

AN ACT concerning liquor.

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

Section 5. The Liquor Control Act of 1934 is amended by changing Sections 3-4, 3-12, 8-2, 10-1, and 10-7.1 as follows:

(235 ILCS 5/3-4) (from Ch. 43, par. 100)

Sec. 3-4. Authority to conduct investigations. The State Commission ~~commission~~ shall obtain, pursuant to the provisions of the ~~"Personnel Code" enacted by the 69th General Assembly,~~ such inspectors, clerks, and other employees as may be necessary to carry out the provisions of this Act, or to perform the duties and exercise the powers conferred by law upon the State Commission ~~commission~~. The inspectors obtained by the State Commission shall not be peace officers and shall not exercise any powers of a peace officer.

The State Commission shall have the power to appoint investigators to conduct investigations, searches, seizures, arrests, and other duties required to enforce the provisions of this Act, on behalf of the State Commission, and to ensure the health, safety, and welfare of the People of the State of Illinois. The Commission's investigators are peace officers and have all the powers possessed by police officers in cities and by sheriffs. State Commission investigators may exercise

these powers throughout the State whenever enforcing the provisions of this Act, subject to the rules and orders of the State Commission. No State Commission investigator may have peace officer status or may exercise police powers unless: (1) he or she successfully completes the basic police training course mandated and approved by the Illinois Law Enforcement Training Standards Board; or (2) the Illinois Law Enforcement Training Standards Board waives the training requirement by reason of the investigator's prior law enforcement experience, training, or both.

The Executive Director must authorize to each investigator of the State Commission and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face: (1) clearly states that the badge is authorized by the State Commission; and (2) contains a unique identifying number. No other badge shall be authorized by the State Commission. Nothing in this Section prohibits the Executive Director from issuing shields or other distinctive identification to employees performing security or regulatory duties who are not peace officers if the Executive Director determines that a shield or distinctive identification is needed by the employee to carry out his or her responsibilities.

(Source: P.A. 82-783.)

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

(a) The State Commission shall have the following powers, functions, and duties:

(1) To receive applications and to issue licenses to manufacturers, foreign importers, importing distributors, distributors, non-resident dealers, on premise consumption retailers, off premise sale retailers, special event retailer licensees, special use permit licenses, auction liquor licenses, brew pubs, caterer retailers, non-beverage users, railroads, including owners and lessees of sleeping, dining and cafe cars, airplanes, boats, brokers, and wine maker's premises licensees in accordance with the provisions of this Act, and to suspend or revoke such licenses upon the State Commission's determination, upon notice after hearing, that a licensee has violated any provision of this Act or any rule or regulation issued pursuant thereto and in effect for 30 days prior to such violation. Except in the case of an action taken pursuant to a violation of Section 6-3, 6-5, or 6-9, any action by the State Commission to suspend or revoke a licensee's license may be limited to the license for the specific premises where the violation occurred. An action for a violation of this Act shall be commenced by the State Commission within 2 years after the date the State Commission becomes aware of the violation.

In lieu of suspending or revoking a license, the

commission may impose a fine, upon the State Commission's determination and notice after hearing, that a licensee has violated any provision of this Act or any rule or regulation issued pursuant thereto and in effect for 30 days prior to such violation.

For the purpose of this paragraph (1), when determining multiple violations for the sale of alcohol to a person under the age of 21, a second or subsequent violation for the sale of alcohol to a person under the age of 21 shall only be considered if it was committed within 5 years after the date when a prior violation for the sale of alcohol to a person under the age of 21 was committed.

The fine imposed under this paragraph may not exceed \$500 for each violation. Each day that the activity, which gave rise to the original fine, continues is a separate violation. The maximum fine that may be levied against any licensee, for the period of the license, shall not exceed \$20,000. The maximum penalty that may be imposed on a licensee for selling a bottle of alcoholic liquor with a foreign object in it or serving from a bottle of alcoholic liquor with a foreign object in it shall be the destruction of that bottle of alcoholic liquor for the first 10 bottles so sold or served from by the licensee. For the eleventh bottle of alcoholic liquor and for each third bottle thereafter sold or served from by the licensee with a foreign object in it, the maximum penalty that may be

imposed on the licensee is the destruction of the bottle of alcoholic liquor and a fine of up to \$50.

Any notice issued by the State Commission to a licensee for a violation of this Act or any notice with respect to settlement or offer in compromise shall include the field report, photographs, and any other supporting documentation necessary to reasonably inform the licensee of the nature and extent of the violation or the conduct alleged to have occurred. The failure to include such required documentation shall result in the dismissal of the action.

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

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

(4) To recommend to local commissioners rules and regulations, not inconsistent with the law, for the

distribution and sale of alcoholic liquors throughout the State.

(5) To inspect, or cause to be inspected, any premises in this State where alcoholic liquors are manufactured, distributed, warehoused, or sold. Nothing in this Act authorizes an agent of the State Commission ~~Commission~~ to inspect private areas within the premises without reasonable suspicion or a warrant during an inspection. "Private areas" include, but are not limited to, safes, personal property, and closed desks.

(5.1) Upon receipt of a complaint or upon having knowledge that any person is engaged in business as a manufacturer, importing distributor, distributor, or retailer without a license or valid license, to conduct an investigation. If, after conducting an investigation, the State Commission is satisfied that the alleged conduct occurred or is occurring, it may issue a cease and desist notice as provided in this Act, impose civil penalties as provided in this Act, to notify the local liquor authority, or file a complaint with the State's Attorney's Office of the county where the incident occurred or the Attorney General, ~~or initiate an investigation with the appropriate law enforcement officials.~~

(5.2) Upon receipt of a complaint or upon having knowledge that any person is ~~To issue a cease and desist notice to persons~~ shipping alcoholic liquor into this State

from a point outside of this State if the shipment is in violation of this Act, to conduct an investigation. If, after conducting an investigation, the State Commission is satisfied that the alleged conduct occurred or is occurring, it may issue a cease and desist notice as provided in this Act, impose civil penalties as provided in this Act, notify the foreign jurisdiction, or file a complaint with the State's Attorney's Office of the county where the incident occurred or the Attorney General.

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

(5.4) To make arrests and issue notices of civil violations where necessary for the enforcement of this Act.

(5.5) To investigate any and all unlicensed activity.

(5.6) To impose civil penalties or fines to any person who, without holding a valid license, engages in conduct that requires a license pursuant to this Act, in an amount not to exceed \$20,000 for each offense as determined by the State Commission. A civil penalty shall be assessed by the State Commission after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a hearing for the revocation or suspension of a license.

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

(7) The State Commission ~~commission~~ shall establish uniform systems of accounts to be kept by all retail licensees having more than 4 employees, and for this purpose the State Commission ~~commission~~ may classify all retail licensees having more than 4 employees and establish a uniform system of accounts for each class and prescribe the manner in which such accounts shall be kept. The State Commission ~~commission~~ may also prescribe the forms of accounts to be kept by all retail licensees having more than 4 employees, including but not limited to accounts of



earnings and expenses and any distribution, payment, or other distribution of earnings or assets, and any other forms, records and memoranda which in the judgment of the commission may be necessary or appropriate to carry out any of the provisions of this Act, including but not limited to such forms, records and memoranda as will readily and accurately disclose at all times the beneficial ownership of such retail licensed business. The accounts, forms, records and memoranda shall be available at all reasonable times for inspection by authorized representatives of the State Commission or by any local liquor control commissioner or his or her authorized representative. The commission, may, from time to time, alter, amend or repeal, in whole or in part, any uniform system of accounts, or the form and manner of keeping accounts.

(8) In the conduct of any hearing authorized to be held by the State Commission ~~commission~~, to appoint, at the commission's discretion, hearing officers to conduct hearings involving complex issues or issues that will require a protracted period of time to resolve, to examine, or cause to be examined, under oath, any licensee, and to examine or cause to be examined the books and records of such licensee; to hear testimony and take proof material for its information in the discharge of its duties hereunder; to administer or cause to be administered oaths; for any such purpose to issue subpoena or subpoenas to

require the attendance of witnesses and the production of books, which shall be effective in any part of this State, and to adopt rules to implement its powers under this paragraph (8).

Any circuit court may by order duly entered, require the attendance of witnesses and the production of relevant books subpoenaed by the State Commission and the court may compel obedience to its order by proceedings for contempt.

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

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

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

(11.1) To license persons providing education and training to alcohol beverage sellers and servers for

mandatory and non-mandatory training under the Beverage Alcohol Sellers and Servers Education and Training (BASSET) programs and to develop and administer a public awareness program in Illinois to reduce or eliminate the illegal purchase and consumption of alcoholic beverage products by persons under the age of 21. Application for a license shall be made on forms provided by the State Commission.

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

(13) (Blank).

(14) On or before April 30, 2008 and every 2 years thereafter, the State Commission shall present a written report to the Governor and the General Assembly that shall be based on a study of the impact of Public Act 95-634 on the business of soliciting, selling, and shipping wine from inside and outside of this State directly to residents of this State. As part of its report, the State Commission shall provide all of the following information:

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

(B) The amount of licensing fees received.

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

(D) The number of alcohol compliance operations

conducted.

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

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

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

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

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

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

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

more than 25,000 gallons of wine; and (4) will not annually sell more than 5,000 gallons of its wine to retail licensees.

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

(E) Except in hearings for violations of this Act or Public Act 95-634 or a bona fide investigation by duly sworn law enforcement officials, the State Commission, or its agents, the State Commission shall maintain the production and sales information of a self-distribution exemption holder as confidential and shall not release such information to any person.

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

(G) Nothing in this paragraph ~~subsection~~ (17) shall

prohibit a self-distribution exemption holder from entering into or simultaneously having a distribution agreement with a licensed Illinois distributor.

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

(18)(A) A class 1 brewer licensee, who must also be either a licensed brewer or licensed non-resident dealer and annually manufacture less than 930,000 gallons of beer, may make application to the State Commission for a self-distribution exemption to allow the sale of not more than 232,500 gallons of the exemption holder's beer per year to retail licensees and to brewers, class 1 brewers, and class 2 brewers that, pursuant to subsection (e) of Section 6-4 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries.

(B) In the application, which shall be sworn under

penalty of perjury, the class 1 brewer licensee shall state (1) the date it was established; (2) its volume of beer manufactured and sold for each year since its establishment; (3) its efforts to establish distributor relationships; (4) that a self-distribution exemption is necessary to facilitate the marketing of its beer; and (5) that it will comply with the alcoholic beverage and revenue laws of the United States, this State, and any other state where it is licensed.

(C) Any application submitted shall be posted on the State Commission's website at least 45 days prior to action by the State Commission. The State Commission shall approve the application for a self-distribution exemption if the class 1 brewer licensee: (1) is in compliance with the State, revenue, and alcoholic beverage laws; (2) is not a member of any affiliated group that manufactures more than 930,000 gallons of beer per annum or produces any other alcoholic beverages; (3) shall not annually manufacture for sale more than 930,000 gallons of beer; (4) shall not annually sell more than 232,500 gallons of its beer to retail licensees or to brewers, class 1 brewers, and class 2 brewers that, pursuant to subsection (e) of Section 6-4 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries; and (5) has relinquished any brew pub license held by the licensee, including any ownership interest it held in the licensed brew pub.



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

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

(F) Nothing in this paragraph (18) shall prohibit a self-distribution exemption holder from entering into or simultaneously having a distribution agreement with a licensed Illinois importing distributor or a distributor. If a self-distribution exemption holder enters into a distribution agreement and has assigned distribution rights to an importing distributor or distributor, then the self-distribution exemption holder's distribution rights in the assigned territories shall cease in a reasonable time not to exceed 60 days.

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

(b) On or before April 30, 1999, the Commission shall present a written report to the Governor and the General Assembly that shall be based on a study of the impact of Public Act 90-739 on the business of soliciting, selling, and shipping alcoholic liquor from outside of this State directly to residents of this State.

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

(i) the amount of State excise and sales tax revenues generated as a result of Public Act 90-739;

(ii) the amount of licensing fees received as a result of Public Act 90-739;

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

(Source: P.A. 99-78, eff. 7-20-15; 99-448, eff. 8-24-15;

100-134, eff. 8-18-17; 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 100-1012, eff. 8-21-18; 100-1050, eff. 8-23-18; revised 10-24-18.)

(235 ILCS 5/8-2) (from Ch. 43, par. 159)

Sec. 8-2. Payments; reports. It is the duty of each manufacturer with respect to alcoholic liquor produced or imported by such manufacturer, or purchased tax-free by such manufacturer from another manufacturer or importing distributor, and of each importing distributor as to alcoholic liquor purchased by such importing distributor from foreign importers or from anyone from any point in the United States outside of this State or purchased tax-free from another manufacturer or importing distributor, to pay the tax imposed by Section 8-1 to the Department of Revenue on or before the 15th day of the calendar month following the calendar month in which such alcoholic liquor is sold or used by such manufacturer or by such importing distributor other than in an authorized tax-free manner or to pay that tax electronically as provided in this Section.

Each manufacturer and each importing distributor shall make payment under one of the following methods: (1) on or before the 15th day of each calendar month, file in person or by United States first-class mail, postage pre-paid, with the Department of Revenue, on forms prescribed and furnished by the Department, a report in writing in such form as may be required

by the Department in order to compute, and assure the accuracy of, the tax due on all taxable sales and uses of alcoholic liquor occurring during the preceding month. Payment of the tax in the amount disclosed by the report shall accompany the report or, (2) on or before the 15th day of each calendar month, electronically file with the Department of Revenue, on forms prescribed and furnished by the Department, an electronic report in such form as may be required by the Department in order to compute, and assure the accuracy of, the tax due on all taxable sales and uses of alcoholic liquor occurring during the preceding month. An electronic payment of the tax in the amount disclosed by the report shall accompany the report. A manufacturer or distributor who files an electronic report and electronically pays the tax imposed pursuant to Section 8-1 to the Department of Revenue on or before the 15th day of the calendar month following the calendar month in which such alcoholic liquor is sold or used by that manufacturer or importing distributor other than in an authorized tax-free manner shall pay to the Department the amount of the tax imposed pursuant to Section 8-1, less a discount which is allowed to reimburse the manufacturer or importing distributor for the expenses incurred in keeping and maintaining records, preparing and filing the electronic returns, remitting the tax, and supplying data to the Department upon request.

The discount shall be in an amount as follows:

- (1) For original returns due on or after January 1,

2003 through September 30, 2003, the discount shall be 1.75% or \$1,250 per return, whichever is less;

(2) For original returns due on or after October 1, 2003 through September 30, 2004, the discount shall be 2% or \$3,000 per return, whichever is less; and

(3) For original returns due on or after October 1, 2004, the discount shall be 2% or \$2,000 per return, whichever is less.

The Department may, if it deems it necessary in order to insure the payment of the tax imposed by this Article, require returns to be made more frequently than and covering periods of less than a month. Such return shall contain such further information as the Department may reasonably require.

It shall be presumed that all alcoholic liquors acquired or made by any importing distributor or manufacturer have been sold or used by him in this State and are the basis for the tax imposed by this Article unless proven, to the satisfaction of the Department, that such alcoholic liquors are (1) still in the possession of such importing distributor or manufacturer, or (2) prior to the termination of possession have been lost by theft or through unintentional destruction, or (3) that such alcoholic liquors are otherwise exempt from taxation under this Act.

If any payment provided for in this Section exceeds the manufacturer's or importing distributor's liabilities under this Act, as shown on an original report, the manufacturer or

importing distributor may credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the manufacturer or importing distributor, the manufacturer's or importing distributor's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and the manufacturer or importing distributor shall be liable for penalties and interest on such difference.

The Department may require any foreign importer to file monthly information returns, by the 15th day of the month following the month which any such return covers, if the Department determines this to be necessary to the proper performance of the Department's functions and duties under this Act. Such return shall contain such information as the Department may reasonably require.

Every manufacturer and importing distributor, except for a manufacturer or importing distributor that in the preceding year had less than \$50,000 of tax liability under this Article, shall also file, with the Department, a bond in an amount not less than \$1,000 and not to exceed \$100,000 on a form to be approved by, and with a surety or sureties satisfactory to, the Department. Such bond shall be conditioned upon the manufacturer or importing distributor paying to the Department

all monies becoming due from such manufacturer or importing distributor under this Article. The Department shall fix the penalty of such bond in each case, taking into consideration the amount of alcoholic liquor expected to be sold and used by such manufacturer or importing distributor, and the penalty fixed by the Department shall be sufficient, in the Department's opinion, to protect the State of Illinois against failure to pay any amount due under this Article, but the amount of the penalty fixed by the Department shall not exceed twice the amount of tax liability of a monthly return, nor shall the amount of such penalty be less than \$1,000. The Department shall notify the State Commission of the Department's approval or disapproval of any such manufacturer's or importing distributor's bond, or of the termination or cancellation of any such bond, or of the Department's direction to a manufacturer or importing distributor that he must file additional bond in order to comply with this Section. The Commission shall not issue a license to any applicant for a manufacturer's or importing distributor's license unless the Commission has received a notification from the Department showing that such applicant has filed a satisfactory bond with the Department hereunder and that such bond has been approved by the Department. Failure by any licensed manufacturer or importing distributor to keep a satisfactory bond in effect with the Department or to furnish additional bond to the Department, when required hereunder by

the Department to do so, shall be grounds for the revocation or suspension of such manufacturer's or importing distributor's license by the Commission. If a manufacturer or importing distributor fails to pay any amount due under this Article, his bond with the Department shall be deemed forfeited, and the Department may institute a suit in its own name on such bond.

After notice and opportunity for a hearing the State Commission may revoke or suspend the license of any manufacturer or importing distributor who fails to comply with the provisions of this Section. Notice of such hearing and the time and place thereof shall be in writing and shall contain a statement of the charges against the licensee. Such notice may be given by United States registered or certified mail with return receipt requested, addressed to the person concerned at his last known address and shall be given not less than 7 days prior to the date fixed for the hearing. An order revoking or suspending a license under the provisions of this Section may be reviewed in the manner provided in Section 7-10 of this Act. No new license shall be granted to a person whose license has been revoked for a violation of this Section or, in case of suspension, shall such suspension be terminated until he has paid to the Department all taxes and penalties which he owes the State under the provisions of this Act.

Every manufacturer or importing distributor who has, as verified by the Department, continuously complied with the conditions of the bond under this Act for a period of 2 years



shall be considered to be a prior continuous compliance taxpayer. In determining the consecutive period of time for qualification as a prior continuous compliance taxpayer, any consecutive period of time of qualifying compliance immediately prior to the effective date of this amendatory Act of 1987 shall be credited to any manufacturer or importing distributor.

A manufacturer or importing distributor that is a prior continuous compliance taxpayer under this Section and becomes a successor as the result of an acquisition, merger, or consolidation of a manufacturer or importing distributor shall be deemed to be a prior continuous compliance taxpayer with respect to the acquired, merged, or consolidated entity.

Every prior continuous compliance taxpayer shall be exempt from the bond requirements of this Act until the Department has determined the taxpayer to be delinquent in the filing of any return or deficient in the payment of any tax under this Act. Any taxpayer who fails to pay an admitted or established liability under this Act may also be required to post bond or other acceptable security with the Department guaranteeing the payment of such admitted or established liability.

The Department shall discharge any surety and shall release and return any bond or security deposit assigned, pledged or otherwise provided to it by a taxpayer under this Section within 30 days after: (1) such taxpayer becomes a prior continuous compliance taxpayer; or (2) such taxpayer has ceased

to collect receipts on which he is required to remit tax to the Department, has filed a final tax return, and has paid to the Department an amount sufficient to discharge his remaining tax liability as determined by the Department under this Act.

(Source: P.A. 100-1171, eff. 1-4-19.)

(235 ILCS 5/10-1) (from Ch. 43, par. 183)

Sec. 10-1. Violations; penalties. Whereas a substantial threat to the sound and careful control, regulation, and taxation of the manufacture, sale, and distribution of alcoholic liquors exists by virtue of individuals who manufacture, import, distribute, or sell alcoholic liquors within the State without having first obtained a valid license to do so, and whereas such threat is especially serious along the borders of this State, and whereas such threat requires immediate correction by this Act, by active investigation and prosecution by the State Commission, law enforcement officials, and prosecutors, and by prompt and strict enforcement through the courts of this State to punish violators and to deter such conduct in the future:

(a) Any person who manufactures, imports for distribution or use, transports from outside this State into this State, or distributes or sells 108 liters (28.53 gallons) or more of wine, 45 liters (11.88 gallons) or more of distilled spirits, or 118 liters (31.17 gallons) or more of beer at any place within the State without having first obtained a valid license

to do so under the provisions of this Act shall be guilty of a Class 4 felony for each offense. However, any person who was duly licensed under this Act and whose license expired within 30 days prior to a violation shall be guilty of a business offense and fined not more than \$1,000 for the first such offense and shall be guilty of a Class 4 felony for each subsequent offense.

Any person who manufactures, imports for distribution, transports from outside this State into this State for sale or resale in this State, or distributes or sells less than 108 liters (28.53 gallons) of wine, less than 45 liters (11.88 gallons) of distilled spirits, or less than 118 liters (31.17 gallons) of beer at any place within the State without having first obtained a valid license to do so under the provisions of this Act shall be guilty of a business offense and fined not more than \$1,000 for the first such offense and shall be guilty of a Class 4 felony for each subsequent offense. This subsection does not apply to a motor carrier or freight forwarder, as defined in Section 13102 of Title 49 of the United States Code, an air carrier, as defined in Section 40102 of Title 49 of the United States Code, or a rail carrier, as defined in Section 10102 of Title 49 of the United States Code.

Any person who: (1) ~~both~~ has been issued an initial cease and desist notice from the State Commission; and (2) for compensation, does any of the following: (i) ships alcoholic liquor into this State without a license authorized by Section

5-1 issued by the State Commission or in violation of that license; or (ii) manufactures, imports for distribution, transports from outside this State into this State for sale or resale in this State, or distributes or sells alcoholic liquors at any place without having first obtained a valid license to do so is guilty of a Class 4 felony for each offense.

(b) (1) Any retailer, caterer retailer, brew pub, special event retailer, special use permit holder, homebrewer special event permit holder, or craft distiller tasting permit holder who knowingly causes alcoholic liquors to be imported directly into the State of Illinois from outside of the State for the purpose of furnishing, giving, or selling to another, except when having received the product from a duly licensed distributor or importing distributor, ~~licensed in this State, who knowingly causes to furnish, give, sell, or otherwise being within the State, any alcoholic liquor destined to be used, distributed, consumed or sold in another state, unless such alcoholic liquor was received in this State by a duly licensed distributor, or importing distributors~~ shall have his license suspended for 30 ~~7~~ days for the first offense and for the second offense, shall have his license revoked by the Commission.

(2) In the event the State Commission receives a certified copy of a final order from a foreign jurisdiction that an Illinois retail licensee has been found to have violated that foreign jurisdiction's laws, rules, or regulations concerning

the importation of alcoholic liquor into that foreign jurisdiction, the violation may be grounds for the State Commission to revoke, suspend, or refuse to issue or renew a license, to impose a fine, or to take any additional action provided by this Act with respect to the Illinois retail license or licensee. Any such action on the part of the State Commission shall be in accordance with this Act and implementing rules.

For the purposes of paragraph (2): (i) "foreign jurisdiction" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, and (ii) "final order" means an order or judgment of a court or administrative body that determines the rights of the parties respecting the subject matter of the proceeding, that remains in full force and effect, and from which no appeal can be taken.

(c) Any person who shall make any false statement or otherwise violates any of the provisions of this Act in obtaining any license hereunder, or who having obtained a license hereunder shall violate any of the provisions of this Act with respect to the manufacture, possession, distribution or sale of alcoholic liquor, or with respect to the maintenance of the licensed premises, or shall violate any other provision of this Act, shall for a first offense be guilty of a petty offense and fined not more than \$500, and for a second or subsequent offense shall be guilty of a Class B misdemeanor.

(c-5) Any owner of an establishment that serves alcohol on its premises, if more than 50% of the establishment's gross receipts within the prior 3 months is from the sale of alcohol, who knowingly fails to prohibit concealed firearms on its premises or who knowingly makes a false statement or record to avoid the prohibition of concealed firearms on its premises under the Firearm Concealed Carry Act shall be guilty of a business offense with a fine up to \$5,000.

(d) Each day any person engages in business as a manufacturer, foreign importer, importing distributor, distributor or retailer in violation of the provisions of this Act shall constitute a separate offense.

(e) Any person, under the age of 21 years who, for the purpose of buying, accepting or receiving alcoholic liquor from a licensee, represents that he is 21 years of age or over shall be guilty of a Class A misdemeanor.

(f) In addition to the penalties herein provided, any person licensed as a wine-maker in either class who manufactures more wine than authorized by his license shall be guilty of a business offense and shall be fined \$1 for each gallon so manufactured.

(g) A person shall be exempt from prosecution for a violation of this Act if he is a peace officer in the enforcement of the criminal laws and such activity is approved in writing by one of the following:

- (1) In all counties, the respective State's Attorney;

(2) The Director of State Police under Section 2605-10, 2605-15, 2605-75, 2605-100, 2605-105, 2605-110, 2605-115, 2605-120, 2605-130, 2605-140, 2605-190, 2605-200, 2605-205, 2605-210, 2605-215, 2605-250, 2605-275, 2605-300, 2605-305, 2605-315, 2605-325, 2605-335, 2605-340, 2605-350, 2605-355, 2605-360, 2605-365, 2605-375, 2605-390, 2605-400, 2605-405, 2605-420, 2605-430, 2605-435, 2605-500, 2605-525, or 2605-550 of the Department of State Police Law (20 ILCS 2605/2605-10, 2605/2605-15, 2605/2605-75, 2605/2605-100, 2605/2605-105, 2605/2605-110, 2605/2605-115, 2605/2605-120, 2605/2605-130, 2605/2605-140, 2605/2605-190, 2605/2605-200, 2605/2605-205, 2605/2605-210, 2605/2605-215, 2605/2605-250, 2605/2605-275, 2605/2605-300, 2605/2605-305, 2605/2605-315, 2605/2605-325, 2605/2605-335, 2605/2605-340, 2605/2605-350, 2605/2605-355, 2605/2605-360, 2605/2605-365, 2605/2605-375, 2605/2605-390, 2605/2605-400, 2605/2605-405, 2605/2605-420, 2605/2605-430, 2605/2605-435, 2605/2605-500, 2605/2605-525, or 2605/2605-550); or

(3) In cities over 1,000,000, the Superintendent of Police.

(Source: P.A. 98-63, eff. 7-9-13; 99-904, eff. 1-1-17.)

(235 ILCS 5/10-7.1) (from Ch. 43, par. 189.1)

Sec. 10-7.1. The State Commission, upon receipt of a complaint or upon having knowledge that any person is engaged in the business as a manufacturer, importing distributor, distributor, or retailer without a license or valid license, shall conduct an investigation. If, after conducting an investigation, the State Commission is satisfied that the alleged conduct occurred or is occurring, it may issue a cease and desist notice as provided in this Act, issue civil penalties as provided in this Act, notify the Department of Revenue and the local liquor authority, or ~~and~~ file a complaint with the State's Attorney's Office of the County where the incident occurred or with the Attorney General ~~initiate an investigation with the appropriate law enforcement officials.~~

(Source: P.A. 90-739, eff. 8-13-98.)

Section 99. Effective date. This Act takes effect upon becoming law, except that the changes to Section 8-2 of the Liquor Control Act of 1934 take effect upon becoming law.