

## ATTACHMENT 2

West's Smith-Hurd Illinois Compiled Statutes Annotated  
Chapter 235. Liquor  
Act 5. Liquor Control Act of 1934 (Refs & Annos)  
Article VI. General Provisions

235 ILCS 5/6-2  
Formerly cited as IL ST CH 43 ¶120

5/6-2. Issuance of licenses to certain persons prohibited

Effective: July 16, 2014  
Currentness

§ 6-2. Issuance of licenses to certain persons prohibited.

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

- (1) A person who is not a resident of any city, village or county in which the premises covered by the license are located; except in case of railroad or boat licenses.
- (2) A person who is not of good character and reputation in the community in which he resides.
- (3) A person who is not a citizen of the United States.
- (4) A person who has been convicted of a felony under any Federal or State law, unless the Commission determines that such person has been sufficiently rehabilitated to warrant the public trust after considering matters set forth in such person's application and the Commission's investigation. The burden of proof of sufficient rehabilitation shall be on the applicant.
- (5) A person who has been convicted of keeping a place of prostitution or keeping a place of juvenile prostitution, promoting prostitution that involves keeping a place of prostitution, or promoting juvenile prostitution that involves keeping a place of juvenile prostitution.
- (6) A person who has been convicted of pandering or other crime or misdemeanor opposed to decency and morality.
- (7) A person whose license issued under this Act has been revoked for cause.
- (8) A person who at the time of application for renewal of any license issued hereunder would not be eligible for such license upon a first application.

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

(10) A corporation or limited liability company, if any member, officer, manager or director thereof, or any stockholder or stockholders owning in the aggregate more than 5% of the stock of such corporation, would not be eligible to receive a license hereunder for any reason other than citizenship and residence within the political subdivision.

(10a) A corporation or limited liability company unless it is incorporated or organized in Illinois, or unless it is a foreign corporation or foreign limited liability company which is qualified under the Business Corporation Act of 1983<sup>1</sup> or the Limited Liability Company Act to transact business in Illinois. The Commission shall permit and accept from an applicant for a license under this Act proof prepared from the Secretary of State's website that the corporation or limited liability company is in good standing and is qualified under the Business Corporation Act of 1983 or the Limited Liability Company Act to transact business in Illinois.

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

(12) A person who has been convicted of a violation of any Federal or State law concerning the manufacture, possession or sale of alcoholic liquor, subsequent to the passage of this Act or has forfeited his bond to appear in court to answer charges for any such violation.

(13) A person who does not beneficially own the premises for which a license is sought, or does not have a lease thereon for the full period for which the license is to be issued.

(14) Any law enforcing public official, including members of local liquor control commissions, any mayor, alderman, or member of the city council or commission, any president of the village board of trustees, any member of a village board of trustees, or any president or member of a county board; and no such official shall have a direct interest in the manufacture, sale, or distribution of alcoholic liquor, except that a license may be granted to such official in relation to premises that are not located within the territory subject to the jurisdiction of that official if the issuance of such license is approved by the State Liquor Control Commission and except that a license may be granted, in a city or village with a population of 55,000 or less, to any alderman, member of a city council, or member of a village board of trustees in relation to premises that are located within the territory subject to the jurisdiction of that official if (i) the sale of alcoholic liquor pursuant to the license is incidental to the selling of food, (ii) the issuance of the license is approved by the State Commission, (iii) the issuance of the license is in accordance with all applicable local ordinances in effect where the premises are located, and (iv) the official granted a license does not vote on alcoholic liquor issues pending before the board or council to which the license holder is elected. Notwithstanding any provision of this paragraph (14) to the contrary, an alderman or member of a city council or commission, a member of a village board of trustees other than the president of the village board of trustees, or a member of a county board other than the president of a county board may have a direct interest in the manufacture, sale, or distribution of alcoholic liquor as long as he or she is not a law enforcing public official, a mayor, a village board president, or president of a county board. To prevent any conflict of interest, the elected official with the direct interest in the manufacture, sale, or distribution of alcoholic liquor shall not participate in any meetings, hearings, or decisions on matters impacting the manufacture, sale, or distribution of alcoholic liquor. Furthermore, the mayor of a city with a population of 55,000 or less or the president of a village with a population of 55,000 or less may have an interest in the manufacture, sale, or distribution of

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alcoholic liquor as long as the council or board over which he or she presides has made a local liquor control commissioner appointment that complies with the requirements of Section 4-2 of this Act.

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

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

(17) A person or entity to whom a federal wagering stamp has been issued by the federal government, unless the person or entity is eligible to be issued a license under the Raffles and Poker Runs Act<sup>3</sup> or the Illinois Pull Tabs and Jar Games Act.<sup>4</sup>

(18) A person who intends to sell alcoholic liquors for use or consumption on his or her licensed retail premises who does not have liquor liability insurance coverage for that premises in an amount that is at least equal to the maximum liability amounts set out in subsection (a) of Section 6-21.

(19) A person who is licensed by any licensing authority as a manufacturer of beer, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacturer of beer, having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed in this State as a distributor or importing distributor. For purposes of this paragraph (19), a person who is licensed by any licensing authority as a “manufacturer of beer” shall also mean a brewer and a non-resident dealer who is also a manufacturer of beer, including a partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacturer of beer.

(20) A person who is licensed in this State as a distributor or importing distributor, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed in this State as a distributor or importing distributor having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed as a manufacturer of beer by any licensing authority, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise, except for a person who owns, on or after the effective date of this amendatory Act of the 98th General Assembly, no more than 5% of the outstanding shares of a manufacturer of beer whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934. For the purposes of this paragraph (20), a person who is licensed by any licensing authority as a “manufacturer of beer” shall also mean a brewer and a non-resident dealer who is also a manufacturer of beer, including a partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacturer of beer.

(b) A criminal conviction of a corporation is not grounds for the denial, suspension, or revocation of a license applied for or held by the corporation if the criminal conviction was not the result of a violation of any federal or State law concerning the manufacture, possession or sale of alcoholic liquor, the offense that led to the conviction did not result in any financial gain to the corporation and the corporation has terminated its relationship with each director, officer, employee, or controlling shareholder whose actions directly contributed to the conviction of the corporation. The Commission shall determine if all provisions of this subsection (b) have been met before any action on the corporation's license is initiated.

**Credits**

Laws 1933-34, 2nd Sp.Sess., p. 57, art. VI, § 2, eff. Jan. 31, 1934. Amended by Laws 1937, p. 31, § 1, eff. July 12, 1937; Laws 1957, p. 1913, § 1, eff. July 8, 1957; Laws 1965, p. 433, § 1, eff. July 1, 1965; Laws 1965, p. 1224, § 1, eff. July 2, 1965; Laws 1967, p. 1679, § 1, eff. July 17, 1967; Laws 1967, p. 3522, § 1, eff. Sept. 1, 1967; Laws 1968, p. 568, § 1, eff. July 1, 1969; P.A. 77-377, § 1, eff. July 23, 1971; P.A. 79-1183, § 1, eff. July 1, 1976. Renumbered § 6-2 and amended by P.A. 82-783, Art. VI, § 2, eff. July 13, 1982. Amended by P.A. 83-779, § 1, eff. Sept. 24, 1983; P.A. 83-1254, § 1, eff. Aug. 13, 1984; P.A. 83-1362, Art. IV, § 8.1, eff. Sept. 11, 1984; P.A. 86-534, § 1, eff. Jan. 1, 1990; P.A. 88-652, § 5, eff. Sept. 16, 1994; P.A. 89-250, § 5, eff. Jan. 1, 1996; P.A. 92-378, § 5, eff. Aug. 16, 2001; P.A. 93-266, § 5, eff. Jan. 1, 2004; P.A. 93-1057, § 10, eff. Dec. 2, 2004; P.A. 94-5, § 5, eff. June 3, 2005; P.A. 94-289, § 5, eff. Jan. 1, 2006; P.A. 94-381, § 5, eff. July 29, 2005; P.A. 95-331, § 790, eff. Aug. 21, 2007; P.A. 96-1551, Art. 2, § 1000, eff. July 1, 2011; P.A. 97-1059, § 5, eff. Aug. 24, 2012; P.A. 97-1150, § 500, eff. Jan. 25, 2013; P.A. 98-10, § 5, eff. May 6, 2013; P.A. 98-21, § 5, eff. June 13, 2013; P.A. 98-644, § 20, eff. June 10, 2014; P.A. 98-756, § 535, eff. July 16, 2014.

**Formerly** Ill.Rev.Stat.1991, ch. 43, ¶ 120.

Notes of Decisions (27)

**Footnotes**

1 805 ILCS 5/1.01 et seq.

2 720 ILCS 5/28-1, 5/28-1.1 or 5/28-3.

3 230 ILCS 15/0.01 et seq.

4 230 ILCS 20/1 et seq.

235 I.L.C.S. 5/6-2, IL ST CH 235 § 5/6-2

Current through P.A. 98-1174 of the 2014 Reg. Sess.