



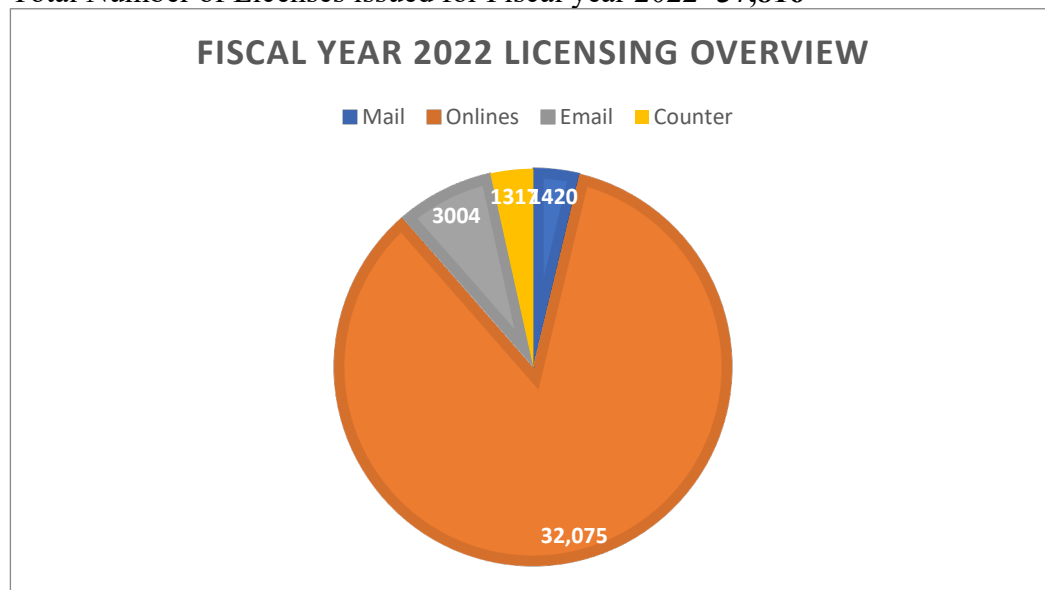
## ILLINOIS LIQUOR CONTROL COMMISSION

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### Illinois Liquor Control Commission Acts and Doings Fiscal Year 2022

#### Licensing Totals for Fiscal Year 2022

Mail	1,420
Onlines	32,075
Email	3,004
Counter	1,317
Total Number of Licenses issued for Fiscal year 2022- <b>37,816</b>	



#### License Renewal Extensions **Public Act 101-631**

Due to the hardships on liquor license holders as a result of the COVID-19 mitigation actions, the Illinois Liquor Control had extended the renewal dates of State Liquor licenses and deferred the collection of license renewals fees until December 31, 2021. All licenses with a renewal date of March 31, 2020 or after were automatically extended until December 31, 2021. (This action supersedes the Commissions prior license extension action through June 30, 2021). An email was sent to all licensees on June 11, 2021, informing them of the new extension date.

#### License Fee Waivers **HB4700 – Public Act 102-0699**

Governor Pritzker signed the 2023 budget on April 19, 2022, and the budget included Illinois Liquor Control Commission (ILCC) fee waivers/fee relief for licensed Illinois retailers. Public Act 102-0699 reads as follows – The State Commission shall waive license renewal fees for those retailer’s licenses that are designated as “1A” by the State Commission and expire after July 1, 2022, and on or before June 30, 2023.

For fiscal year 2023, all businesses or individuals holding liquor licenses issued by the ILCC will be required to file renewal applications with the ILCC as they have done in the past. Only those licensees filing for renewals of 1A retail licenses will be subject to the fee waiver, and only after clearing any tax or other holds and submitting proof of current dram shop insurance (if applicable), as well as a copy of their local liquor license. **The fee waiver does not apply to NEW applicants for 1A licenses.** The renewal procedure itself did not change. However, when an 1A licensee renews they will notice that the payment option has been disabled and the payment tab has been removed, they will see a message informing them that the renewal fee is being waived for the license period. We had worked very closely with our IT team and all changes and updates had been implemented timely, the IT team worked with us on some of the formatting and procedural changes that we had requested as well.

### **Software Package System Upgrade- Gentax Version 12 Upgrade Project**

The Illinois Liquor Control Commission, Illinois Department of Revenue and a division of the Illinois Department of Employment Security, currently utilize the “Gentax System” which is the software developed by FAST Enterprises. We were utilizing the Version 10 software and we upgraded to the Version 12 software package on 09/06/2021. This new software brought some significant changes. Before implementation there was great deal of regression testing involved and thanks to the ILCC project team leads everything was implemented and tested successfully. The look and feel of MyTax Illinois public interface had changed significantly, MyTax Illinois is the state’s free online account management program that offers a centralized location for individuals and businesses to register for taxes and file returns, but it also allows ILCC Licensees to renew their state liquor license online, apply for special events and submit brand registrations electronically. The V12 project started in June 2020 and final rollout and implementation occurred on September 7, 2021.

### **Implementation of New License Classes, Rule Changes, and Fee Increases per HB2620 (Public Act 102-0442)**

This legislation required the creation of new licenses classes and new applications and forms needed to be created in a short time frame and ILCC Licensing team worked closely with our IT developers to implement all the changes referenced below per this new legislation.

- Creation of new 7Y- Class 3 Brewer’s License
- Non- Resident Dealer License Fee Increase with Self-Distribution
- Wine Manufacturer/Wine Maker Fee Increase
- Creation of new Beer Showcase Permit
- Craft Distiller-Class 1 Craft Distiller- Class 2 Brewer Rule and Eligibility Question Updates
- Brewer- Class 1 Brewer License- Class 2 Brewer Rule and Eligibility Question Updates

- Creation of Quarterly Brewery Production Reports

### **Delinquent List Implementation** **Public Act 102-0442**

Effective January 1, 2022, the Illinois Liquor Control Commission is now responsible for maintaining the delinquent list and daily cure list. The ILCC began receiving the list of delinquent retailers every Thursday beginning in January 2022 and cure lists daily from the reporting distributors. Once the lists are processed, they are added to the ILCC website and emails are then sent to the retailers that were reported delinquent. This project was implemented timely and the ILCC continues to report and maintain the required lists on a daily basis.

### **License Certificate Changes**

The agency made changes to the appearance of liquor license certificates in 2022. Those licensees renewing or getting a license for the first time will see a QR Code and Watermark on their license certificates effective October 3, 2022. When the QR Code is scanned, it will connect to a license look up feature on the agency's website where it confirms the validity of the liquor license certificate. All licenses will also come with an Inspection Checklist. All licensees were emailed on September 28, 2022, informing them of the changes and the agency included a sample of the "new look" of the license certificates. The agency has received positive feedback from licensees, local jurisdictions, and industry partners in reference to these changes.

### **Website Updates**

All the changes that we have made to our website in FY2022 has helped our users locate the information that they are looking for much quicker and easier, removing the ribbon type format to an icon/link format has been a great enhancement, we are receiving fewer calls from users who were having issues locating the information that they were looking for on our website. It was important for us to take a look at how we display helpful tools and links on our website and the changes that were made have resulted in fewer calls and questions on where to locate specific information on our website.

### **Instructional Resources for Licensees**

New instructional tools were created to better assist our licensees, we created step by step online renewal instructions for our licensees including our special events/special use permit licensees, we created instructions on how a licensee can print their license from their MyTaxIllinois account, we made enhancements to the step-by-step instructions on how to enter brand registrations online. We also added instructions for the quarterly brewery production report. We also created a new daily report that we are publishing daily listing all licenses that have been ceased/inactivated.

### **Enforcement**

The division of Enforcement continued to prioritize compliance inspections of licensed premises and illegal sales of alcoholic liquor through social media. During FY22, Enforcement Special Agents conducted 10,358 inspections which resulted in 3,260 violations and 772 warnings. Working in collaboration with social media providers, the Division of Enforcement reported

4,668 posts for removal from social media sites. Of those 4,668 posts, 4,574 posts were reported to Craigslist, 67 were reported to Facebook Marketplace and 27 were reported to OfferUp.

The Division of Enforcement also worked collaboratively with local law enforcement agencies to reduce youth access to alcoholic beverages. One of the most cost-effective methods is the use of underage compliance check details at licensed retail locations. During FY 2022, the Division of Enforcement conducted 15 total details. During those details, 192 retailers were checked for compliance. Of those 192 retailers checked, almost 30% of those retailers, or a total of 56 retailers, sold alcohol to a minor.

### **Legal**

Our team advised and negotiated ILCC legislative proposal (HB 4456) to authorize the expenditure of funds for evidence and the seizure of alcoholic beverages; to modify discovery rules and statute of limitations; to alter language authorizing inspections; and to create an alternative pension formula. ILCC finalized rules on Coupons and filed with the Secretary of State (later withdrawn). The agency provided subject matter expertise to the Assistant Attorney General defending the ILCC in the Lebamoff v. Rauner and the Full Pull Wines v. Berg cases, and in other Administrative Review matters.

### **Industry Education/BASSET**

Industry Education continues to provide education for the public, industry stakeholders and licensees. A few highlights from July 1, 2021, and June 30, 2022, included participating in the National Night Out event with local law enforcement, Red Ribbon week along with the DEA and hosting a virtual College Town Summit where we had the opportunity to learn from educators and prevention specialist on ways to reduce underage age and binge drinking. Our BASSET programs presented to local middle schools in Illinois. These speaking engagements allowed students to ask questions and get informed. The BASSET program has trained 107,558 hospitality employees between July 1, 2021, and June 30, 2022.

### **Fiscal Outlook**

As the state and liquor industry recovered from the pandemic, the ILCC saw an increase of 20% in total revenue from FY21 to FY22. The ILCC generated \$20.9 million in revenue. \$11.5 million went to the Dram Shop Fund (DSF) and \$9.4 million went to the General Revenue Fund (GRF).

The Dram Shop Fund has an ending cash balance of \$24.2 million for FY22. This is the largest cash balance for the DSF fund. This is important with the renewal fees being waived in FY23 because the fund will be in great health to cover ILCC's expenses. FY19 recently had the largest ending cash balance of \$16.8 million. The ILCC generated \$9.5 million to the GRF, a 20% increase from \$7.9 million in FY21.