



Illinois Liquor Control
Commission

Industry Education Guide for Illinois Liquor Licensees



TABLE OF CONTENTS

ILLINOIS LIQUOR CONTROL COMMISSION MISSION STATEMENT

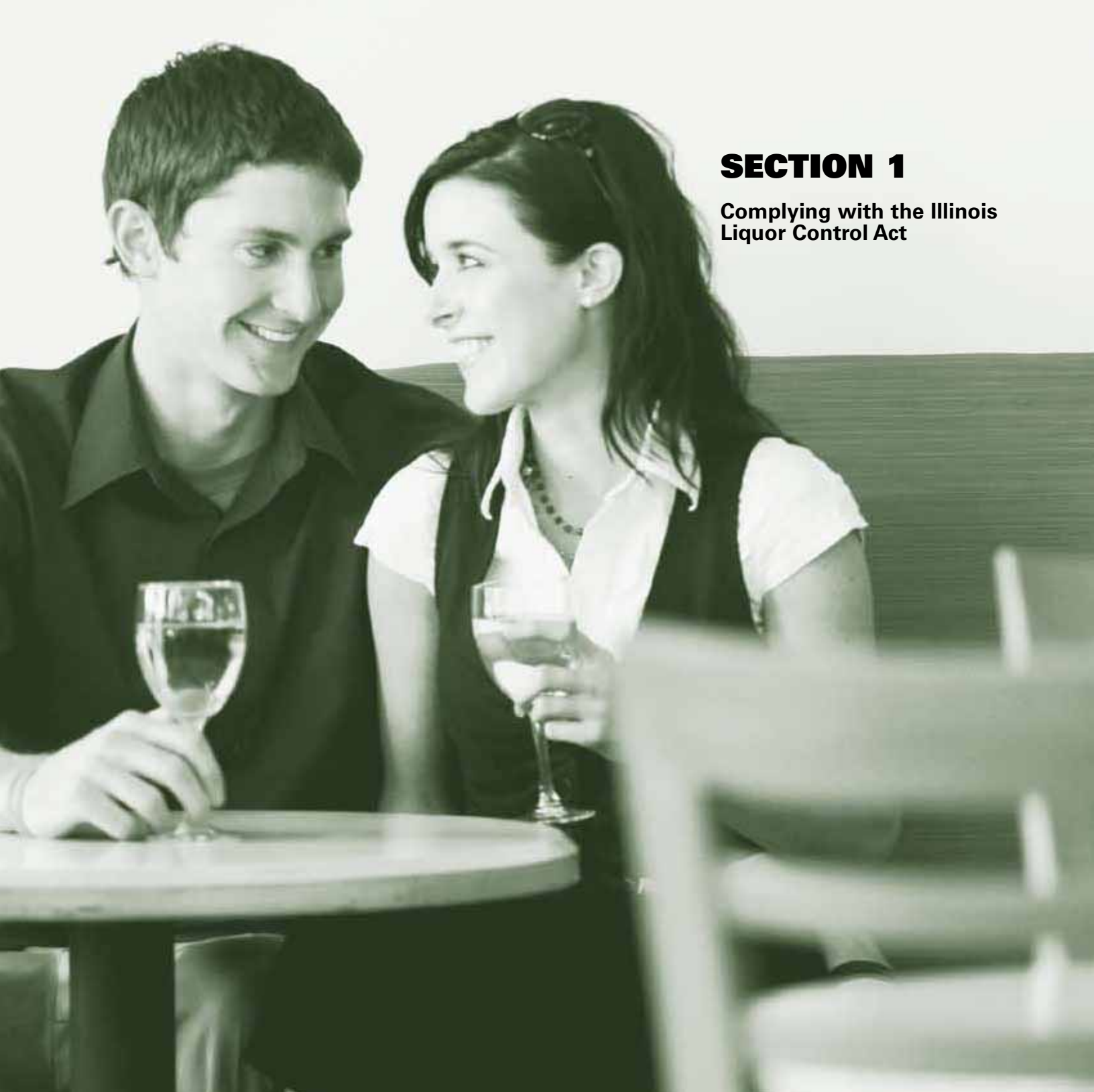
“To protect the health, safety and welfare of the people of Illinois through careful control and regulation of the manufacture, distribution, and sale of alcoholic liquors and through the development of strategies to reduce youth access to tobacco products.”

PURPOSE OF INDUSTRY EDUCATION GUIDE

To provide a brief reference for liquor licensees so they can equip their staff with the knowledge of state liquor laws, which will ensure their businesses will prosper in compliance with the law.

This guide highlights some of the methods licensees can use daily to prevent violations from occurring.

Section 1: Complying with the Illinois Liquor Control Act	1
I. The Illinois Liquor Control Act	2
II. The Illinois Liquor Control Commission Authority	3
III. The Role of Local Liquor Control Commissions	3
IV. State Licensure Provisions and Qualifications	3
V. Protecting the Public	6
Section 2: Responsible Selling & Serving of Alcohol	9
I. The Illinois Liquor Control Act and Dram Shop Liability	11
II. How Alcohol Affects the Body and Blood Alcohol Concentration (BAC)	12
III. Retailer Prevention Strategies	14
IV. “Happy Hour Law” Legislation	16
Section 3: Preventing Underage Sales & Consumption	17
I. Proof of Legal Age	18
II. Screening and Checking Identification	18
III. Additional Safeguards Against Underage Sales and Purchases	20
IV. Criminal Penalties for Breaking Underage Laws	20



SECTION 1

Complying with the Illinois Liquor Control Act

OVERVIEW

After reading this section, key points related to the following topics will be identified:

- I. The Illinois Liquor Control Act
- II. The Illinois Liquor Control Commission's Authority
- III. The Role of Local Liquor Control Commissions
- IV. State Licensure Provisions and Qualifications
- V. Protecting the Public

COMPLYING WITH THE ILLINOIS LIQUOR CONTROL ACT

The information in this section is intended simply as a *guide* to compliance, and does not cover every aspect of the Illinois Liquor Control Act of 1934. The topics included reflect those that the Illinois Liquor Control Commission considers more serious, the violations found most often during site inspections, and those that seem to cause the most confusion.

The following section provides descriptions of the Illinois Liquor Control Act (the Act), its Rules and Regulations (Rules), the Illinois Liquor Control Commission's structure and duties, and the powers of local liquor license authorities.

It should also be noted that the Act and Rules & Regulations may change and it is the licensee's responsibility to know and comply with all provisions of the law.

(Copies of the Illinois Liquor Control Act and Rules and Regulations are available from the ILCC. In addition, changes to the law and rules are summarized in the Commission's newsletter which is mailed to all licensees on a quarterly basis.)

Section 1 also includes a description of the following:

- ILCC Premises Inspection
- Violation Notification
- Enforcement Policies
- Complaint Investigation
- Qualifications for Licensure
- Provisions to Protect the Public

I. THE ILLINOIS LIQUOR CONTROL ACT

Generally, the requirements of the Act can be categorized as provisions that:

Ensure qualifications for licensure are met. The Act and Rules provide guidance regarding the issuance of a liquor license:

- All Illinois business taxes due must be paid.
- Full disclosure of ownership and changes thereof must be on record.
- Retail licensees must have a current local retail liquor license.
- A State liquor license cannot be issued to individuals convicted of a felony (unless shown to be sufficiently rehabilitated), pandering, keeping a house of ill fame, gambling offenses, or to public officials and law enforcement agents in the jurisdiction where the local license would be issued, etc.

Protect the public safety. The Act and Rules give the ILCC authority to ensure the public is protected and alcoholic liquor is served and sold responsibly, including:

- The minimum age to purchase and consume alcoholic beverages is 21.
- Happy hours are prohibited.
- Intoxicated persons cannot be sold alcoholic beverages.
- Bottles of alcoholic liquor cannot be refilled.
- Taps must indicate the brand dispensed and shot glasses must measure a minimum of one (1) ounce.
- No bottles are allowed to contain contaminated alcoholic liquor.
- Cleaning requirements for beer, wine and mechanical pre-mix dispensing systems are specified.

- Licensed premises (public areas, bathroom areas, storage areas, etc.) must be kept clean and in sanitary condition.
- Alcohol pregnancy warning signs, etc., must be posted.

Maintain the independence of the industry’s “three tiers” (manufacturer, distributor, retailer). The Tied House provisions of the Act and Rules prohibit distributors and manufacturers from giving retailers inducements to purchase other than the price and quality of their products. This prevents relationships where a retailer is “tied” to a manufacturer or distributor to the exclusion of other brands, or where a manufacturer or distributor discriminates in favor of one retailer over another. The ILCC enforces provisions which forbid a manufacturer or distributor from gaining an interest in a retail liquor license, such as:

- Extending credit for purchases in excess of 30 days.
- Loaning money.
- Having an interest in a retailer’s premises.
- Providing furniture, fixtures or equipment.

II. THE ILLINOIS LIQUOR CONTROL COMMISSION AUTHORITY

The Illinois Liquor Control Commission was established to regulate and control the sale, distribution and manufacture of alcoholic liquor by issuing licenses according to requirements established by the Act. To ensure compliance and to enforce the Act, the Commission is empowered to inspect licensed premises, including examination of liquor invoices, and financial books and records. If violations are found, the ILCC can impose fines, or suspend, revoke or refuse to renew licenses. The Commission is also

responsible for establishing programs that reduce youth access to tobacco products.

III. THE ROLE OF LOCAL LIQUOR CONTROL COMMISSIONS

By law, the local liquor control commissioner is the mayor or president of the Board of Trustees of a city, town or village, or in unincorporated areas, the president or chairman of the County Board. Because Illinois is a dual licensing state, retailers must first be licensed by the local licensing authority in order for the Commission to issue a State of Illinois Retailer’s Liquor License.

The local liquor license authority has the power to enact and enforce local ordinances, along with enforcing the Illinois Liquor Control Act.

Local Liquor Commissioners may:

- Determine the number, kind and classification of retail licenses.
- Set the hours of operation, and whether alcoholic liquor may be sold on Sunday.
- Establish license fees.
- Enact further regulations and restrictions applicable to local licensees consistent with the Act.
- Investigate an applicant before issuing a local license or license renewal, and require a fingerprint check.
- Determine whether anyone under age 21 can be on a licensed premises and if a person under 21 years of age, but over 18 years of age, can be employed to serve, sell or deliver alcoholic beverages.
- Impose fines, suspend, fine and suspend, or revoke licenses for violations of local and state laws, as well as provisions of the Illinois Liquor Control Act.
- Inspect licensed premises and examine licensee’s financial books and records to determine compliance with applicable local and state law.

Appeals

After conducting a formal hearing, the local liquor commissioner can fine, suspend, fine and suspend, or revoke licenses for a violation(s) of local, state and/or federal laws and the Illinois Liquor Control Act. However, the licensee may appeal this decision.

The Illinois Liquor Control Commission hears appeals of local liquor commissioners’ decisions for jurisdictions with populations under 500,000. In Chicago, local decisions may be appealed to the Chicago License Appeal Commission (two ILCC commissioners also sit on the Chicago License Appeal Commission).

IV. STATE LICENSURE PROVISIONS AND QUALIFICATIONS

A state liquor license grants a business the privilege to sell, distribute or manufacture alcoholic beverages as long as the business operates in compliance with all applicable state and federal laws, rules and regulations and, most specifically, the Illinois Liquor Control Act. Also, the Illinois Liquor Control Act includes specific provisions related to Illinois tax laws. Failure to comply with these laws can result in fines, or license suspension or revocation.

ILCC Premises Inspection

To ensure compliance, the ILCC conducts inspections of licensed premises.

A premises, means the place or location where alcoholic beverages are manufactured, stored, displayed and offered for sale, or where drinks containing alcoholic beverages are mixed, concocted and served for consumption.

After entering the premises, the agent must display official identification which consists of a card and badge. The agent will ask to see the license holder or the person designated in charge.

If a licensee or employee refuses to allow an ILCC premises inspection to take place, the Commission may subsequently fine a license holder or have a license suspended or revoked.

The licensee or person in charge should accompany the agent during the entire inspection to answer questions and to provide explanations or clarifications. The inspection progresses from public areas to storage areas and includes an examination of books and records. The ILCC agent uses a “Field Report” to guide the inspection process. However, the inspection may cover any and all aspects of the Illinois Liquor Control Act, whether or not they are listed on the form.

If the agent finds a violation(s), the licensee is informed of the violation(s) and provided information on how to correct or prevent the violation(s) from recurring. Thus, the agent’s role is to explain the violation as well as report it. However, the agent is not aware of or in a position to discuss the disposition of any violation, including fines.

Notice of Violation

If any violations are found during an inspection, the agent provides the licensee with a “Violation Notification” which identifies each alleged infraction. This same form also provides space, if necessary, for the agent to inventory the number of bottles containing contaminated liquor that were disposed of during the inspection and a list of

LEVELS OF ENFORCEMENT

A **Warning Letter** is just that — a warning. It indicates the Commission will not take further action; however, a copy of the letter is kept in the licensee’s file. A Warning is usually issued for easily correctable and less serious offenses.

An **Offer-In-Compromise** — essentially an offer of a settlement—requires the licensee’s response within 14 days. The licensee may either pay a designated amount or request a Pre-Disciplinary Conference. An Offer-In-Compromise is issued for violations considered more serious, a repeated history of the same violation or in instances where multiple violations have occurred.

At the **Pre-Disciplinary Conference**, the ILCC legal staff explains the notice of violation(s) to the licensee and provides substantiating evidence. The licensee has the opportunity to explain the circumstances and present any mitigating factors. At the end of the proceedings, a recommendation for disposition is made. The Commission may send a Pre-Disciplinary conference Settlement Agreement to the licensee. Payment or a “Request For A Hearing” must be received by the Commission within 14 days after receipt of such an agreement. If a hearing is requested, the Commission notifies the licensee of the date, time and location of the Commission hearing.

The **ILCC Commission Hearing**, similar to a court proceeding, is held for the most severe violation(s) and repeated offenses of the Illinois Liquor Control Act. In a hearing, the Commission decides whether to suspend or revoke the State liquor license. In addition, the licensee may be subject to a fine of up to \$500 per day, or a maximum of \$20,000 for each violation.

A **Dismissal Letter** will be sent if the violation is unfounded, unwarranted, or is not supported with sufficient evidence

property confiscated. This form may also serve as a notice to produce financial books and records at a designated date and time.

After an inspection is completed, the agent will ask the licensee or person in charge to sign the Field Report form and include the date and time. The signature verifies that the inspection occurred and that the agent communicated the findings. Signing the field report is not an admission of the truth of the violation or the guilt of the person signing. The agent gives a copy of the signed and completed form to the licensee or person in charge prior to leaving the premises.

Enforcement

After reviewing each Field Report form, the Investigations Division submits those with a “Violation Notification” to the ILCC Legal Division for administrative review and evaluation.

The nature of the violation, the number of violations and the licensee’s history of violations are considered by the Legal Division in the Administrative Review Process to determine the appropriate action to be taken. The licensee may receive a warning letter, offer-in-compromise letter, notice for pre-disciplinary conference, citation for a hearing before the Commission, or dismissal letter. Failure or refusal to respond to Commission correspondence,

including an offer-in-compromise letter or a notice for pre-disciplinary conference, will result in a citation and notice of hearing.

Complaint Investigation

The Commission initiates an investigation for any complaint received. The investigation may require a full or partial premises inspection. The Commission also refers complaints of a criminal nature (i.e., illegal underage purchases and sales, drug sales, gambling, etc.) to local law enforcement authorities. Violation Notifications will be issued for any complaints found to be substantiated.

The ILCC field agent reports the violation, but does not play any role in determining disciplinary action which the Commission will ultimately take.

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Qualifications For Licensure

Specific qualifications must be met to be eligible for licensing under the Illinois Liquor Control Act.

- Except in very rare instances, a local liquor license is required prior to issuance of a State liquor license.
- The State liquor license applies only to the premises specified on the license and only to those owners listed on the license application. The current State license must be “Framed and hung in plain view in a conspicuous place on the licensed premises.”
- The State liquor license is non-transferable to another person or entity. If the business is sold, the license will not transfer to the new owners even if the location remains the same. If the type of business ownership changes; i.e., sole proprietor to corporation, a new license application must be submitted, using new identifying numbers. If the business is moved from one location to another within the same local licensing jurisdiction, a request may be made in writing that the State Commission and local license authority permit the license to be removed from the abandoned premises and endorse the license to the new premises.
- The license must be current, not expired. State licenses must be renewed each year. The ILCC sends renewal notices at least six weeks in advance of the expiration date. If, for some reason however, an application for renewal is not received, contact the Commission prior to the expiration date on the license. A change of location may necessitate the issuance of new state and local licenses. It is the responsibility of the licensee to keep the license current.
- All information required for licensure is to be accurate and up-to-date. This includes the mailing address, phone number, business name and ownership information, including officers and investors/stockholders with more than a five percent interest in the business. Licensees must notify the Commission within 30 days of any changes.
- All Illinois business taxes due must be paid. The Act provides that the Commission may refuse to renew or may revoke an Illinois liquor license for non-payment of Illinois business taxes, income taxes and child support obligations. The Illinois Department of Revenue and the Department of Public Aid will notify the Commission if and when such action is required.
- Operating without a valid license can result in a fine of up to \$1,000 for the first offense, a Class 4 felony for subsequent offenses, and carries penalties from one to three years imprisonment and fines from \$10,000 to \$50,000 for corporate offenders.
- All required local, state and federal documents, including the Illinois Business Tax certificate and the Federal occupational tax stamp, must be available upon request.
- In conjunction with Illinois Department of Revenue requirements, cigarette packages will be checked for proper revenue stamps and cigarette vending machines for the required Illinois Department of Revenue certificate. Amusement devices will be checked for State revenue stamps as well.
- Financial books and records for a period of three years must be available upon reasonable notice. These include:
 - Cash receipts from all sources.
 - Cash disbursements for operating expenses including rent, salaries, utilities, and payroll and tax records (Disbursement records must show to whom payment was made and for what purpose).
 - Monthly or quarterly statement disclosing cash receipts, cash disbursements for merchandise purchases, cash disbursement for operating expenses and other expenses reflecting the licensee’s gross profit, net profit or loss, and the individuals sharing directly or indirectly in the net profit or loss.
 - Cash on hand or cash in the bank.
 - Bank statements and cancelled checks on file.
- Legal documents that disclose those persons or companies having a beneficial interest in the business must be made available upon request. These documents may include contracts for sale, contracts of purchase, mortgage indebtedness, evidence of original capital investment, funding sources,



Alcohol



Tobacco



Tobacco Accessories

agreements for profit sharing, all stockholders of record, and articles of partnership or incorporation.

- Liquor invoices must be kept on the licensed premises for a period of 90 days unless application has been made and received for a “90-day waiver,” or if electronic access is available. The 90-day waiver allows invoices to be kept at a central business office location in Illinois; however, a copy of the approved waiver must be kept on all licensed premises.

V. PROTECTING THE PUBLIC

In general, the following provisions establish appropriate standards for the condition of the premises, equipment and products; guarantee that the consumer receives the products purchased; and, promote the responsible service and sales of alcoholic beverages.

The Premises

The entire licensed premises must be kept in a clean and sanitary condition at all times. This includes public areas, storage areas and offices, restrooms, and dispensing systems for draught beer, wine or pre-mixed alcoholic beverages. Further, access to living quarters from the licensed premises must be prohibited at all times.

Warning Signs

Illinois law requires consumer warning signs be permanently posted at retail establishments that sell alcoholic beverage products, tobacco, and tobacco-related products (*shown at top of page*). Tobacco warning signs must be printed with red letters at least one-half inch tall on a white background. All signs are available at no cost from the ILCC in both English and Spanish.

Cleaning of Dispensing Equipment

Draught beer and wine dispensing equipment must be cleaned at least one time per week by either chemical or mechanical means. Cleaning by steam or hot water alone does not fulfill this requirement. Records of the weekly cleaning must be signed by the person who cleaned the systems and indicate the date on which the cleaning occurred.

A manufacturer or distributor is not allowed to perform this cleaning for the retail licensee unless the manufacturer/distributor receives fair market value payment for these services.

Retailers utilizing systems such as “glycol,” “constant cold,” “electronic,” or “constant cleaning,” which are designed to prevent build-up of contaminants in the dispensing system, shall be required to have coils and other equipment used in drawing draught beer or wine cleaned at least once every two weeks in some

manner or means, either chemical or mechanical, and monitor the operation of the system to determine it is operational and to verify its proper functioning, at least once every week. A record shall be kept of the dates when the cleaning was done, signed by the person who actually performed the cleaning and monitoring.

Pre-Mix Alcoholic Beverages

All pre-mix alcoholic beverage mechanical systems must be cleaned weekly by chemical or mechanical means. Records of weekly cleaning must be signed by the person who cleaned the systems and indicate the date on which the cleaning occurred.

The contents of a pre-mix system and dispensing containers must be drained and disposed of on a weekly basis.

Shot Glasses and Automatic Dispensing Units

Shot glasses for un-mixed alcohol must measure a minimum of at least one ounce. This one-ounce minimum also applies to automatic dispensing systems.

Refilling of Bottles & Containers

A retailer is not allowed to refill original packages (i.e., bottles, cans, kegs, etc.) with the same or different brand, type, or kind of alcoholic liquor, water or any other substance. Original packages of alcoholic liquor on retail premises must only contain the contents of the package as corked or capped, sealed, and labeled by the manufacturer.

CHECKLIST FOR COMPLIANCE

In order to comply with the Act, licensees should check YES to each of the following questions:

- Are the premises kept in a clean and sanitary condition?
- If there are living quarters on premises, is access prohibited?
- Are pre-mix alcoholic beverages destroyed weekly?
- Are mechanical draught beer, wine and pre-mix dispensing systems cleaned weekly by chemical or mechanical means?
- Do records indicate when and who did the cleaning?
- Are taps labeled by brand and do brands dispensed from taps agree?
- Are current advertised brands of alcoholic liquor available?
- Do all bottles of alcoholic liquor have the original label affixed to them?
- Are all bottles, containers and casks free from contamination?
- Do bottles of alcoholic liquor contain only the original product as provided by the manufacturer?
- Do shot glasses for unmixed alcohol measure a minimum of one ounce?
- Are all warning signs posted including: pregnancy warning signs for alcoholic beverages, and, if applicable, signs for tobacco and tobacco accessories?
- Are minimum age laws upheld; specifically, no person under 21 years of age is allowed to purchase and/or consume alcoholic beverages on the premises?
- Are local minimum-age-to-enter laws followed?
- Are all persons serving, selling, or delivering alcoholic beverages older than the age of 18 or the minimum age established by the local authority?
- Alcoholic beverages are not being served or sold to intoxicated patrons?
- Is there a schedule of drink prices available?
- Is the “Happy Hour Law” being followed?
- Does advertising and promotional material conform to the “Happy Hour Law”?
- Are reduced-priced drinks offered equally to all patrons and not advertised nor offered to a select group of people, discriminating against others (i.e., ladies nights)?
- Do prices of each type of drink remain the same from opening until closing?
- Are alcoholic beverages not given away or free of charge?
- If the retail licensee allows a customer to establish in-house credit, are there records of the customer’s current, valid major credit card? Is there an indication that if the retail licensee does not receive payment in due course that the charges are made to the valid major credit card on file?
- Is the State liquor license displayed?
- Is the local liquor license available?
- Is the Illinois Business Tax certificate available?
- Is the Federal Occupational Tax Stamp available?
- Are there, on premises, invoices for all liquor purchases within the last 90 days, or has a “90-day” waiver been granted?
- Are books and records available for inspection at an Illinois location?
- Is the business in compliance with all aspects of the Illinois Revenue Act and are State business taxes paid?
- Do cigarette vending machines have the required revenue certificate affixed?
- Are revenue stamps affixed to all coin operated amusement devices?
- Do cigarette packs have proper revenue stamps?

Bottle Testing

Agents may conduct tests which indicate whether bottles have been refilled with a different brand of alcoholic liquor. One test requires that a sealed bottle be used as a “control” for comparison purposes. Results of the initial test are verified by further formula testing by

authorized laboratories. The licensee will be provided with an inventory list of the bottles confiscated for further testing. No licensee shall sell, possess, or use any package or container of alcoholic liquor which does not have the original label affixed by the manufacturer.

Condition of Bottles

During an inspection, the agent examines bottles of alcoholic liquor. All bottles, casks, or other containers of alcoholic liquor must be kept clean and free from contaminated, deleterious, filthy, putrid substances, as well as insects, glass, cork, etc. If contaminated alcoholic liquor is

found, the agent will require the bottle and its contents be destroyed at the time of inspection or that the bottle be confiscated. A record of the number of bottles, containers or casks will be provided to the licensee.

If contaminated, the contents and bottle, cask or container must be destroyed.

Taps and Tap Handles

Retailers must purchase alcohol-dispensing equipment (i.e. taps). A distributor or manufacturer may provide tap handles within the current permanent inside signage limit.

If malt beverages or wine are sold on draught, the specific brand dispensed

must be identified by a sign on or near each tap or faucet.

The sign or tap handle must be visible to patrons from a distance of at least ten feet. No other brand of malt beverages or wine may be used in place of the brand designated by the sign.

Availability of Advertised Brands

The brands of alcoholic liquor identified by inside and outside sign(s) must be available to be served and sold.

Prohibition of Happy Hours

Violations of the *Happy Hour Law* are some of the most common found by the Commission. The *Happy Hour Law* prohibits practices and promotions

that encourage over consumption of alcoholic beverages. Violations come to the attention of the Commission during inspections, from advertisements and as a result of complaints received by the Commission.

This section of the Act also requires that a schedule of drink prices be maintained.

For more information on the Happy Hour Law, please see page 16.

Sales to Minors and Intoxicated Patrons

If, during an inspection, an ILCC agent finds evidence of the sale, delivery to and/or consumption of alcoholic beverages by a person under 21 years of age, or the sale of alcoholic liquor to an intoxicated person, the agent will issue a violation and notify the local law enforcement authority. Thus, a licensee may be subject to both criminal and civil penalties, as well as a fine, suspension or license revocation.

Violations of minimum age and responsible service laws are considered among the most serious, and will result in the most stringent penalties.

The ILCC encourages licensees and their employees to participate in State-licensed BASSET (Beverage Alcohol Sellers and Servers Education and Training) which offers techniques for responsible service and sale of alcoholic beverages. For more information about BASSET programs, please call the ILCC at 312/814-0733. Operation Straight ID (800/596-2522), sponsored by Secretary of State, provides free training to licensees on how to identify fake, false and fraudulent IDs.

See page 20 for details on criminal charges when selling alcohol to minors.

ABBREVIATIONS AND TERMS

The Act is short for the Illinois Liquor Control Act, 235 ILCS 5/1-1 et seq. (Section 235, Illinois Compiled Statutes, Act 5).

An agent is an Illinois Liquor Control Commission special field agent with responsibilities to inspect licensed premises to determine compliance.

Alcoholic liquor includes spirits, wine and beer containing more than .05% alcohol.

Commission is short for the Illinois Liquor Control Commission, also referred to as the ILCC.

A distributor is an entity with a State of Illinois Distributor's License or Importing Distributor's License.

A manufacturer is an entity with an Illinois Manufacturer's License, Class 1 through Class 7, or a Non-resident Dealer's License.

Retailer means an entity with a State of Illinois Retailer's License for sale of alcoholic liquor on or off premises; and, where applicable, a Brew Pub License, Boat License, Airplane License, Special Event Retailer (Not-for-profit) License, Caterer Retail License, and Special Use Permit License.

Rules refer to Illinois Rules and Regulations, Illinois Administrative Code, Title 11, Alcohol, Horse Racing, and Lottery, Subtitle A, Chapter I, part 100.

A violation is a failure to follow a provision of the Illinois Liquor Control Act and/or its rules and regulations.



SECTION 2

Responsible Selling & Serving of Alcohol

OVERVIEW

After reading this section, key points related to the following topics will be identified:

- I. The Illinois Liquor Control Act and Dram Shop Liability
- II. How Alcohol Affects the Body and Blood Alcohol Concentration (BAC)
- III. Retailer Prevention Strategies
- IV. “Happy Hour Law” Legislation

RESPONSIBLE SELLING & SERVING OF ALCOHOL

National, state and local governments, as well as the alcohol beverage industry, have made great strides in addressing responsible sales and service. Progress has been made in keeping intoxicated persons off the road and lowering the number of injuries due to intoxication.

When implementing superior business practices, safety should be a main component of your routine. The one safety concern to address is server training for alcoholic beverages. Licensees that serve alcohol must comply with the law and not over serve alcohol to their customers. Over service can increase the likelihood of disturbances, fights or property damage in a place of business.

The safety of communities is also put at risk when drunk drivers get on the road after becoming intoxicated at a restaurant or bar. For all these reasons, it is very important that managers and staff receive the proper training when it comes to the sales and service of alcoholic beverages.

The Illinois Liquor Control Commission administrates the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program which reviews techniques on how to properly train employees in the hospitality industry. The BASSET program educates servers of alcoholic beverages on how to identify intoxicated patrons, when to intervene in discontinuing service and how to serve alcoholic beverages in a responsible fashion. The training reviews

the laws regarding alcohol service, DUI's and Dram Shop. Another goal of the program is to prevent underage drinking. The program teaches how to properly check identification by teaching participants ways to detect fraudulent IDs by individuals under 21 years of age. Servers and door staff are on the front lines when checking drivers' licenses and identification cards.

Server training can be very beneficial to businesses. An establishment with a safe atmosphere is one which demonstrates good hospitality and will ultimately prosper. BASSET training is voluntary, but you may want to check your local ordinance to see if it is mandatory in your community. Or, if you are an owner or manager of a liquor serving establishment and would like your staff to receive proper training, you can call the Illinois Liquor Control Commission at 312.814.0773.

In the front-line position, licensees and their staff play an important role in ensuring responsible selling and serving.

Selling and serving alcohol responsibly:

- Protects your customers
- Protects your business
- Protects the public
- Protects you

I. THE LIQUOR CONTROL ACT AND DRAM SHOP LIABILITY

History of the Liquor Control Act of 1934

At the end of Prohibition, each state set up an alcohol beverage control agency to regulate the manufacture, distribution, and retail sale and service of alcohol.

In Illinois, this led to the passage of the Dram Shop Act (now named the Illinois Liquor Control Act) which established the Illinois Liquor Control Commission (ILCC) as its alcohol beverage control agency.

Dram Shop Liability

Even before Prohibition, Illinois law held liquor establishments liable for selling alcohol to an intoxicated person when damages or injuries were caused by that person.

235 ILCS 5/6-16 (a)

No licensee, or any officer, associate, member representative, agent or employee of such licensee, shall sell, give and/or deliver alcoholic liquor to any person under the age of 21 years, or to any intoxicated person...

235 ILCS 5/6-21 (a)

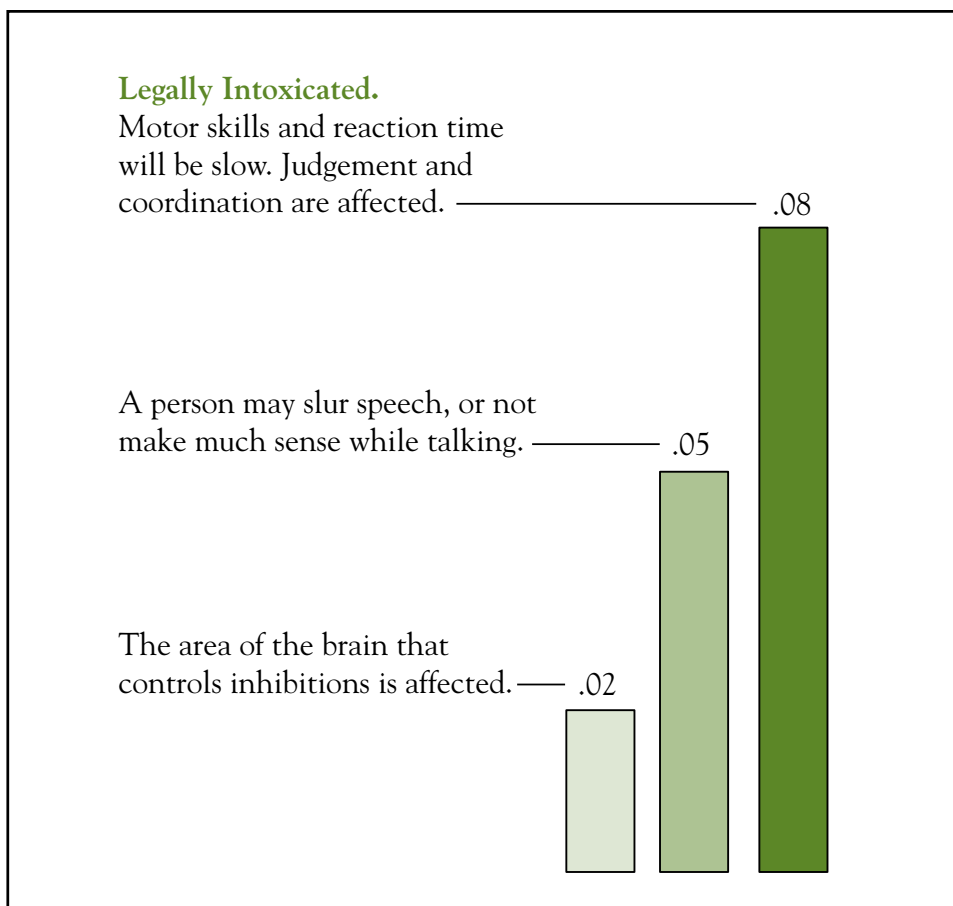
Every person who is injured within this State, in person or property, by any intoxicated person, has a right of action in his or her own name, severally or jointly, against any person, licensed under the laws of this State or of any other state to sell alcoholic liquor, who, by selling or giving alcoholic liquor within or without the territorial limits of this State, causes the intoxication of such person.

It is illegal to serve or sell alcohol to an intoxicated person.

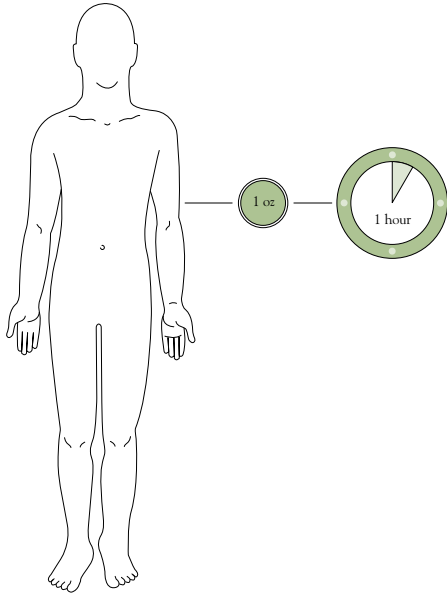
If an intoxicated person causes injury or damage, establishments are held responsible.

- The first person or place to serve the intoxicated person alcohol may be held as liable as the last person or place to serve or sell that person alcohol.
- Legal actions against establishments for damages caused by intoxication may cost you over \$71,000 for recovery of loss of means of support for injury or death in addition to over \$58,000 for injury to the person or property, according to the Dram Shop provisions of the law (2008 dollar limits increase each year based on consumer price index).

It is important for everyone to take a coordinated approach to the responsible selling and serving of alcohol.



II. HOW ALCOHOL AFFECTS THE BODY AND BLOOD ALCOHOL CONCENTRATION (BAC)



No matter what the size and body type of a person, the average body can only break down 1 ounce of alcohol per hour.

The more alcohol someone drinks beyond 1 oz. in an hour, the more quickly the blood alcohol concentration (BAC) will rise and the more quickly intoxication occurs because the body can only eliminate 1 ounce of alcohol per hour.

It is important to know that, in general, 0.5 oz. of pure alcohol is equal to

- One - 12 oz. mug or bottle of beer
- One - 4 oz. glass of wine
- One - 1.25 oz. of 80 proof liquor
- One - 1 oz. of 100 proof liquor

Understanding blood alcohol concentration (BAC) and the effects that alcohol has on a person can help in selling and serving responsibly.

BAC is the amount of alcohol found in a person's bloodstream and is used to determine legal intoxication.

In Illinois, the BAC at which someone if legally intoxicated is .08 (625 ILCS 5/11-501 (a)).

According to the Illinois Department of Transportation (IDOT) Blood Alcohol Chart, the effects of alcohol can be seen in most people before their BAC reaches .08.

IDOT stated effects on the body as BAC rises

- .02 The area of the brain that controls a person's inhibitions is affected.
- .05 A person may slur speech, or not make much sense while talking.
- .08 Legally intoxicated. Motor skills and reaction times will be slow. Judgment and coordination are affected.

Sources:
Illinois Vehicle Code
American Medical Association

Quick facts:

Alcohol's effects on the body

- Alcohol enters the bloodstream quickly.
- Within 5 minutes of drinking 1 ounce of alcohol, the BAC of a person can be accurately measured.
- The more someone drinks, the higher their BAC will go.
- 95% of alcohol enters the bloodstream from the stomach and small intestine.

How quickly alcohol enters the bloodstream, affecting a person's BAC, is related to:

- Body size and weight.
- The speed at which alcohol is consumed.
- The amount of time that passes.
- What has or has not been eaten.
- Other considerations such as medications taken, age, etc.
- Mood.
- Exhaustion.

Be aware of how much alcohol is served to customers and look for behavioral changes as they drink.

- Once alcohol enters the bloodstream, the passage of time is the only way to eliminate alcohol from the body.

Realizing the myths about alcohol.

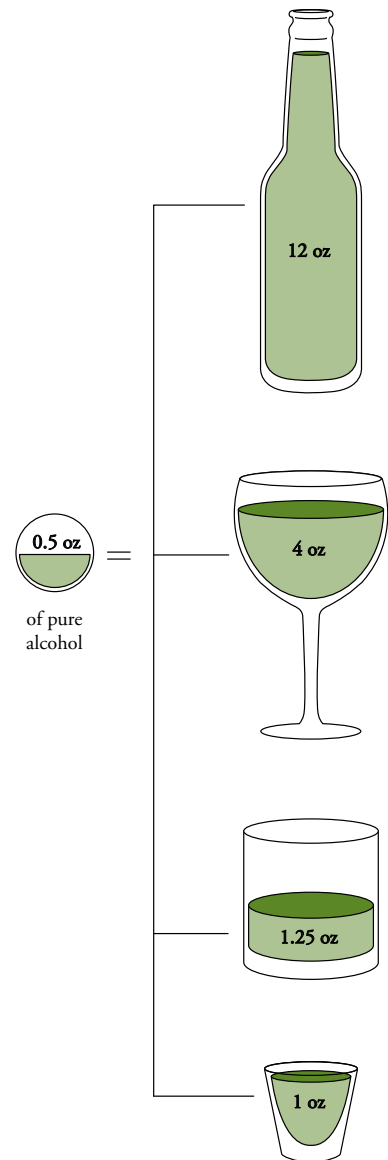
- Coffee will NOT sober up a person.
- A shower will NOT sober up a person.
- Fresh air and a walk will NOT sober up a person.

Although the effects of alcohol are influenced by many factors, three are key:

- The amount of alcohol a person consumes.
- The number of hours they have been drinking.
- Body weight.

IMPORTANT FACTS TO REMEMBER

- A small person, in general, cannot drink as much alcohol as a larger person.
- Body fat does not absorb alcohol. Someone with higher amounts of fat versus muscle in their body will become intoxicated more quickly.
- Because women generally have a higher fat and water content in their bodies than men, they tend to become intoxicated more quickly than men.
- The faster a person drinks, the faster the BAC will rise.
- BAC can continue to rise after a person has stopped drinking. This is especially true for the person who drinks very quickly.
- Alcohol can interact with or stop a medication from working.
- Some medications can add to the effect of alcohol and increase the speed that alcohol enters the bloodstream and the BAC can possibly rise. This is especially true for people taking cold medications (antihistamines), tranquilizers (valium) and many other drugs.
- Carbonated mixers such as soda, tonic and pop will speed alcohol absorption into the bloodstream.
- Food can slow down the absorption rate of alcohol into the bloodstream.
- A customer's mood can also affect the rate at which alcohol enters the bloodstream. For example, if the person is upset, annoyed, tired or depressed, alcohol will enter the bloodstream faster.



III. RETAILER PREVENTION STRATEGIES

What Can Be Done To Avoid Problems

To prevent problems from occurring, take action before a situation develops or gets out of control.

The purpose of this section is to prevent intoxication by serving and selling alcohol responsibly.

Have a policy and a plan in place to follow which shows how to prevent problems from occurring and covers how to handle situations as they arise. Many establishments contact local law enforcement when developing policies and plans of action.

For off-premise and on-premise locations, it is often the person who has been drinking before arriving at an establishment that presents the most difficult challenge.

Don't sell alcohol to persons that appear to be intoxicated. Try to stop people who are intoxicated from leaving and getting back on the road.

MYTHS ABOUT ALCOHOL

None of these will sober up a person.



Many on-premise licensees have a Designated Driver Program. These programs can be a good way to prevent alcohol-related problems.

If the establishment has a Designated Driver Program, make sure that the driver who is not drinking is identified and made to feel welcome. Many establishments offer free coffee or soda to the Designated Driver to thank them for their efforts.

Training programs for Responsible Selling and Serving

To review, the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program teaches techniques to use with customers to prevent intoxication and to deal with problems caused by intoxicated customers.



For more information about state-licensed BASSET programs, contact the ILCC at 312.814.0773.

COMMON PRACTICES USED TO PREVENT OVER SERVICE

Techniques for responsible selling and serving

- Talk with customers to try to determine how much alcohol has already been consumed before making additional sales of alcohol.
- Watch customers for outward signs of intoxication.
- If a potential problem is seen, tell a manager; enlist help in putting the establishment's plan into action.

In on-premise establishments, to prevent problems:

- Be aware of the amount of alcohol being served to customers.
- Have food available. Food can slow a person's intake of alcohol as well as slow the absorption rate of alcohol into the bloodstream.
- Slow down service to buy time.
- Offer hot drinks such as coffee or tea. These take longer to drink and give the body more time to break down alcohol. However, coffee or tea will not sober anyone up.
- If the establishment serves specialty, non-alcoholic drinks, suggest them to customers.

Watch for any sign that indicates a customer might be intoxicated:

- Swearing, acting rude, crude or belligerently.
- Fumbling and dropping change; difficulty counting money.
- Glassy eyes, lack of eye focus.
- Slurring words, slowed speech or speaking incoherently; rambling conversation.
- Stumbling or appearing unsteady when entering or walking through the establishment; falling down; slumping over in a chair; falling asleep.

If it is determined that a person is intoxicated:

- Don't serve or sell more alcohol.
- Offer food; alternative, non-alcoholic beverages; talk with them. Buy time; delay giving them their check.
- Keep emergency phone numbers available for easy and quick reference.
- If intoxicated, try to prevent customers from driving. Offer to find a ride home, call a cab, have another person drive them home or make other arrangements.
- Whether the customers stay or leave, document any problem situation and the preventative actions taken.

If refusal of service to a customer is necessary:

- Explain calmly, firmly and respectfully that, by law, it is illegal to serve or sell them more alcohol.
- For sellers or servers, tell the customer that it is a job requirement to serve responsibly-and the owner could lose the liquor license or even the business.
- Don't back down after a stand has been taken.

IV. “HAPPY HOUR LAW” LEGISLATION

The Illinois Liquor Control Act’s “Happy Hour Law” forbids activities involving special discounts to promote the consumption of alcoholic beverages.

The intent of this law is to encourage responsible alcohol service and sales, and prevent over-consumption.

The law requires that a schedule of the prices charged for drinks be available at the establishment. 235 ILCS 5/6-28.

What Promotions are Permissible

- Sell to two or more persons pitchers, carafes or bottles of alcoholic beverages that are usually sold in that manner.
- Offer free food or entertainment.

- Include alcoholic beverages as part of the price of a meal package.
- Provide room service to persons renting hotel rooms.
- Increase drink prices in lieu of a cover charge to offset the cost of special entertainment not regularly scheduled.
- Negotiate specially priced drinks as part of a contract between a hotel or multi-use establishment and a group for holding any function, meeting, convention or trade show.

A violation of the “Happy Hour Law” is grounds for fining, and/or suspending, or revoking an establishment’s liquor license.

HOW TO COMPLY WITH THE “HAPPY HOUR LAW”

- Two or more drinks cannot be served to one person for consumption by that person, except for wine by the carafe or bottle to two or more persons. This prohibits promotions that discount drinks at a 2-for-1 price or greater (3-for-1, etc.).
- An unlimited number of drinks or bottles cannot be sold, offered to be served or be served during a set period of time for a set price, except at private functions not open to the public. “Private function” means a prearranged private party, function, or event for a specific social or business occasion, either by invitation only or reservation and not open to the general public, where the guests in attendance are served in a room or rooms designated and used exclusively for the private party, function, or event.
- Alcohol cannot be sold, offered to be served or be served at a reduced price unless all persons served that same business day receive that same price for the same amount of alcohol. This bans “Happy Hours” featuring discounted drinks at specified times during a business day or specials to specific groups (e.g. ladies’ nights).
- The volume of alcohol, or size of a drink containing alcohol, cannot be increased without increasing the price of that drink in direct proportion to the added alcohol. The price of the drink must increase in proportion to the volume of alcohol.
- Any game or contest which involves drinking alcohol or which awards alcohol as a condition of the game or as a prize is not permitted.
- No promotion of the above practices, whether on or off your establishment’s property, is permitted.



SECTION 3

Preventing Underage Sales & Consumption

OVERVIEW

After reading this section, key points related to the following topics will be identified:

- I. Proof of Legal Age
- II. Screening and Checking Identification
- III. Additional Safeguards Against Underage Sales and Purchases
- IV. Criminal Penalties for Breaking Underage Laws
- V. Minimum Age for Selling and Serving Alcoholic Beverages

PREVENTING UNDERAGE SALES & CONSUMPTION

In Illinois, retail liquor licensees, their employees, individuals under the age of 21 and the general public must comply with the laws which prohibit persons under the age of 21 from purchasing and consuming alcoholic beverages.

Check your local laws. Many local governments set a minimum age requirement for entering establishments that sell or serve alcoholic beverages (235 ILCS 5/4-1).

State Laws and Minors

For Licensees

It is illegal for retail liquor licensees and their employees to sell, give and/or deliver alcoholic beverages to anyone who is under 21 years of age (235 ILCS 5/6-16(a)).

For Minors

It is illegal for persons under the age of 21 to buy, consume, possess and/or accept delivery of alcoholic beverages except in the performance of a religious ceremony or under the direct supervision of their parents, or person standing in loco parentis, in the privacy of a home (235 ILCS 5/6-16(a); 235 ILCS 5/6-20).

For Adults

It is illegal for any person, after purchasing alcoholic beverages, to give, sell and/or deliver alcoholic beverages to a person under the age of 21 (235 ILCS 5/6-16(a)).

I. PROOF OF LEGAL AGE

The most direct way to prevent the service, sale or delivery of alcoholic beverages to persons under 21 is to require employees to follow a standard practice of carefully checking legal documents to verify proof of age and identity.

If there is any doubt about a person's age or identity, by law, you must check identification before you sell, serve and/or deliver alcoholic beverages.

235 ILCS 5/6-20

If a licensee, the licensee's agent or employee believes or has reason to believe that a sale or delivery of any alcoholic beverage is prohibited because of the non-age of the prospective recipient, they shall, before making the sale or delivery, demand presentation of some form of positive identification, containing proof of age and identity, issued by a public officer in the performance of official duties.

Legal proof of age and identity in Illinois is a document issued by a federal, state or municipal government.

235 ILCS 5/6-16(a)

Adequate written evidence of age and identity is a document issued by a federal, state, county or municipal government, or subdivision thereof, including but not limited to a motor vehicle operator's license, a registration certificate issued under the Federal Selective Service Act or an identification card issued to a member of the Armed Forces.

II. SCREENING AND CHECKING IDENTIFICATION

Legal proof of age and identification (ID) presented by the customer must be carefully screened and checked to verify age, identity, and that the document is valid and authentic.

Be alert for anyone who attempts to bypass minimum age laws by using a fake or altered ID, someone else's ID, no ID, their own underage ID or documents that are not legal proof of age.

The law gives you the right to refuse to serve, sell and/or deliver alcoholic beverages to persons who do not provide you with adequate proof of age and identity.

235 ILCS 5/6-16(a)

Any licensee or agent or employee, may refuse to sell or serve alcoholic beverages to any individual who is unable to produce adequate written evidence of identity and of the fact that they are 21 years of age or older.

By prohibiting the sale, purchase and/or consumption of alcoholic beverages by persons under 21 protects the business employees from possible legal actions and also protects the public.

Illinois drivers' licenses and State-issued ID cards

The Illinois Secretary of State issues newly designed driver's licenses and Illinois identification cards on a regular basis to allow for more security features. To assist licensees in identifying underage ID cards, the Liquor Control has developed a countertop mat to be placed wherever alcohol is sold (see graphic below).



Cashmat

To order the cashmat, please call the Industry Education Division at 312.814.4802.

New driver's license and ID card features include the following:

- **New Drivers' Licenses:** Red color bar, text is "DRIVER'S LICENSE."
- **New Commercial Drivers' Licenses (CDL):** Red color bar, text is "CDL".
- **New Temporary Visitor Drivers' Licenses (TVDL):** Purple color bar, text is "TVDL".
- **New Identification Cards (ID):** Green color bar, text is "ID CARD" (see sample to right). On the back of this card, the following text is now included: "FOR IDENTIFICATION PURPOSES ONLY. NOT A LICENSE TO DRIVE."



Please note that drivers' licenses and ID cards with the previous design remain valid until the indicated expiration date.

Under 21

Cards for drivers under the age of 21 remain vertically oriented, however, "Under 21" horizontal cards issued prior to 2005 remain valid until the indicated expiration date. Additionally, under 21/18 information has been moved to

COMMON PRACTICES USED BY LICENSEES TO VALIDATE IDS

Age: Check the ID for a birthdate.

- Post a sign identifying the cut-off date for 21 (back date 21 years from the current date to show "any-one born after the back-dated month, date, year is not 21"). Commission has this sign free of charge.

Identity: Verify that the ID belongs to the person presenting it.

- Match picture IDs and descriptions-height, weight, eye color with the person presenting the ID.
- Require a second piece of identification and cross-check the information.
- If the ID is a traffic ticket, birth certificate, duplicate ID or another type of ID that can be easily altered or given to another person, request that the second piece of identification be a picture ID.
- Quiz the person about their date of birth, address, zip code, county, social security number, eye color, astrological sign, etc. If the person hesitates, or gives the wrong answer, do not accept the ID.

Authenticity and Validity: Examine the legal proof of identification to determine if it has been altered or is a fake.

- Hold the ID up to the light. Look for crooked lines or changes in the shade or typestyle of lettering.
- Touch the surface of the ID to find cut-outs, razor cuts, bubbles, etc.
- Check the thickness of the plastic coating-extra layers may mean the information on the ID has been altered.
- Check the expiration date. An expired ID is not a valid ID. Alcoholic beverages should not be served, sold or delivered to anyone presenting an expired driver's license or state ID.
- Train employees to recognize drivers' licenses from surrounding states. There are several publications that show all 50 states' driver's licenses and IDs. The Secretary of State offers a course called Operation Straight ID which provides training to detect fake and false IDs. For information about this program, contact the Secretary of State's office at 1.800.608.0561 or 1.217.782.7126. Operation Straight ID is funded by a grant from the Illinois Department of Transportation.

the right hand side of the photo. The red bar contains the words "Under 21 until" preceded by the card holder's 21st birthday and the yellow bar text indicates the date of the card holder's 18th birthday.

III. ADDITIONAL SAFEGUARDS AGAINST UNDERAGE SALES AND PURCHASES

ILCC's *Don't Be Sorry* under 21 program

The Illinois Liquor Control Commission is committed to raising awareness about the negative consequences of underage drinking. The *Don't Be Sorry* program takes a community-wide approach to underage alcohol prevention. This awareness/education campaign offers materials and programs for minors, their parents, and Illinois liquor retailers (visit www.DontBeSorry.org for more information on this program).



IV. CRIMINAL PENALTIES FOR BREAKING UNDERAGE LAWS

Licensees, employees, persons under the age of 21 and members of the general public can be charged with criminal offenses for breaking Illinois' underage laws.

For licensees, penalties can also include fines and/or license suspension or license revocation.

The following sections of the Act review these penalties.

- 235 ILCS 5/3-12(1)
- 235 ILCS 5/4-4
- 235 ILCS 5/7-5

Licensees and Employees

If a licensee or employee serves, sells or delivers alcoholic beverages to a person under 21 years of age, the licensee and employee can be charged with a criminal

offense with penalties ranging from: a fine of up to \$2,500; up to one year in jail. 235 ILCS 5/6-16(a)

It is against the law in Illinois for a person to purchase and then to sell, give and/or deliver alcoholic beverages to a person under 21 years of age. 235 ILCS 5/6-16(a).

V. MINIMUM AGE FOR SELLING AND SERVING ALCOHOLIC BEVERAGES

By Illinois law, no person under the age of 18 may sell or deliver alcoholic beverages as part of their employment duties. Unless prohibited by local law, persons between the ages of 18 and 21 may be allowed to

sell, serve and deliver alcohol beverages (235 ILCS 5/4-1; Atty Gen. Op. No. S-671).

Once again the state licensed BASSET program mentioned in Section 2 of this Guide addresses methods to help prevent illegal sales to minors. For a list of state-certified BASSET programs, please call the Illinois Liquor Control Commission at 312-814-0773 or visit the Commission's website at www.state.il.us/LCC.

RETAIL LIQUOR SALES QUICK TIPS

Examples of additional policies or safeguards used by retail liquor licensees include:

- Require ID from everyone who looks 30 years old or younger.
- Ask the person to sign an affidavit which states that he or she is 21 years of age and compare the signature on the ID with the signature on the affidavit.
- Post warning signs. For example: "This establishment checks IDs," "It is illegal for persons under 21 years of age to purchase alcoholic beverages, It is illegal to give or buy alcoholic beverages for a person under the age of 21." Or "False IDs will be confiscated. Police will be called."
- Use a video camera to record the person who presents the ID.

If local ordinances allow persons under 21 to enter retail establishments:

- Check IDs at the door and use ink stamping of those of legal age to distinguish from those under the age of 21. When you stamp those under 21, the stamp can be removed.
- Servers and bartenders ask for IDs again before serving alcoholic beverage.
- Use "spotters" to prevent underage customers from consuming alcoholic beverages.
- Refuse to sell alcoholic beverages to anyone who you believe may be purchasing alcoholic beverages to sell or give to a person under the age of 21.

