

1 AN ACT in relation to alcoholic liquor.

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

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

6 (235 ILCS 5/3-12) (from Ch. 43, par. 108)

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

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

10 (1) To receive applications and to issue licenses  
11 to manufacturers, foreign importers, importing  
12 distributors, distributors, non-resident dealers, on  
13 premise consumption retailers, off premise sale  
14 retailers, special event retailer licensees, special use  
15 permit licenses, auction liquor licenses, brew pubs,  
16 caterer retailers, non-beverage users, railroads,  
17 including owners and lessees of sleeping, dining and cafe  
18 cars, airplanes, boats, brokers, and wine maker's  
19 premises licensees in accordance with the provisions of  
20 this Act, and to suspend or revoke such licenses upon the  
21 State commission's determination, upon notice after  
22 hearing, that a licensee has violated any provision of  
23 this Act or any rule or regulation issued pursuant  
24 thereto and in effect for 30 days prior to such  
25 violation.

26 In lieu of suspending or revoking a license, the  
27 commission may impose a fine, upon the State commission's  
28 determination and notice after hearing, that a licensee  
29 has violated any provision of this Act or any rule or  
30 regulation issued pursuant thereto and in effect for 30  
31 days prior to such violation. The fine imposed under

1 this paragraph may not exceed \$500 for each violation.  
2 Each day that the activity, which gave rise to the  
3 original fine, continues is a separate violation. The  
4 maximum fine that may be levied against any licensee, for  
5 the period of the license, shall not exceed \$20,000. The  
6 maximum penalty that may be imposed on a licensee for  
7 selling a bottle of alcoholic liquor with a foreign  
8 object in it or serving from a bottle of alcoholic liquor  
9 with a foreign object in it shall be the destruction of  
10 that bottle of alcoholic liquor for the first 10 bottles  
11 so sold or served from by the licensee. For the eleventh  
12 bottle of alcoholic liquor and for each third bottle  
13 thereafter sold or served from by the licensee with a  
14 foreign object in it, the maximum penalty that may be  
15 imposed on the licensee is the destruction of the bottle  
16 of alcoholic liquor and a fine of up to \$50.

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

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

30 (4) To recommend to local commissioners rules and  
31 regulations, not inconsistent with the law, for the  
32 distribution and sale of alcoholic liquors throughout the  
33 State.

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

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

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

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

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

31 (6) To hear and determine appeals from orders of a  
32 local commission in accordance with the provisions of  
33 this Act, as hereinafter set forth. Hearings under this  
34 subsection shall be held in Springfield or Chicago, at

1           whichever location is the more convenient for the  
2           majority of persons who are parties to the hearing.

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

28          (8) In the conduct of any hearing authorized to be  
29          held by the commission, to appoint, at the Commission's  
30          discretion, hearing officers, to examine, or cause to be  
31          examined, under oath, any licensee, and to examine or  
32          cause to be examined the books and records of such  
33          licensee; to hear testimony and take proof material for  
34          its information in the discharge of its duties hereunder;

1 to administer or cause to be administered oaths; and for  
2 any such purpose to issue subpoena or subpoenas to  
3 require the attendance of witnesses and the production of  
4 books, which shall be effective in any part of this  
5 State, and to adopt rules to implement its powers under  
6 this paragraph (8).

7 Any Circuit Court may by order duly entered, require  
8 the attendance of witnesses and the production of  
9 relevant books subpoenaed by the State commission and the  
10 court may compel obedience to its order by proceedings  
11 for contempt.

12 (9) To investigate the administration of laws in  
13 relation to alcoholic liquors in this and other states  
14 and any foreign countries, and to recommend from time to  
15 time to the Governor and through him or her to the  
16 legislature of this State, such amendments to this Act,  
17 if any, as it may think desirable and as will serve to  
18 further the general broad purposes contained in Section  
19 1-2 hereof.

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

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

30 (11.1) To license persons providing education and  
31 training to alcohol beverage sellers and servers under  
32 the Beverage Alcohol Sellers and Servers Education and  
33 Training (BASSET) programs and to develop and administer  
34 a public awareness program in Illinois to reduce or

1 eliminate the illegal purchase and consumption of  
2 alcoholic beverage products by persons under the age of  
3 21. Application for a license shall be made on forms  
4 provided by the State Commission.

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

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

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

18 (i) the number of retail distributors of  
19 tobacco products, by type and geographic area, in  
20 the State;

21 (ii) the number of reported citations and  
22 successful convictions, categorized by type and  
23 location of retail distributor, for violation of the  
24 Sale of Tobacco to Minors Act and the Smokeless  
25 Tobacco Limitation Act;

26 (iii) the extent and nature of organized  
27 educational and governmental activities that are  
28 intended to promote, encourage or otherwise secure  
29 compliance with any Illinois laws that prohibit the  
30 sale or distribution of tobacco products to minors;  
31 and

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

34 To obtain the data necessary to comply with the

1 provisions of P.L. 102-321 and the requirements of this  
2 report, the Commission shall conduct random, unannounced  
3 inspections of a geographically and scientifically  
4 representative sample of the State's retail tobacco  
5 distributors.

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

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

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

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

25 (i) the amount of State excise and sales tax  
26 revenues generated as a result of this amendatory Act of  
27 1998;

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

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

1 (Source: P.A. 91-553, eff. 8-14-99; 91-922, eff. 7-7-00;  
2 92-378, eff. 8-16-01.)

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