



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4430**

by Rep. Charles Meier

#### SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-2

from Ch. 43, par. 120

Amends the Liquor Control Act of 1934. Provides that no license of any kind issued by the Illinois Liquor Control Commission or a local liquor control commission shall be issued to a person who, in violation of a specified provision of the Raffles and Poker Runs Act, sells raffle tickets in a physical location that is outside the jurisdiction of the local authority that licensed the raffle or a person who, in violation of a specified provision of the Raffles and Poker Runs Act, sells raffle tickets in a manner that violates the terms of the local license that authorized the raffle. Provides that the prohibition may not be used to initiate an investigation by the State Commission or a local liquor control commission against a license holder who sells raffle tickets inside the jurisdiction of the local authority that licensed the raffle in a manner that is in compliance with State law and local ordinance. Makes other changes. Effective immediately.

LRB100 18221 RPS 33424 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Section 6-2 as follows:

6 (235 ILCS 5/6-2) (from Ch. 43, par. 120)

7 Sec. 6-2. Issuance of licenses to certain persons  
8 prohibited.

9 (a) Except as otherwise provided in subsection (b) of this  
10 Section and in paragraph (1) of subsection (a) of Section 3-12,  
11 no license of any kind issued by the State Commission or any  
12 local commission shall be issued to:

13 (1) A person who is not a resident of any city, village  
14 or county in which the premises covered by the license are  
15 located; except in case of railroad or boat licenses.

16 (2) A person who is not of good character and  
17 reputation in the community in which he resides.

18 (3) A person who is not a citizen of the United States.

19 (4) A person who has been convicted of a felony under  
20 any Federal or State law, unless the Commission determines  
21 that such person will not be impaired by the conviction in  
22 engaging in the licensed practice after considering  
23 matters set forth in such person's application in

1           accordance with Section 6-2.5 of this Act and the  
2           Commission's investigation.

3           (5) A person who has been convicted of keeping a place  
4           of prostitution or keeping a place of juvenile  
5           prostitution, promoting prostitution that involves keeping  
6           a place of prostitution, or promoting juvenile  
7           prostitution that involves keeping a place of juvenile  
8           prostitution.

9           (6) A person who has been convicted of pandering.

10          (7) A person whose license issued under this Act has  
11          been revoked for cause.

12          (8) A person who at the time of application for renewal  
13          of any license issued hereunder would not be eligible for  
14          such license upon a first application.

15          (9) A copartnership, if any general partnership  
16          thereof, or any limited partnership thereof, owning more  
17          than 5% of the aggregate limited partner interest in such  
18          copartnership would not be eligible to receive a license  
19          hereunder for any reason other than residence within the  
20          political subdivision, unless residency is required by  
21          local ordinance.

22          (10) A corporation or limited liability company, if any  
23          member, officer, manager or director thereof, or any  
24          stockholder or stockholders owning in the aggregate more  
25          than 5% of the stock of such corporation, would not be  
26          eligible to receive a license hereunder for any reason

1 other than citizenship and residence within the political  
2 subdivision.

3 (10a) A corporation or limited liability company  
4 unless it is incorporated or organized in Illinois, or  
5 unless it is a foreign corporation or foreign limited  
6 liability company which is qualified under the Business  
7 Corporation Act of 1983 or the Limited Liability Company  
8 Act to transact business in Illinois. The Commission shall  
9 permit and accept from an applicant for a license under  
10 this Act proof prepared from the Secretary of State's  
11 website that the corporation or limited liability company  
12 is in good standing and is qualified under the Business  
13 Corporation Act of 1983 or the Limited Liability Company  
14 Act to transact business in Illinois.

15 (11) A person whose place of business is conducted by a  
16 manager or agent unless the manager or agent possesses the  
17 same qualifications required by the licensee.

18 (12) A person who has been convicted of a violation of  
19 any Federal or State law concerning the manufacture,  
20 possession or sale of alcoholic liquor, subsequent to the  
21 passage of this Act or has forfeited his bond to appear in  
22 court to answer charges for any such violation, unless the  
23 Commission determines, in accordance with Section 6-2.5 of  
24 this Act, that the person will not be impaired by the  
25 conviction in engaging in the licensed practice.

26 (13) A person who does not beneficially own the

1 premises for which a license is sought, or does not have a  
2 lease thereon for the full period for which the license is  
3 to be issued.

4 (14) Any law enforcing public official, including  
5 members of local liquor control commissions, any mayor,  
6 alderman, or member of the city council or commission, any  
7 president of the village board of trustees, any member of a  
8 village board of trustees, or any president or member of a  
9 county board; and no such official shall have a direct  
10 interest in the manufacture, sale, or distribution of  
11 alcoholic liquor, except that a license may be granted to  
12 such official in relation to premises that are not located  
13 within the territory subject to the jurisdiction of that  
14 official if the issuance of such license is approved by the  
15 State Liquor Control Commission and except that a license  
16 may be granted, in a city or village with a population of  
17 55,000 or less, to any alderman, member of a city council,  
18 or member of a village board of trustees in relation to  
19 premises that are located within the territory subject to  
20 the jurisdiction of that official if (i) the sale of  
21 alcoholic liquor pursuant to the license is incidental to  
22 the selling of food, (ii) the issuance of the license is  
23 approved by the State Commission, (iii) the issuance of the  
24 license is in accordance with all applicable local  
25 ordinances in effect where the premises are located, and  
26 (iv) the official granted a license does not vote on

1 alcoholic liquor issues pending before the board or council  
2 to which the license holder is elected. Notwithstanding any  
3 provision of this paragraph (14) to the contrary, an  
4 alderman or member of a city council or commission, a  
5 member of a village board of trustees other than the  
6 president of the village board of trustees, or a member of  
7 a county board other than the president of a county board  
8 may have a direct interest in the manufacture, sale, or  
9 distribution of alcoholic liquor as long as he or she is  
10 not a law enforcing public official, a mayor, a village  
11 board president, or president of a county board. To prevent  
12 any conflict of interest, the elected official with the  
13 direct interest in the manufacture, sale, or distribution  
14 of alcoholic liquor shall not participate in any meetings,  
15 hearings, or decisions on matters impacting the  
16 manufacture, sale, or distribution of alcoholic liquor.  
17 Furthermore, the mayor of a city with a population of  
18 55,000 or less or the president of a village with a  
19 population of 55,000 or less may have an interest in the  
20 manufacture, sale, or distribution of alcoholic liquor as  
21 long as the council or board over which he or she presides  
22 has made a local liquor control commissioner appointment  
23 that complies with the requirements of Section 4-2 of this  
24 Act.

25 (15) A person who is not a beneficial owner of the  
26 business to be operated by the licensee.

1           (16) A person who has been convicted of a gambling  
2 offense as proscribed by any of subsections (a) (3) through  
3 (a) (11) of Section 28-1 of, or as proscribed by Section  
4 28-1.1 or 28-3 of, the Criminal Code of 1961 or the  
5 Criminal Code of 2012, or as proscribed by a statute  
6 replaced by any of the aforesaid statutory provisions.

7           (17) A person or entity to whom a federal wagering  
8 stamp has been issued by the federal government, unless the  
9 person or entity is eligible to be issued a license under  
10 ~~the Raffles and Poker Runs Act~~ or the Illinois Pull Tabs  
11 and Jar Games Act.

12           (17.5) A person who, in violation of subsection (a) of  
13 Section 2 of the Raffles and Poker Runs Act, sells raffle  
14 tickets in a physical location that is outside the  
15 jurisdiction of the local authority that licensed the  
16 raffle or a person who, in violation of Section 2 of the  
17 Raffles and Poker Runs Act, sells raffle tickets in a  
18 manner that violates the terms of the local license that  
19 authorized the raffle. This paragraph (17.5) may not be  
20 used to initiate an investigation by the State Commission  
21 or a local liquor control commission against a license  
22 holder who sells raffle tickets inside the jurisdiction of  
23 the local authority that licensed the raffle in a manner  
24 that is in compliance with State law and local ordinance.

25           (18) A person who intends to sell alcoholic liquors for  
26 use or consumption on his or her licensed retail premises

1 who does not have liquor liability insurance coverage for  
2 that premises in an amount that is at least equal to the  
3 maximum liability amounts set out in subsection (a) of  
4 Section 6-21.

5 (19) A person who is licensed by any licensing  
6 authority as a manufacturer of beer, or any partnership,  
7 corporation, limited liability company, or trust or any  
8 subsidiary, affiliate, or agent thereof, or any other form  
9 of business enterprise licensed as a manufacturer of beer,  
10 having any legal, equitable, or beneficial interest,  
11 directly or indirectly, in a person licensed in this State  
12 as a distributor or importing distributor. For purposes of  
13 this paragraph (19), a person who is licensed by any  
14 licensing authority as a "manufacturer of beer" shall also  
15 mean a brewer and a non-resident dealer who is also a  
16 manufacturer of beer, including a partnership,  
17 corporation, limited liability company, or trust or any  
18 subsidiary, affiliate, or agent thereof, or any other form  
19 of business enterprise licensed as a manufacturer of beer.

20 (20) A person who is licensed in this State as a  
21 distributor or importing distributor, or any partnership,  
22 corporation, limited liability company, or trust or any  
23 subsidiary, affiliate, or agent thereof, or any other form  
24 of business enterprise licensed in this State as a  
25 distributor or importing distributor having any legal,  
26 equitable, or beneficial interest, directly or indirectly,



1 in a person licensed as a manufacturer of beer by any  
2 licensing authority, or any partnership, corporation,  
3 limited liability company, or trust or any subsidiary,  
4 affiliate, or agent thereof, or any other form of business  
5 enterprise, except for a person who owns, on or after the  
6 effective date of this amendatory Act of the 98th General  
7 Assembly, no more than 5% of the outstanding shares of a  
8 manufacturer of beer whose shares are publicly traded on an  
9 exchange within the meaning of the Securities Exchange Act  
10 of 1934. For the purposes of this paragraph (20), a person  
11 who is licensed by any licensing authority as a  
12 "manufacturer of beer" shall also mean a brewer and a  
13 non-resident dealer who is also a manufacturer of beer,  
14 including a partnership, corporation, limited liability  
15 company, or trust or any subsidiary, affiliate, or agent  
16 thereof, or any other form of business enterprise licensed  
17 as a manufacturer of beer.

18 (b) A criminal conviction of a corporation is not grounds  
19 for the denial, suspension, or revocation of a license applied  
20 for or held by the corporation if the criminal conviction was  
21 not the result of a violation of any federal or State law  
22 concerning the manufacture, possession or sale of alcoholic  
23 liquor, the offense that led to the conviction did not result  
24 in any financial gain to the corporation and the corporation  
25 has terminated its relationship with each director, officer,  
26 employee, or controlling shareholder whose actions directly

1 contributed to the conviction of the corporation. The  
2 Commission shall determine if all provisions of this subsection  
3 (b) have been met before any action on the corporation's  
4 license is initiated.

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

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