applicant
24 is not required to procure a license as a secondary
25 distributor under the Cigarette Tax Act.

26 (b) The following are ineligible to receive a secondary

1 distributor's license under this Section Act:

2 (1) a person who is not of good character and
3 reputation in the community in which the person ~~he~~
4 resides; the Department may consider prior conviction of a
5 felony, but except as provided in item (2), the conviction
6 shall not operate as an absolute bar to licensure;

7 (2) a person who has been convicted of a felony under
8 any Federal or State law, if the Department, after
9 investigation and consideration of any mitigating factors
10 and evidence of rehabilitation contained in the
11 applicant's record, including those in Section 4i of the
12 Cigarette Tax Act, and a hearing, if requested by the
13 applicant, determines that such person has not been
14 sufficiently rehabilitated to warrant the public trust and
15 the conviction will impair the ability of the person to
16 engage in the position for which a license is sought;

17 (3) a corporation, if any officer, manager, or
18 director thereof, or any stockholder or stockholders
19 owning in the aggregate more than 5% of the stock of such
20 corporation, would not be eligible to receive a license
21 under this Act hereunder for any reason;

22 (4) a person who manufactures cigarettes, whether in
23 this State or out of this State, and who is neither (i) a
24 participating manufacturer as defined in subsection II(jj)
25 of the "Master Settlement Agreement" as defined in
26 Sections 10 of the Tobacco Products Manufacturers' Escrow

1 Act and the Tobacco Products Manufacturers' Escrow
2 Enforcement Act of 2003; nor (ii) in full compliance with
3 Tobacco Products Manufacturers' Escrow Act and the Tobacco
4 Products Manufacturers' Escrow Enforcement Act of 2003;

5 (5) a person who has delinquent reports under Section
6 25 of the Tobacco Products Manufacturers' Escrow
7 Enforcement Act of 2003; or

8 (6) a person, or any person who owns more than 15% 15
9 percent of the ownership interests in a person or a
10 related party who:

11 (A) owes, at the time of application, any
12 delinquent ~~cigarette~~ taxes that have been determined
13 by law to be due and unpaid under this Act or any other
14 tax Act administered by the Department, unless the
15 license applicant has entered into an agreement
16 approved by the Department to pay the amount due;

17 (B) had a license under this Act, ~~or~~ the Cigarette
18 Tax Act, the Tobacco Products Act of 1995, or the
19 Cigarette Machine Operator's Occupation Tax Act
20 revoked within the past 2 years by the Department for
21 misconduct relating to stolen or contraband cigarettes
22 or has been convicted of a State or federal crime,
23 punishable by imprisonment of one year or more,
24 relating to stolen or contraband cigarettes;

25 (C) has been found by the Department, after notice
26 and a hearing, to have imported or caused to be

1 imported into the United States for sale or
2 distribution any cigarette in violation of 19 U.S.C.
3 1681a;

4 (D) has been found by the Department, after notice
5 and a hearing, to have imported or caused to be
6 imported into the United States for sale or
7 distribution or manufactured for sale or distribution
8 in the United States any cigarette that does not fully
9 comply with the Federal Cigarette Labeling and
10 Advertising Act (15 U.S.C. 1331, et seq.); or

11 (E) has been found by the Department, after notice
12 and a hearing, to have made a materially ~~material~~
13 false statement in the application or has failed to
14 produce records required to be maintained by this Act.

15 (c) The Department, upon receipt of an ~~Upon approval of~~
16 ~~such~~ application and payment of the required ~~annual~~ license
17 fee, from a person who is eligible to receive a secondary
18 distributor's license under this Section, ~~the Department~~ shall
19 issue a license to the applicant. Such license shall permit
20 the applicant to engage in business as a secondary distributor
21 at or from the place shown in the ~~his~~ application. All licenses
22 issued by the Department under this Section ~~Act~~ shall be valid
23 for a period not to exceed one year after issuance unless
24 sooner revoked, canceled or suspended as provided in this Act
25 ~~provided~~. No license issued under this Section ~~Act~~ is
26 transferable or assignable. Such license shall be

1 conspicuously displayed at the place of business for which it
2 is issued.

3 No secondary distributor licensee acquires any vested
4 interest or compensable property right in a license issued
5 under this Section ~~Act~~.

6 A licensed secondary distributor shall notify the
7 Department of any change in the information contained on the
8 application form, including any change in ownership, and shall
9 do so within 30 days after any such change.

10 Any person aggrieved by any decision of the Department
11 under this Section may, within 30 ~~20~~ days after notice of the
12 decision, protest and request a hearing. Upon receiving a
13 request for a hearing, the Department shall give notice to the
14 person requesting the hearing of the time and place fixed for
15 the hearing and shall hold a hearing in conformity with the
16 provisions of this Act and then issue its final administrative
17 decision in the matter to that person. In the absence of a
18 protest and request for a hearing within 30 ~~20~~ days, the
19 Department's decision shall become final without any further
20 determination being made or notice given.

21 (Source: P.A. 96-1027, eff. 7-12-10.)

22 (35 ILCS 135/6) (from Ch. 120, par. 453.36)

23 Sec. 6. Revocation, cancellation, or suspension of
24 license.

25 (a) The Department may, after notice and hearing as

1 provided for by this Act, revoke, cancel or suspend the
2 license of any distributor or secondary distributor for the
3 violation of any provision of this Act, or for non-compliance
4 with any provision herein contained, or for any non-compliance
5 with any lawful rule ~~or regulation~~ promulgated by the
6 Department under Section 21 of this Act, or because the
7 licensee is determined to be ineligible for a distributor's
8 license for any one or more of the reasons provided for in
9 Section 4 of this Act, or because the licensee is determined to
10 be ineligible for a secondary distributor's license for any
11 one or more of the reasons provided for in Section 4b or
12 Section 7a of this Act. However, no such license shall be
13 revoked, canceled or suspended, except after a hearing by the
14 Department with notice to the distributor or secondary
15 distributor, as aforesaid, and affording such distributor or
16 secondary distributor a reasonable opportunity to appear and
17 defend, and any distributor or secondary distributor aggrieved
18 by any decision of the Department with respect thereto may
19 have the determination of the Department judicially reviewed,
20 as herein provided.

21 (b) The Department may revoke, cancel, or suspend the
22 license of any distributor for a violation of the Tobacco
23 Products Manufacturers' Escrow Enforcement Act of 2003 as
24 provided in Section 30 of that Act. The Department may revoke,
25 cancel, or suspend the license of any secondary distributor
26 for a violation of subsection (e) of Section 15 of the Tobacco

1 Products Manufacturers' Escrow Enforcement Act of 2003.

2 (c) Any distributor or secondary distributor aggrieved by
3 any decision of the Department under this Section may, within
4 30 ~~20~~ days after notice of the decision, protest and request a
5 hearing. Upon receiving a request for a hearing, the
6 Department shall give notice in writing to the distributor or
7 secondary distributor requesting the hearing that contains a
8 statement of the charges preferred against the distributor or
9 secondary distributor and that states the time and place fixed
10 for the hearing. The Department shall hold the hearing in
11 conformity with the provisions of this Act and then issue its
12 final administrative decision in the matter to the distributor
13 or secondary distributor. In the absence of a protest and
14 request for a hearing within 30 ~~20~~ days, the Department's
15 decision shall become final without any further determination
16 being made or notice given.

17 No license so revoked, shall be reissued to any such
18 distributor or secondary distributor within a period of 6
19 months after the date of the final determination of such
20 revocation. No such license shall be reissued at all so long as
21 the person who would receive the license is ineligible to
22 receive a distributor's license under this Act for any one or
23 more of the reasons provided for in Section 4 of this Act or is
24 ineligible to receive a secondary distributor's license under
25 this Act for any one or more of the reasons provided for in
26 Section 4b and Section 7a of this Act.

1 The Department upon complaint filed in the circuit court
2 may by injunction restrain any person who fails, or refuses,
3 to comply with this Act from acting as a distributor or
4 secondary distributor of cigarettes in this State.

5 (Source: P.A. 104-6, eff. 6-16-25.)

6 (35 ILCS 135/7) (from Ch. 120, par. 453.37)

7 Sec. 7. Distributor's permits.

8 (a) Cigarettes in original packages contained inside a
9 sealed transparent wrapper.

10 (1) The Department may, in its discretion, upon
11 application, issue permits authorizing the collection of
12 the tax herein imposed by those out-of-State cigarette
13 manufacturers who are not required to be licensed as
14 distributors of cigarettes in this State, but who elect to
15 qualify under this subsection ~~Act~~ as distributors of
16 cigarettes in this State, and who, to the satisfaction of
17 the Department, furnish adequate security to insure
18 collection and payment of the tax, provided that any such
19 permit shall extend only to cigarettes which such
20 permittee manufacturer places in original packages that
21 are contained inside a sealed transparent wrapper, and
22 provided that no such permit shall be issued under this
23 subsection ~~Act~~ to such a manufacturer who has obtained the
24 permit provided for in Section 4b(a) of the Cigarette Tax
25 Act. Application for a permit shall be made to the

1 Department, by electronic means, in a form prescribed by
2 the Department. Each applicant for a permit under this
3 subsection shall furnish to the Department in a form
4 signed and verified by the applicant under penalty of
5 perjury, in an electronic format established by the
6 Department, the following: ~~Such distributor shall be~~
7 ~~issued, without charge, a permit to collect such tax in~~
8 ~~such manner, and subject to such reasonable regulations~~
9 ~~and agreements as the Department shall prescribe~~

10 (A) a statement that the applicant will fully
11 comply with the Tobacco Products Manufacturers' Escrow
12 Enforcement Act of 2003; and

13 (B) the following information:

14 (i) the name and address of the applicant;

15 (ii) the address of the location at which the
16 applicant proposes to engage in business; and

17 (iii) such other additional information as the
18 Department may reasonably require by its rules.

19 When so authorized, it shall be the duty of such
20 distributor to collect the tax upon all cigarettes which the
21 distributor ~~he~~ delivers ~~(or causes to be delivered)~~ within
22 this State to licensed distributors, in the same manner and
23 subject to the same requirements as a distributor maintaining
24 a place of business within this State. ~~Such permit shall be in~~
25 ~~such form as the Department may prescribe and shall not be~~
26 ~~transferable or assignable.~~

1 (2) The following are ineligible to receive a
2 distributor's permit under this subsection ~~Act~~:

3 (A) ~~(1)~~ a person who is not of good character and
4 reputation in the community in which the person ~~he~~
5 resides; the Department may consider prior conviction
6 of a felony, but, except as provided in item (B), the
7 conviction shall not operate as an absolute bar to
8 licensure;

9 (B) ~~(2)~~ a person who has been convicted of a felony
10 under any federal ~~Federal~~ or State law, if the
11 Department, after investigation and consideration of
12 any mitigating factors and evidence of rehabilitation
13 contained in the applicant's record, including those
14 provided in Section 4i of the Cigarette Tax Act, and a
15 hearing, if requested by the applicant, determines
16 that such person has not been sufficiently
17 rehabilitated to warrant the public trust and the
18 conviction will impair the ability of the person to
19 engage in the position for which a license is sought;

20 (C) ~~(3)~~ a corporation, if any officer, manager or
21 director thereof, or any stockholder or stockholders
22 owning in the aggregate more than 5% of the stock of
23 such corporation, would not be eligible to receive a
24 permit under this Act for any reason;

25 (D) a person who has delinquent reports under
26 Section 25 of the Tobacco Products Manufacturers'

1 Escrow Enforcement Act of 2003; or

2 (E) a person, or any person who owns more than 15%
3 of the ownership interests in a person or a related
4 party who:

5 (i) owes, at the time of application, any
6 delinquent taxes that have been determined by law
7 to be due and unpaid under this Act or any other
8 tax Act administered by the Department, unless the
9 license applicant has entered into an agreement
10 approved by the Department to pay the amount due;

11 (ii) had a license under this Act, the
12 Cigarette Use Tax Act, the Tobacco Products Act of
13 1995, or the Cigarette Machine Operator's
14 Occupation Tax Act revoked within the past 2 years
15 by the Department for misconduct relating to
16 stolen or contraband cigarettes or has been
17 convicted of a State or federal crime, punishable
18 by imprisonment of one year or more, relating to
19 stolen or contraband cigarettes;

20 (iii) manufactures cigarettes, whether in this
21 State or out of this State, and who is neither (i)
22 a participating manufacturer as defined in
23 subsection II(jj) of the "Master Settlement
24 Agreement" as defined in Sections 10 of the
25 Tobacco Products Manufacturers' Escrow Act and the
26 Tobacco Products Manufacturers' Escrow Enforcement

1 Act of 2003; nor (ii) in full compliance with
2 Tobacco Products Manufacturers' Escrow Act and the
3 Tobacco Products Manufacturers' Escrow Enforcement
4 Act of 2003;

5 (iv) has been found by the Department, after
6 notice and a hearing, to have imported or caused
7 to be imported into the United States for sale or
8 distribution any cigarette in violation of 19
9 U.S.C. 1681a;

10 (v) has been found by the Department, after
11 notice and a hearing, to have imported or caused
12 to be imported into the United States for sale or
13 distribution or manufactured for sale or
14 distribution in the United States any cigarette
15 that does not fully comply with the Federal
16 Cigarette Labeling and Advertising Act (15 U.S.C.
17 1331, et seq.); or

18 (vi) has been found by the Department, after
19 notice and a hearing, to have made a materially
20 false statement in the application or has failed
21 to produce records required to be maintained by
22 this Act.

23 (3) There is no application fee for the initial and
24 renewal permits. A permittee shall notify the Department
25 of any change in the information contained on the
26 application form, including any change in ownership, and

1 shall do so within 30 days after any such change. Such
2 permit shall not be transferable or assignable. A
3 permittee does not acquire any vested interest or
4 compensable property right in a permit issued under this
5 subsection.

6 With respect to cigarettes which come within the scope of
7 such a permit and which any such permittee delivers or causes
8 to be delivered in Illinois to licensed distributors, such
9 permittee shall collect the tax imposed by this Act and shall
10 remit such tax to the Department by the 5th day of each month
11 for the preceding calendar month. Each such remittance shall
12 be accompanied by a return filed with the Department in ~~on~~ a
13 form ~~to be~~ prescribed ~~and furnished~~ by the Department and
14 shall disclose such information as the Department may lawfully
15 require. Information that the Department may lawfully require
16 includes information related to the uniform regulation and
17 taxation of cigarettes. All returns and supporting schedules
18 required to be filed under this subsection and all payments
19 required to be made under this subsection shall be by
20 electronic means in the form prescribed by the Department ~~The~~
21 ~~Department may promulgate rules to require that the~~
22 ~~permittee's return be accompanied by appropriate~~
23 ~~computer-generated magnetic media supporting schedule data in~~
24 ~~the format prescribed by the Department, unless, as provided~~
25 ~~by rule, the Department grants an exception upon petition of~~
26 ~~the permittee.~~ Each such return shall be accompanied by a copy

1 of each invoice rendered by the permittee to any licensed
2 distributor to whom the permittee delivered cigarettes of the
3 type covered by the permit ~~for~~ caused cigarettes of the type
4 covered by the permit to be delivered~~;~~ in Illinois during the
5 period covered by such return.

6 Such authority and permit may be suspended, canceled, or
7 revoked when, at any time, the Department considers that the
8 security given is inadequate, or that such tax can more
9 effectively be collected from the person using such cigarettes
10 in this State or through distributors located in this State,
11 or whenever the permittee violates any provision of this Act
12 or any lawful rule ~~or regulation~~ issued by the Department
13 pursuant to this Act or is determined to be ineligible for a
14 distributor's permit under this Act as provided in this
15 Section, or whenever the permittee shall notify the Department
16 in writing ~~of his desire~~ to have the permit canceled. The
17 Department shall have the power, in its discretion, to issue a
18 new permit after such suspension, cancellation, or revocation,
19 except when the person who would receive the permit is
20 ineligible to receive a distributor's permit under this Act.

21 All permits issued by the Department under this subsection
22 ~~Act~~ shall be valid for not to exceed one year after issuance
23 unless sooner revoked, canceled or suspended as in this Act
24 provided.

25 (b) Unstamped original packages of cigarettes for
26 distribution to the public for promotional purposes without

1 consideration.

2 (1) Out-of-state cigarette manufacturers who are not
3 required to be licensed as distributors of cigarettes in
4 this State and who do not elect to obtain approval under
5 subsection (a) to pay the tax imposed by this Act, but who
6 elect to qualify under this Act as distributors of
7 cigarettes in this State for purposes of shipping and
8 delivering unstamped original packages of cigarettes into
9 this State to licensed distributors, shall obtain a permit
10 from the Department, provided that no such permit shall be
11 issued under this subsection to a manufacturer who has
12 obtained the permit provided for in Section 4b(b) of the
13 Cigarette Tax Act. ~~These permits shall be issued without~~
14 ~~charge in such form as the Department may prescribe and~~
15 ~~shall not be transferable or assignable.~~

16 Application for permit shall be made to the
17 Department, by electronic means, in a form prescribed by
18 the Department. Each applicant for a permit under this
19 subsection shall furnish to the Department in a form
20 signed and verified by the applicant under penalty of
21 perjury, in an electronic format established by the
22 Department, the following:

23 (A) a statement that the applicant will fully
24 comply with the Tobacco Products Manufacturers' Escrow
25 Enforcement Act of 2003; and

26 (B) the following information:

1 (i) the name and address of the applicant;

2 (ii) the address of the location at which the
3 applicant proposes to engage in business; and

4 (iii) such other additional information as the
5 Department may reasonably require by its rules.

6 (2) The following are ineligible to receive a
7 distributor's permit under this subsection:

8 (A) ~~(1)~~ a person who is not of good character and
9 reputation in the community in which he or she
10 resides;

11 (B) ~~(2)~~ a person who has been convicted of a felony
12 under any federal or State law, if the Department,
13 after investigation and a hearing, if requested by the
14 applicant, determines that the person has not been
15 sufficiently rehabilitated to warrant the public
16 trust; and

17 (C) ~~(3)~~ a corporation, if any officer, manager or
18 director thereof, or any stockholder or stockholders
19 owning in the aggregate more than 5% of the stock of
20 the corporation, would not be eligible to receive a
21 permit under this Act for any reason;

22 (D) a person who has delinquent reports under
23 Section 25 of the Tobacco Products Manufacturers'
24 Escrow Enforcement Act of 2003 (30 ILCS 167/25); or

25 (E) a person, or any person who owns more than 15%
26 of the ownership interests in a person or a related

1 party who:

2 (i) owes, at the time of application, any
3 delinquent taxes that have been determined by law
4 to be due and unpaid under this Act or any other
5 tax Act administered by the Department, unless the
6 license applicant has entered into an agreement
7 approved by the Department to pay the amount due;

8 (ii) had a license under this Act, the
9 Cigarette Tax Act, the Tobacco Products Act of
10 1995, or the Cigarette Machine Operator's
11 Occupation Tax Act revoked within the past 2 years
12 by the Department for misconduct relating to
13 stolen or contraband cigarettes or has been
14 convicted of a State or federal crime, punishable
15 by imprisonment of one year or more, relating to
16 stolen or contraband cigarettes;

17 (iii) manufactures cigarettes, whether in this
18 State or out of this State, and who is neither (i)
19 a participating manufacturer as defined in
20 subsection II(jj) of the "Master Settlement
21 Agreement" as defined in Sections 10 of the
22 Tobacco Products Manufacturers' Escrow Act and the
23 Tobacco Products Manufacturers' Escrow Enforcement
24 Act of 2003; nor (ii) in full compliance with
25 Tobacco Products Manufacturers' Escrow Act and the
26 Tobacco Products Manufacturers' Escrow Enforcement

1 Act of 2003;

2 (iv) has been found by the Department, after
3 notice and a hearing, to have imported or caused
4 to be imported into the United States for sale or
5 distribution any cigarette in violation of 19
6 U.S.C. 1681a;

7 (v) has been found by the Department, after
8 notice and a hearing, to have imported or caused
9 to be imported into the United States for sale or
10 distribution or manufactured for sale or
11 distribution in the United States any cigarette
12 that does not fully comply with the Federal
13 Cigarette Labeling and Advertising Act (15 U.S.C.
14 1331, et seq.); or

15 (vi) has been found by the Department, after
16 notice and a hearing, to have made a materially
17 false statement in the application or has failed
18 to produce records required to be maintained by
19 this Act.

20 (3) There is no application fee for the initial and
21 renewal permits. A permittee shall notify the Department
22 of any change in the information contained on the
23 application form, including any change in ownership, and
24 shall do so within 30 days after any such change. Such
25 permit shall not be transferable or assignable. A
26 permittee does not acquire any vested interest or

1 compensable property right in a permit issued under this
2 subsection.

3 With respect to original packages of cigarettes such
4 permittee delivers or causes to be delivered in Illinois and
5 distributed to the public for promotional purposes without
6 consideration, the permittee shall pay the tax imposed by this
7 Act by remitting the amount thereof to the Department by the
8 5th day of each month covering cigarettes shipped or otherwise
9 delivered in Illinois for those purposes during the preceding
10 calendar month. The permittee, before delivering those
11 cigarettes or causing those cigarettes to be delivered in this
12 State, shall evidence the ~~his or her~~ obligation to remit the
13 taxes due with respect to those cigarettes by imprinting
14 language to be prescribed by the Department on each original
15 package of cigarettes, in such place thereon and in such
16 manner also to be prescribed by the Department. The imprinted
17 language shall acknowledge the permittee's payment of or
18 liability for the tax imposed by this Act with respect to the
19 distribution of those cigarettes.

20 With respect to cigarettes such permittee delivers or
21 causes to be delivered in Illinois to Illinois licensed
22 distributors or distributed to the public for promotional
23 purposes, the permittee shall, by the 5th day of each month,
24 file with the Department, a report covering cigarettes shipped
25 or otherwise delivered in Illinois to licensed distributors or
26 distributed to the public for promotional purposes during the

1 preceding calendar month on a form to be prescribed and
2 furnished by the Department and shall disclose such other
3 information as the Department may lawfully require.
4 Information that the Department may lawfully require includes
5 information related to the uniform regulation and taxation of
6 cigarettes. All reports required to be filed under this
7 subsection and all payments required to be made under this
8 subsection shall be by electronic means in the form prescribed
9 by the Department ~~The Department may promulgate rules to~~
10 ~~require that the permittee's report be accompanied by~~
11 ~~appropriate computer-generated magnetic media supporting~~
12 ~~schedule data in the format prescribed by the Department,~~
13 ~~unless, as provided by rule, the Department grants an~~
14 ~~exception upon petition of the permittee.~~ Each such report
15 shall be accompanied by a copy of each invoice rendered by the
16 permittee to any purchaser to whom the permittee delivered
17 cigarettes of the type covered by the permit ~~(or caused~~
18 ~~cigarettes of the type covered by the permit to be delivered)~~
19 in Illinois during the period covered by such report.

20 Such permit may be suspended, canceled, or revoked
21 whenever the permittee violates any provision of this Act or
22 any lawful rule ~~or regulation~~ issued by the Department
23 pursuant to this Act, is determined to be ineligible for a
24 distributor's permit under this Act as provided in this
25 subsection ~~Section~~, or notifies the Department in writing ~~of~~
26 ~~his or her desire~~ to have the permit canceled. The Department

1 shall have the power, in its discretion, to issue a new permit
2 after such suspension, cancellation, or revocation, except
3 when the person who would receive the permit is ineligible to
4 receive a distributor's permit under this Act.

5 All permits issued by the Department under this subsection
6 ~~Act~~ shall be valid for a period not to exceed one year after
7 issuance unless sooner revoked, canceled, or suspended as in
8 this Act provided.

9 Any person aggrieved by any decision of the Department
10 under this subsection may, within 30 days after notice of the
11 decision, protest and request a hearing. Upon receiving a
12 request for a hearing, the Department shall give notice to the
13 person requesting the hearing of the time and place fixed for
14 the hearing and shall hold a hearing in conformity with the
15 provisions of this Act and then issue its final administrative
16 decision in the matter to that person. In the absence of a
17 protest and request for a hearing within 30 days, the
18 Department's decision shall become final without any further
19 determination being made or notice given.

20 (Source: P.A. 96-782, eff. 1-1-10.)

21 (35 ILCS 135/7a)

22 Sec. 7a. Discretionary secondary distributor's license.

23 (a) The Department may, in its discretion, upon
24 application, issue a secondary distributor's license to
25 persons who are not required to be licensed as secondary

1 distributors of cigarettes in this State, but who elect to
2 qualify under this Section Act as discretionary secondary
3 distributors of cigarettes. Such discretionary secondary
4 distributor shall be issued, ~~without charge,~~ a license to make
5 sales for resale to Illinois retailers, subject to such
6 reasonable requirements as the Department shall prescribe.
7 Each applicant for a license under this Section shall furnish
8 ~~the following information~~ to the Department, by electronic
9 means, in ~~on~~ a form signed and verified by the applicant under
10 penalty of perjury, in an electronic format established by the
11 Department, the following:

12 (1) a statement that the applicant will fully comply
13 with the Tobacco Products Manufacturers' Escrow
14 Enforcement Act of 2003; and

15 (2) the following information:

16 (A) ~~(a)~~ the name and address of the applicant;

17 (B) ~~(b)~~ the address of the location at which the
18 applicant proposes to engage in business as a
19 discretionary secondary distributor of cigarettes; and

20 (C) ~~(c)~~ such other additional information as the
21 Department may reasonably require by its rules.

22 A separate application for license shall be made for each
23 place of business at or from which the applicant proposes to
24 act as a discretionary secondary distributor under this
25 Section Act and for which the applicant is not required to
26 procure a license as a secondary distributor under the

1 Cigarette Tax Act or Cigarette Use Tax Act.

2 (b) The following are ineligible to receive a
3 discretionary secondary distributor's license under this
4 Section Act:

5 (1) a person who is not of good character and
6 reputation in the community in which the person ~~he~~
7 resides; the Department may consider prior conviction of a
8 felony, but, except as provided in item (2), the
9 conviction shall not operate as an absolute bar to
10 licensure;

11 (2) a person who has been convicted of a felony under
12 any federal ~~Federal~~ or State law, if the Department, after
13 investigation and consideration of any mitigating factors
14 and evidence of rehabilitation contained in the
15 applicant's record, including those in Section 4i of the
16 Cigarette Tax Act, and a hearing, if requested by the
17 applicant, determines that such person has not been
18 sufficiently rehabilitated to warrant the public trust and
19 the conviction will impair the ability of the person to
20 engage in the position for which a license is sought;

21 (3) a corporation, if any officer, manager or director
22 thereof, or any stockholder or stockholders owning in the
23 aggregate more than 5% of the stock of such corporation,
24 would not be eligible to receive a license under this Act
25 ~~hereunder~~ for any reason;

26 (4) a person who manufactures cigarettes, whether in

1 this State or out of this State and who is neither (i) a
2 participating manufacturer as defined in subsection II(jj)
3 of the "Master Settlement Agreement" as defined in
4 Sections 10 of the Tobacco Products Manufacturers' Escrow
5 Act and the Tobacco Products Manufacturers' Escrow
6 Enforcement Act of 2003; nor (ii) in full compliance with
7 Tobacco Products Manufacturers' Escrow Act and the Tobacco
8 Products Manufacturers' Escrow Enforcement Act of 2003;

9 (5) a person who has delinquent reports under Section
10 25 of the Tobacco Products Manufacturers' Escrow
11 Enforcement Act of 2003; or

12 (6) a person, or any person who owns more than 15% ~~15~~
13 percent of the ownership interests in a person or a
14 related party who:

15 (A) owes, at the time of application, any
16 delinquent ~~cigarette~~ taxes that have been determined
17 by law to be due and unpaid under this Act or any other
18 tax Act administered by the Department, unless the
19 license applicant has entered into an agreement
20 approved by the Department to pay the amount due;

21 (B) had a license under this Act, ~~or~~ the Cigarette
22 Tax Act, the Tobacco Products Act of 1995, or the
23 Cigarette Machine Operator's Occupation Tax Act
24 revoked within the past 2 years by the Department for
25 misconduct relating to stolen or contraband cigarettes
26 or has been convicted of a State or federal crime,

1 punishable by imprisonment of one year or more,
2 relating to stolen or contraband cigarettes;

3 (C) has been found by the Department, after notice
4 and a hearing, to have imported or caused to be
5 imported into the United States for sale or
6 distribution any cigarette in violation of 19 U.S.C.
7 1681a;

8 (D) has been found by the Department, after notice
9 and a hearing, to have imported or caused to be
10 imported into the United States for sale or
11 distribution or manufactured for sale or distribution
12 in the United States any cigarette that does not fully
13 comply with the Federal Cigarette Labeling and
14 Advertising Act (15 U.S.C. 1331, et seq.); or

15 (E) has been found by the Department, after notice
16 and a hearing, to have made a materially ~~material~~
17 false statement in the application or has failed to
18 produce records required to be maintained by this Act.

19 (c) The Department, upon receipt of application from a
20 person who is eligible to receive a discretionary secondary
21 distributor's license under this Section, ~~Upon approval of~~
22 ~~such application, the Department~~ shall issue a license to the
23 applicant. Such license shall permit the applicant to engage
24 in business as a discretionary secondary distributor at or
25 from the place shown in the ~~his~~ application. There is no
26 application fee for the initial and renewal permits. All

1 licenses issued by the Department under this Section ~~Act~~ shall
2 be valid for a period not to exceed one year after issuance
3 unless sooner revoked, canceled, or suspended as in this Act
4 provided. No license issued under this Section ~~Act~~ is
5 transferable or assignable. Such license shall be
6 conspicuously displayed at the place of business for which it
7 is issued.

8 No discretionary secondary distributor licensee acquires
9 any vested interest or compensable property right in a license
10 issued under this Section ~~Act~~.

11 A licensed discretionary secondary distributor shall
12 notify the Department of any change in the information
13 contained on the application form, including any change in
14 ownership, and shall do so within 30 days after any such
15 change.

16 Any person aggrieved by any decision of the Department
17 under this Section may, within 30 ~~20~~ days after notice of the
18 decision, protest and request a hearing. Upon receiving a
19 request for a hearing, the Department shall give notice to the
20 person requesting the hearing of the time and place fixed for
21 the hearing and shall hold a hearing in conformity with the
22 provisions of this Act and then issue its final administrative
23 decision in the matter to that person. In the absence of a
24 protest and request for a hearing within 30 ~~20~~ days, the
25 Department's decision shall become final without any further
26 determination being made or notice given.

1 Such authority and license may be suspended, canceled, or
2 revoked whenever the licensee violates any provision of this
3 Act or any lawful rule ~~or regulation~~ issued by the Department
4 pursuant to this Act or is determined to be ineligible for a
5 discretionary secondary distributor's permit under this Act as
6 provided in this Section, or whenever the licensee shall
7 notify the Department in writing ~~of his desire~~ to have the
8 license canceled. The Department shall have the power, in its
9 discretion, to issue a new license after such suspension,
10 cancellation, or revocation, except when the person who would
11 receive the license is ineligible to receive a discretionary
12 secondary distributor's license under this Section ~~Act~~.

13 (Source: P.A. 96-1027, eff. 7-12-10.)

14 (35 ILCS 135/27) (from Ch. 120, par. 453.57)

15 Sec. 27. Destruction or use of forfeited property.

16 (a) When any original packages of cigarettes or any
17 cigarette vending device shall have been declared forfeited to
18 the State by the Department, as provided in Section 25 of this
19 Act, and when all proceedings for the judicial review of the
20 Department's decision have terminated, the Department shall,
21 to the extent that its decision is sustained on review,
22 destroy or maintain and use such property in an undercover
23 capacity.

24 (b) The Department may, prior to any destruction of
25 cigarettes, permit the true holder of the trademark rights in

1 the cigarette brand to inspect such contraband cigarettes, in
2 order to assist the Department in any investigation regarding
3 such cigarettes.

4 (c) The cost of destruction shall be assessed against the
5 owner or the person in possession of the forfeited property.
6 Such cost shall be assessed regardless of whether the
7 forfeiture is determined by hearing or waiver.

8 (d) Any person aggrieved by any decision of the Department
9 under this Section may, within 20 days after receiving notice
10 of the decision, protest and request a hearing. Upon receiving
11 a written request for a hearing, the Department shall give
12 notice to the person requesting the hearing of the time and
13 place fixed for the hearing and shall hold a hearing in
14 conformity with the provisions of this Act and then issue its
15 final administrative decision in the matter to that person. In
16 the absence of a protest and request for a hearing within 20
17 days, the Department's decision shall become final without any
18 further determination being made or notice given. If a hearing
19 has already been set pursuant to Section 25 or Section 6 of
20 this Act, all issues related to the cost of destruction shall
21 be heard simultaneously.

22 (Source: P.A. 94-776, eff. 5-19-06; 95-1053, eff. 1-1-10.)

23 Section 25. The Tobacco Products Tax Act of 1995 is
24 amended by changing Sections 10-20, 10-21, 10-25, and 10-58 as
25 follows:

1 (35 ILCS 143/10-20)

2 Sec. 10-20. Distributor's licenses.

3 (a) It shall be unlawful for any person to engage in
4 business as a distributor of tobacco products within the
5 meaning of this Act without first having obtained a license to
6 do so from the Department. Application for that license shall
7 be made to the Department, by electronic means, in a form
8 prescribed ~~and furnished~~ by the Department. Each applicant for
9 a license shall furnish to the Department in ~~on~~ a form, signed
10 and verified by the applicant under penalty of perjury, in an
11 electronic format established by the Department,, the
12 following ~~information~~:

13 (1) a statement that the applicant will fully comply
14 with the Tobacco Products Manufacturers' Escrow
15 Enforcement Act of 2003; and

16 (2) the following information:

17 (A) the ~~The~~ name and address of the applicant; -

18 (B) the ~~(2) The~~ address of the location at which
19 the applicant proposes to engage in business as a
20 distributor of tobacco products; and -

21 (C) such other additional ~~(3) Other~~ information as
22 the Department may reasonably require by its rules.

23 Each distributor, except for a distributor who is applying
24 for a distributor's license under this Act for the first time
25 or a distributor who, in the preceding year, had less than

1 \$50,000 of tax liability, shall also file with the Department
2 a bond in an amount not to exceed (i) 3 times the amount of the
3 distributor's average monthly tax liability or (ii) \$50,000,
4 whichever amount is lower, on a form to be approved by the
5 Department. The Department shall fix the amount of the bond
6 for each applicant, taking into consideration the amount of
7 money expected to become due from the applicant under this
8 Act. The amount of bond required by the Department shall be an
9 amount that, in its opinion, will protect the State of
10 Illinois against failure to pay the amount that may become due
11 from the applicant under this Act. Except as otherwise
12 provided in this Section, the bond, a reissue, or a substitute
13 shall be kept in full force and effect during the entire period
14 covered by the license. A separate application for license
15 shall be made, and bond filed, for each place of business at
16 which a person who is required to procure a distributor's
17 license proposes to engage in business as a distributor under
18 this Act.

19 (b) The following are ineligible to receive a
20 distributor's license under this Section:

21 (1) a person who is not of good character and
22 reputation in the community in which the person resides;
23 the Department may consider prior conviction of a felony
24 but, except as provided in item (2), the conviction shall
25 not operate as an absolute bar to licensure;

26 (2) a person who has been convicted of a felony under

1 any federal or State law, if the Department, after
2 investigation and consideration of any mitigating factors
3 and evidence of rehabilitation contained in the
4 applicant's record, including those in Section 4i of the
5 Cigarette Tax Act, and hearing, if requested by the
6 applicant, determines that such person has not been
7 sufficiently rehabilitated to warrant the public trust and
8 the conviction will impair the ability of the person to
9 engage in the position for which a license is sought;

10 (3) a corporation, if any officer, manager, or
11 director thereof, or any stockholder or stockholders
12 owning in the aggregate more than 5% of the stock of such
13 corporation, would not be eligible to receive a license
14 under this Act for any reason;

15 (4) a person who has delinquent reports under Section
16 25 of the Tobacco Products Manufacturers' Escrow
17 Enforcement Act of 2003; or

18 (5) a person, or any person who owns more than 15% of
19 the ownership interests in a person or a related party
20 who:

21 (A) owes, at the time of application, any
22 delinquent taxes that have been determined by law to
23 be due and unpaid under this Act or any other tax Act
24 administered by the Department, unless the license
25 applicant has entered into an agreement approved by
26 the Department to pay the amount due;

1 (B) had a license under this Act, the Cigarette
2 Tax Act, the Cigarette Use Tax Act, or the Cigarette
3 Machine Operator's Occupation Tax Act revoked within
4 the past 2 years by the Department for misconduct
5 relating to stolen or contraband cigarettes or has
6 been convicted of a State or federal crime, punishable
7 by imprisonment of one year or more, relating to
8 stolen or contraband cigarettes;

9 (C) manufactures cigarettes, whether in this State
10 or out of this State, and who is neither (i) a
11 participating manufacturer as defined in subsection
12 II(jj) of the "Master Settlement Agreement" as defined
13 in Sections 10 of the Tobacco Products Manufacturers'
14 Escrow Act and the Tobacco Products Manufacturers'
15 Escrow Enforcement Act of 2003; nor (ii) in full
16 compliance with Tobacco Products Manufacturers' Escrow
17 Act and the Tobacco Products Manufacturers' Escrow
18 Enforcement Act of 2003;

19 (D) has been found by the Department, after notice
20 and a hearing, to have imported or caused to be
21 imported into the United States for sale or
22 distribution any cigarette in violation of 19 U.S.C.
23 1681a;

24 (E) has been found by the Department, after notice
25 and a hearing, to have imported or caused to be
26 imported into the United States for sale or

1 distribution or manufactured for sale or distribution
2 in the United States any cigarette that does not fully
3 comply with the Federal Cigarette Labeling and
4 Advertising Act (15 U.S.C. 1331, et seq.); or

5 (F) has been found by the Department, after notice
6 and a hearing, to have made a materially false
7 statement in the application or has failed to produce
8 records required to be maintained by this Act.

9 (c) The Department, upon receipt of an application and
10 bond, if required, in proper form, from a person who is
11 eligible to receive a distributor's license shall issue to the
12 the applicant a license, in a form prescribed by the
13 Department. The license , which shall allow permit the
14 applicant to whom it is issued to engage in business as a
15 distributor at the place shown on the his or her application.
16 The license shall be issued by the Department without charge
17 or cost to the applicant. No license issued under this Section
18 Act is transferable or assignable. The license shall be
19 conspicuously displayed in the place of business conducted by
20 the licensee under the license. No distributor licensee
21 acquires any vested interest or compensable property right in
22 a license issued under this Section.

23 Licenses issued by the Department under this Section Act
24 shall be valid for a period not to exceed one year after
25 issuance unless sooner revoked, canceled, or suspended as
26 provided in this Act.

1 A licensed distributor shall notify the Department of any
2 change in the information contained on the application form,
3 including any change in ownership and shall do so within 30
4 days after any such change ~~No license shall be issued to any~~
5 ~~person who is in default to the State of Illinois for moneys~~
6 ~~due under this Act or any other tax Act administered by the~~
7 ~~Department.~~

8 The Department shall discharge any surety and shall
9 release and return any bond provided to it by a taxpayer under
10 this Section within 90 days after:

11 (1) the taxpayer becomes a prior continuous compliance
12 taxpayer; or

13 (2) the taxpayer has ceased to collect receipts on
14 which the taxpayer is required to remit the tax under this
15 Act to the Department, has filed a final tax return, and
16 has paid to the Department an amount sufficient to
17 discharge his remaining tax liability as determined by the
18 Department under this Act.

19 For the purposes of item (2), the Department shall make a
20 final determination of the taxpayer's outstanding tax
21 liability as expeditiously as possible after the taxpayer's
22 final tax return under this Act has been filed. If the
23 Department will be unable to make such a final determination
24 within 45 days after receiving the taxpayer's final tax
25 return, then the Department shall notify the taxpayer within
26 that 45-day period stating the reasons why it is unable to make

1 the final determination within that 45-day period.

2 The Department may, in its discretion, upon application,
3 authorize the payment of the tax imposed under Section 10-10
4 by any distributor or manufacturer not otherwise subject to
5 the tax imposed under this Act who, to the satisfaction of the
6 Department, furnishes adequate security to ensure payment of
7 the tax. The distributor or manufacturer shall be issued,
8 without charge, a license to remit the tax. When so
9 authorized, it shall be the duty of the distributor or
10 manufacturer to remit the tax imposed upon the wholesale price
11 of tobacco products sold or otherwise disposed of to retailers
12 or consumers located in this State, in the same manner and
13 subject to the same requirements as any other distributor or
14 manufacturer licensed under this Act.

15 The Department may revoke, suspend, or cancel the license
16 of a distributor of roll-your-own tobacco, ~~as~~ as that term is
17 used in Section 10 of the Tobacco Product Manufacturers'
18 Escrow Act, ~~under~~ under this Act if the tobacco product
19 manufacturer, as defined in Section 10 of the Tobacco Product
20 Manufacturers' Escrow Act, that made or sold the roll-your-own
21 tobacco has failed to become a participating manufacturer, as
22 defined in subdivision (a)(1) of Section 15 of the Tobacco
23 Product Manufacturers' Escrow Act, or has failed to create a
24 qualified escrow fund for any roll-your-own tobacco
25 manufactured by the tobacco product manufacturer and sold in
26 this State or otherwise failed to bring itself into compliance

1 with subdivision (a)(2) of Section 15 of the Tobacco Product
2 Manufacturers' Escrow Act.

3 Any applicant applying for a distributor's license after
4 the applicant's distributor's license has been revoked by the
5 Department shall also file a bond with the Department in an
6 amount equal to 3 times the amount of the applicant's average
7 monthly tax liability under this Act, as that average monthly
8 tax liability was calculated immediately prior to the
9 revocation of the applicant's distributor's license.

10 Any person aggrieved by any decision of the Department
11 under this Section may, within 30 ~~20~~ days after notice of the
12 ~~that~~ decision, protest and request a hearing, whereupon the
13 Department must give notice to that person of the time and
14 place fixed for the hearing and must hold a hearing in
15 conformity with the provisions of this Act and then issue its
16 final administrative decision in the matter to that person. In
17 the absence of such a protest within 30 ~~20~~ days, the
18 Department's decision becomes final without any further
19 determination being made or notice given.

20 (Source: P.A. 103-1001, eff. 8-9-24; 103-1055, eff. 12-20-24.)

21 (35 ILCS 143/10-21)

22 Sec. 10-21. Retailer's license. Beginning on January 1,
23 2016, no person may engage in business as a retailer of tobacco
24 products in this State without first having obtained a license
25 from the Department. Application for license shall be made to

1 the Department, by electronic means, in a form prescribed by
2 the Department. Each applicant for a license under this
3 Section shall furnish to the Department, in a form signed and
4 verified by the applicant under penalty of perjury, in an
5 electronic format established by the Department, the following
6 information:

7 (1) the name and address of the applicant;

8 (2) the address of the location at which the applicant
9 proposes to engage in business as a retailer of tobacco
10 products in this State;

11 (3) such other additional information as the
12 Department may reasonably ~~lawfully~~ require by its rules
13 ~~and regulations~~.

14 The annual license fee payable to the Department for each
15 retailer's license shall be \$150. The fee will be deposited
16 into the Tax Compliance and Administration Fund and shall be
17 used for the cost of tobacco retail inspection and contraband
18 tobacco and tobacco smuggling with at least two-thirds of the
19 money being used for contraband tobacco and tobacco smuggling
20 operations and enforcement.

21 Each applicant for license shall pay such fee to the
22 Department at the time of submitting its application for
23 license to the Department. The Department shall require an
24 applicant for a license under this Section to electronically
25 file and pay the fee.

26 A separate application for license shall be made and a

1 separate annual license fee shall be paid for each place of
2 business at which a person who is required to procure a
3 retailer's license under this Section proposes to engage in
4 business as a retailer in Illinois under this Section Act.

5 The following are ineligible to receive a retailer's
6 license under this Act:

7 (1) a person who has been convicted of a felony under
8 any federal or State law for smuggling cigarettes or
9 tobacco products or tobacco tax evasion, if the
10 Department, after investigation and a hearing if requested
11 by the applicant, determines that such person has not been
12 sufficiently rehabilitated to warrant the public trust;
13 and

14 (2) a corporation, if any officer, manager, or
15 director thereof, or any stockholder or stockholders
16 owning in the aggregate more than 5% of the stock of such
17 corporation, would not be eligible to receive a license
18 under this Act for any reason; a limited liability
19 company, if any member or managing member would not be
20 eligible to receive a license under this Act for any
21 reason; a partnership, if any partner would not be
22 eligible to receive a license under this Act for any
23 reason.

24 The Department, upon receipt of an application and license
25 fee, in proper form, from a person who is eligible to receive a
26 retailer's license under this Act, shall issue to such

1 applicant a license in form as prescribed by the Department,
2 which license shall permit the applicant to which it is issued
3 to engage in business as a retailer under this Act at the place
4 shown in the ~~his~~ application. All licenses issued by the
5 Department under this Section shall be valid for a period not
6 to exceed one year after issuance unless sooner revoked,
7 canceled or suspended as provided in this Act. No license
8 issued under this Section is transferable or assignable. Such
9 license shall be conspicuously displayed in the place of
10 business conducted by the licensee in Illinois under such
11 license. No licensee acquires any vested interest or
12 compensable property right in a license issued under this
13 Section.

14 A licensed retailer shall notify the Department of any
15 change in the information contained on the application form,
16 including any change in ownership and shall do so within 30
17 days after any such change.

18 A person who obtains a license as a retailer who ceases to
19 do business as specified in the license, or who never
20 commenced business, or whose license is suspended or revoked,
21 shall immediately surrender the license to the Department. The
22 Department shall not issue a license to a retailer unless the
23 retailer is also validly registered under the Retailers
24 Occupation Tax Act.

25 A retailer as defined under this Act need not obtain an
26 additional license under this Act, but shall be deemed to be

1 sufficiently licensed by virtue of ~~his~~ being properly licensed
2 as a retailer under Section 4g of the Cigarette Tax Act.

3 Any person aggrieved by any decision of the Department
4 under this Section may, within 30 days after notice of the
5 decision, protest and request a hearing. Upon receiving a
6 request for a hearing, the Department shall give notice to the
7 person requesting the hearing of the time and place fixed for
8 the hearing and shall hold a hearing in conformity with the
9 provisions of this Act and then issue its final administrative
10 decision in the matter to that person. In the absence of a
11 protest and request for a hearing within 30 days, the
12 Department's decision shall become final without any further
13 determination being made or notice given.

14 (Source: P.A. 104-6, eff. 7-1-25.)

15 (35 ILCS 143/10-25)

16 Sec. 10-25. License actions.

17 (a) The Department may, after notice and a hearing,
18 revoke, cancel, or suspend the license of any distributor or
19 retailer who ~~violates any of the provisions of this Act,~~ fails
20 to keep books and records as required under this Act, fails to
21 make books and records available for inspection upon demand by
22 a duly authorized employee of the Department, or violates a
23 rule ~~or regulation~~ of the Department for the administration
24 and enforcement of this Act. The notice shall specify the
25 alleged violation or violations upon which the revocation,

1 cancellation, or suspension proceeding is based.

2 (b) The Department may, after notice and hearing as
3 provided for by this Act, revoke, cancel, or suspend the
4 license of any distributor or retailer for the violation of
5 any provision of this Act, or for noncompliance with the
6 provisions of this Act, or for any noncompliance with any
7 lawful rule promulgated by the Department under this Act, or
8 because the licensee is determined to be ineligible for a
9 distributor's license for any one or more of the reasons
10 provided for in Section 10-20 of this Act, or because the
11 licensee is determined to be ineligible for retailer's license
12 for any one or more of the reasons provided for in Section
13 10-21 of this Act.

14 (b-5) The Department may revoke, cancel, or suspend the
15 license of any distributor for a violation of the Tobacco
16 Products Manufacturers' Escrow Enforcement Act of 2003 as
17 provided in Section 30 of that Act.

18 (c) If the retailer has a training program that
19 facilitates compliance with minimum-age tobacco laws, the
20 Department shall suspend for 3 days the license of that
21 retailer for a fourth or subsequent violation of the
22 Prevention of Tobacco Use by Persons under 21 Years of Age and
23 Sale and Distribution of Tobacco Products Act, as provided in
24 subsection (a) of Section 2 of that Act. For the purposes of
25 this Section, any violation of subsection (a) of Section 2 of
26 the Prevention of Tobacco Use by Persons under 21 Years of Age

1 and Sale and Distribution of Tobacco Products Act occurring at
2 the retailer's licensed location, during a 24-month period,
3 shall be counted as a violation against the retailer.

4 If the retailer does not have a training program that
5 facilitates compliance with minimum-age tobacco laws, the
6 Department shall suspend for 3 days the license of that
7 retailer for a second violation of the Prevention of Tobacco
8 Use by Persons under 21 Years of Age and Sale and Distribution
9 of Tobacco Products Act, as provided in subsection (a-5) of
10 Section 2 of that Act.

11 If the retailer does not have a training program that
12 facilitates compliance with minimum-age tobacco laws, the
13 Department shall suspend for 7 days the license of that
14 retailer for a third violation of the Prevention of Tobacco
15 Use by Persons under 21 Years of Age and Sale and Distribution
16 of Tobacco Products Act, as provided in subsection (a-5) of
17 Section 2 of that Act.

18 If the retailer does not have a training program that
19 facilitates compliance with minimum-age tobacco laws, the
20 Department shall suspend for 30 days the license of a retailer
21 for a fourth or subsequent violation of the Prevention of
22 Tobacco Use by Persons under 21 Years of Age and Sale and
23 Distribution of Tobacco Products Act, as provided in
24 subsection (a-5) of Section 2 of that Act.

25 A training program that facilitates compliance with
26 minimum-age tobacco laws must include at least the following

1 elements: (i) it must explain that only individuals displaying
2 valid identification demonstrating that they are 21 years of
3 age or older shall be eligible to purchase cigarettes or
4 tobacco products and (ii) it must explain where a clerk can
5 check identification for a date of birth. The training may be
6 conducted electronically. Each retailer that has a training
7 program shall require each employee who completes the training
8 program to sign a form attesting that the employee has
9 received and completed tobacco training. The form shall be
10 kept in the employee's file and may be used to provide proof of
11 training.

12 (c-5) Any distributor or retailer aggrieved by any
13 decision of the Department under this Section may, within 30
14 days after notice of the decision, protest and request a
15 hearing. Upon receiving a written request for a hearing, the
16 Department shall give notice in writing to the distributor or
17 retailer requesting the hearing that contains a statement of
18 the charges preferred against the distributor or retailer and
19 that states the time and place fixed for the hearing. The
20 Department shall hold the hearing in conformity with the
21 provisions of this Act and then issue its final administrative
22 decision in the matter to the distributor or retailer. In the
23 absence of a written protest and request for a hearing within
24 30 days, the Department's decision shall become final without
25 any further determination being made or notice given.

26 (c-10) No license so revoked shall be reissued to any

1 distributor or retailer for a period of 6 months after the date
2 of the final determination of such revocation. No license
3 shall be reissued at all so long as the person who would
4 receive the license is ineligible to receive a distributor's
5 license under this Act for any one or more of the reasons
6 provided for in Section 10-20 of this Act or a retailer's
7 license under this Act for any one or more of the reasons
8 provided for in Section 10-21 of this Act.

9 (d) The Department may, by application to any circuit
10 court, obtain an injunction restraining any person who engages
11 in business as a distributor of tobacco products without a
12 license (either because the ~~his or her~~ license has been
13 revoked, canceled, or suspended or because of a failure to
14 obtain a license in the first instance) from engaging in that
15 business until that person, as if that person were a new
16 applicant for a license, complies with all of the conditions,
17 restrictions, and requirements of Section 10-20 of this Act
18 and qualifies for and obtains a license. Refusal or neglect to
19 obey the order of the court may result in punishment for
20 contempt.

21 (e) The Department, upon complaint filed in the circuit
22 court, may, by injunction, restrain any person who fails or
23 refuses to comply with any of the provisions of this Act from
24 acting as a distributor or retailer in this State.

25 (Source: P.A. 104-6, eff. 6-16-25.)

1 (35 ILCS 143/10-58)

2 Sec. 10-58. Sale of forfeited tobacco products or vending
3 devices.

4 (a) When any tobacco products or any vending devices are
5 declared forfeited to the State by the Department, as provided
6 in Section 10-55, and when all proceedings for the judicial
7 review of the Department's decision have terminated, the
8 Department shall, to the extent that its decision is sustained
9 on review, sell the property for the best price obtainable and
10 shall forthwith pay over the proceeds of the sale to the State
11 Treasurer. If the value of the property to be sold at any one
12 time is \$500 or more, however, the property shall be sold only
13 to the highest and best bidder on terms and conditions, and on
14 open competitive bidding after public advertisement, in a
15 manner and for terms as the Department, by rule, may
16 prescribe.

17 (b) If no complaint for review, as provided in Section 12
18 of the Retailers' Occupation Tax Act, has been filed within
19 the time required by Law, and if no stay order has been entered
20 under that Law, the Department shall proceed to destroy,
21 maintain and use in an undercover capacity, or sell the
22 property for the best price obtainable and shall forthwith pay
23 over the proceeds of the sale to the State Treasurer. If the
24 value of the property to be sold at any one time is \$500 or
25 more, however, the property shall be sold only to the highest
26 and best bidder on terms and conditions, and on open

1 competitive bidding after public advertisement, in a manner
2 and for terms as the Department, by rule, may prescribe.

3 (c) Upon making a sale of tobacco products as provided in
4 this Section, the Department shall affix a distinctive stamp
5 to each of the tobacco products so sold indicating that they
6 are sold under this Section.

7 (d) The cost of destruction shall be assessed against the
8 owner or the person in possession of the forfeited property.
9 Such cost shall be assessed regardless of whether the
10 forfeiture is determined by hearing or waiver.

11 (e) Notwithstanding the foregoing, any tobacco products
12 seized under this Act may, at the discretion of the Director of
13 Revenue, be distributed to any eleemosynary institution within
14 the State of Illinois.

15 (f) Any person aggrieved by any decision of the Department
16 under this Section may, within 20 days after receiving notice
17 of the decision, protest and request a hearing. Upon receiving
18 a written request for a hearing, the Department shall give
19 notice to the person requesting the hearing of the time and
20 place fixed for the hearing and shall hold a hearing in
21 conformity with the provisions of this Act and then issue its
22 final administrative decision in the matter to that person. In
23 the absence of a protest and request for a hearing within 20
24 days, the Department's decision shall become final without any
25 further determination being made or notice given. If a hearing
26 has already been set pursuant to Section 10-25 or Section

1 10-56 of this Act, all issues related to the cost of
2 destruction shall be heard simultaneously.

3 (Source: P.A. 97-1129, eff. 8-28-12.)

4 Section 95. No acceleration or delay. Where this Act makes
5 changes in a statute that is represented in this Act by text
6 that is not yet or no longer in effect (for example, a Section
7 represented by multiple versions), the use of that text does
8 not accelerate or delay the taking effect of (i) the changes
9 made by this Act or (ii) provisions derived from any other
10 Public Act.