

Illinois Liquor Control Commission



Annual Acts and Doings Report Fiscal Year 2024

I. The Illinois Liquor Control Commission

i. Mission Statement

The mission of the Illinois Liquor Control Commission is 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 alcohol products and provide responsible beverage service.

ii. Agency Overview

The Illinois Liquor Control Commission (ILCC) regulates the manufacture, distribution, and retail sale of alcoholic beverages in Illinois, as authorized by the Illinois Liquor Control Act [235 ILCS 5] (“Act”). Under the Act, the ILCC has the power to issue, suspend, and revoke state liquor licenses and Beverage Alcohol Sellers and Servers Education and Training (BASSET) licenses; inspect and investigate any Illinois establishment where alcoholic liquors are manufactured, distributed, warehoused, or sold; and impose fines for violations of the Act.

The ILCC is also responsible for developing industry education programs related to BASSET as well as administering a public awareness program to reduce or eliminate underage purchasing and consumption of alcoholic beverages by persons under the age of 21. The ILCC is also tasked with the adoption of rules and regulations necessary for the ILCC to carry out its functions and duties so that the health, safety, and welfare of the People of the State of Illinois is protected, while promoting and fostering temperance in the consumption of alcoholic liquors. The ILCC is led by Executive Director Lisa Gardner, and is comprised of four main divisions: Enforcement, Industry Education, Legal and Licensing.

II. FY24 Licensing Totals

The ILCC issued a total of 35,939 licenses in FY24 – this total includes:

- 25,307 1A Retailer Licenses, issued to bars, restaurants, grocery stores, and convenience stores.
- 4,020 Special Event Licenses, which include Special Event Retailer Licenses, 1-day Special Use Permits, Beer Showcase Permits, and Tasting Representative Licenses.
- 528 Brewer Licenses, which include Brewer Licenses; Class 1, Class 2, and Class 3 Brewer Licenses; and Brew Pub Licenses.
- 395 Wine Maker and Wine Manufacturer Licenses.
- 113 Distiller Licenses, including Craft Distiller Licenses and Distilling Pub Licenses; and
- 125 BASSET Trainer Licenses, issued to trainers who provide Beverage Alcohol Seller and Server Training (BASSET) to workers who sell or serve alcoholic beverages and to door security at establishments that sell alcoholic beverages.

The ILCC generated \$19,538,054 in revenue in FY24. Licenses and license fees totaled \$17,969,035 while fines and penalties totaled \$1,569,019.00.

ILCC licensing revenue is deposited into two different State Funds based on the revenue source; the breakdown of these deposits for FY24 is as follows:

- \$10,268,899 deposited into the Dram Shop Fund; this revenue is generated by all licensing fees, excepting 50% of 1A Retailer License fees.
- \$9,269,155 deposited into the General Revenue Fund; this revenue is generated by fines, penalties, and 50% of all 1A Retailer License Fees.

III. Public Health and Safety Legislation and Rules

i. Co-Branded Alcoholic Beverages (Administrative Rule 100.490)

The ILCC adopted Administrative Rule 100.490 on September 21, 2023, replacing the temporary emergency rule that was in effect since May 25, 2023 [Emergency Rule 100.490]. The Emergency and Administrative Rules were adopted in response to the dangers posed by a new subset of alcoholic beverages with similar names and labeling to popular non-alcoholic beverages. These “co-branded alcoholic beverages” were being marketed to the public and displayed at retail in ways that could easily lead to consumers mistaking these products for non-alcoholic beverages with the same branding or labeling. The ILCC was especially concerned about children or people with alcohol use disorders consuming these beverages on accident, mistaking them with their non-alcoholic counterparts.

As part of the rulemaking, “co-branded alcoholic beverages” are now defined as “any alcoholic beverage containing the same or similar brand name, logo, or packaging as a non-alcoholic beverage”.

[11 Ill. Admn. 100.10]. Administrative Rule 100.490 sets requirements for the retail display of co-branded alcoholic beverages based on the size of an establishment’s retail sales floor:

- Establishments with retail sales floors larger than 2,500 square feet are prohibited from displaying co-branded alcoholic beverages immediately adjacent to soft drinks, juices, bottled water, candy, or snack foods portraying cartoons or youth-oriented photos.
- Establishments with retail sales floors of 2,500 square feet or less must either: (1) abide by the adjacent placement restrictions that apply to establishments with larger sales floors; or (2) post signage on every display that contains co-branded alcoholic beverages and is immediately adjacent to soft drinks, juices, bottled water, candy, or snack foods portraying cartoons or youth-oriented photos.

The required signage is provided free of cost by the ILCC – digital copies can be downloaded from the ILCC website and physical copies can be picked up in-person at the ILCC’s Springfield or Chicago office.

The adoption of Administrative Rule 100.490 made Illinois one of the first states to regulate how these alcoholic products are displayed on retail shelves.

ii. Alcohol-Infused Products and Co-Branded Alcoholic Beverages (P.A. 103-0904)

In early 2024, the ILCC became aware of alcohol-infused treats and desserts becoming more popular in retail stores throughout the State. The marketing and retail displays of these products carried the same risks of consumer mistakes and confusion as co-branded alcoholic beverages; however, these products were not covered by Administrative Rule 100.490 and were thus still unregulated at the time.

During the Spring 2024 Legislative Session, Senate Bill 2625 was introduced in partnership with the bill’s chief sponsors, Senate Majority Leader Kimberly Lightford and Representative Kam Buckner. The ILCC worked with the bill sponsors, legislators, stakeholders, and industry members to advocate for the bill’s passage. These efforts led to the successful passage of the bill, regulating how alcohol-infused products are displayed on retail shelves. [P.A. 100-0904].

The new law defines “alcohol-infused products” as “any frozen or unfrozen, solid or semi-solid food containing more than 0.5% alcohol by volume, including ice cream, ice pops, whipped cream, gelatin-based and other similar products in a form other than free-flowing liquid” [235 ILCS 5/1-3.45]. The law contains the same retail display regulations as Administrative Rule 100.490, and applies these regulations to both alcohol-infused products and co-branded alcoholic beverages.

IV. Enhancements to Customer Services

i. Online Applications for New Retail Liquor Licenses

At the end of October 2023, the ILCC launched online applications for new retail license applicants. This upgrade to the ILCC's license application process provides a streamlined application process for the ILCC's largest group of licensees; there are over 25,000 retail licensees across the State, including all bars, restaurants, grocery stores, and convenient stores.

Before the online application option launched, new retailers could submit their applications via email, but the application fee needed to be submitted in person or mailed to an ILCC office. New retailers can now submit their license applications and pay application fees online, at a time that is most convenient for them.

Existing retailers have had the option to file renewal applications online since 2013; now, both new and renewal applications can be submitted online. The online application option for new retailers was a significant step in the ILCC's efforts to modernize the licensing process and make the process more efficient for all licensees.

ii. Appointments Only Program

Under the new Appointments Only program, the ILCC began accepting appointments for in-person licensing services at the end of October 2023. Appointments are now required for all customers seeking in-person licensing assistance at the ILCC's Springfield or Chicago office. The Appointments Only program has improved customer service and eliminated the unpredictability of wait times at the ILCC's offices.

Before the program began, the ILCC met with walk-in customers on a first-come, first-served basis; ILCC waiting rooms were often full and Licensing staff had little control over the number of customers seeking in-person help each day. The Appointments Only program allows Licensing staff to control the flow of appointments and ensures that customers are prepared with the documents they need when they arrive at their appointment.

Licensing appointments can be booked on the ILCC's Licensing Appointments webpage, which is easily accessible from the ILCC website homepage. Customers can choose the type of licensing services they need and a time and date for their appointment. The ILCC serviced over 1,500 in-person licensing appointments in FY25.

iii. Online Scheduling for Pre-disciplinary Conferences

The ILCC Legal Division opened online scheduling for Pre-Disciplinary Conferences (PDCs) in March 2024. Online scheduling for PDCs provides customers with a streamlined, quick option for scheduling PDCs. Before the rollout of online scheduling, customers scheduled PDCs by submitting a PDC request form either via mail or via e-mail. Once the request form was received by the ILCC Legal team, a member of the Legal team would reach out to the customer to either conduct a PDC over the phone, or send the customer a letter with a date and time for the PDC.

PDCs can now be scheduled online, at a time that works best for the customer. This scheduling modernization has made communication between customers and the Legal Division more efficient, and allows disciplinary determinations to be made in a shorter timeframe.

V. Revised Underage Compliance Program

In 2023, the Enforcement Division revised the Underage Compliance Assistant program to attract more participants. The program recruits 18- and 19-year-old participants – “Underage Compliance Assistants” – to work with ILCC Enforcement staff to identify retail-liquor-licensed establishments who sell alcohol to minors. A retailer fails a compliance check if they sell alcohol to the Underage Compliance Assistant.

These compliance checks are crucial to the Enforcement Division’s mission to prevent underage drinking and ensure retailers understand the consequences of selling alcohol to minors. These checks are not designed to trick retailers. Underage Compliance Assistants provide their real identification to the retailer when attempting the alcohol purchase; no fake IDs are used.

For the past few years, the Underage Compliance Assistant program has suffered from low recruitment numbers. At the end of 2023, there were zero Underage Compliance Assistants signed up to participate in the program.

The Enforcement Division revised the program’s hiring and compensation processes to ensure participants can be hired in a reasonable amount of time, can be paid in a timely manner, and will receive suitable compensation for their time. The updated compensation process allows for more flexibility with the program, while maintaining accountability and ensuring better tracking of program funds.

Revising the program’s hiring process led to positive results almost immediately. The new program launched in the beginning of 2024 and signed up 12 new Underage Compliance Assistants in the first three months. The UC Program ended FY24 with 33 participants, the highest number of participants ever in the program’s history.

With more Underage Compliance Assistants, the Enforcement Division can perform a larger number of Underage Compliance Checks each year at liquor-licensed retailers across the State. If a retailer sells alcohol to the Underage Compliance Assistant during an Underage Compliance Check, the Enforcement Division issues the retailer a violation for the Sale of Alcohol to a Minor (SAM).

As a direct result of the revised and improved Underage Compliance Program, the Enforcement Division has seen a notable increase in SAMs violations issued each calendar year since 2022:

- 2024: 244% increase from 2023
- 2023: 119% increase from 2022

In the past three years, from 2022 to 2024, the number of SAMs violations issued per year increased by 653%. These compliance checks are important for retailers to understand the consequences of selling alcohol to minors.

VI. Upgraded Public Resources

i. Website Redesign

The ILCC kicked off its website redesign project in August 2023 after migrating to the State's new website management platform. The new website is designed to be a user-friendly, accessible resource for ILCC customers and the public, with a redesigned homepage, streamlined navigation, and an updated URL that is uniform with other Executive State Agencies.

The new website includes a revised Liquor License Lookup function with search filters; individual pages for each of the ILCC's four main divisions with division-specific reports and resources; databases for documents and reports, such as appeals case documents and Underage Compliance mission reports; and an updated calendar page that displays ILCC monthly board meeting dates, public trainings, community events, office closings, and other important dates.

ii. Signage

Throughout FY24, the ILCC revised the signage available to retail licensees and the public. The signage ranges from public health warnings to statutorily required notices and signs. One of the statutorily required signs, the Birth Defects Warning Sign, now has up-to-date language and contact information due to the ILCC's advocacy of Senate Bill 2745 during the 2023 Spring Legislative Session. [P.A. 103-0619]. The amended law ensures the ILCC can keep the Birth Defects Warning Sign up-to-date without having to pass legislation to change the language or contact information on the sign.

The ILCC also began its language access initiative in FY24, which focused first on retailer signage. As of the end of FY24, all retailer signage is now available in English and Spanish and can be downloaded from the ILCC's website or picked up in person at an ILCC office.

iii. Public Education Materials

The ILCC distributes public education materials on alcohol misuse, underage drinking, the Liquor Control Act, and popular trends in the alcohol market, among other various topics. These materials are available to pick up at both ILCC offices, can be downloaded from the ILCC website, and are distributed at community events and conferences attended by the ILCC. These materials range from pamphlets, one-pagers, and guides, to flyers, posters, and workbooks.

VII. External Affairs and Community Engagement Initiatives

i. 2023 State Fair

The ILCC made a big return to the State Fair and the Du Quoin State Fair in 2023, with a table in Lieutenant Governor Juliana Stratton's tent. ILCC staff from all divisions distributed alcohol awareness materials and engaged the with drunk driving prevention activities, such as a drunk goggles and a drunk driving pedal car. ILCC-branded items with the ILCC's contact information were distributed to the public, and contests were held for larger prizes.

While playing games and winning prizes is fun, the ILCC's goal at the 2023 State Fair was to increase awareness about who the ILCC is, what we do, and how to contact us. The more people we could engage, the farther we can spread important information on alcohol awareness and updates on new laws and regulations.

The ILCC's attendance at the 2023 State Fair was a successful first step in the ILCC's revised public engagement strategy. We saw a spike in traffic to the ILCC website and increased engagement on all of our social media pages.

ii. First Annual Youth Alcohol Awareness Summit (YAAS)

The ILCC held its first annual Youth Alcohol Awareness Summit (YAAS) event in October 2023. The virtual, half-day event was attended by students, educators, and industry members. Experts from law enforcement, the medical community, and prevention organizations led sessions on substance abuse, drunk driving, and overconsumption.

Attendees asked questions and engaged with the presenters, and were provided with resources to learn more about the presenters and the information shared throughout the event. The first YASS event was a success, and the ILCC looks forward to expanding YASS to a daylong, in-person event in the coming fiscal year.

iii. Underage Drinking Awareness Campaign

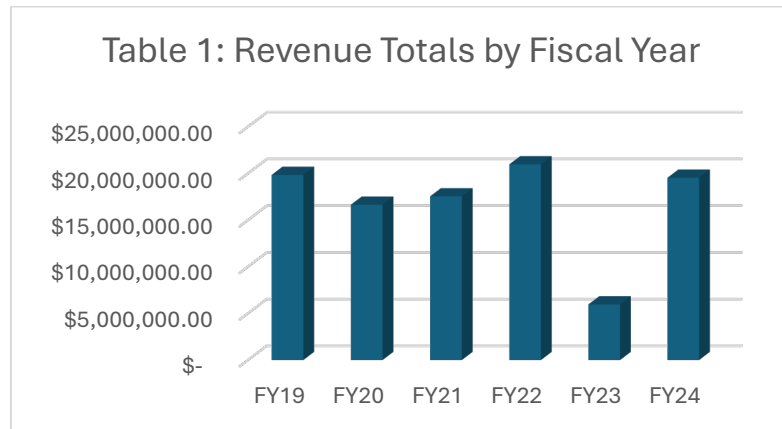
The IILCC's Industry Education Division is focused on providing alcohol education and information to the alcohol industry, the general community and public, and schools. In 2023, the division prepared for and began to attend an increasing number of community events, including school visits, to spread awareness about the dangers of underage drinking.

In the first half of 2024, the ILCC attended a handful of Child Safety Expos hosted by elected officials; these expos provided child-focused safety information on various topics, such as animal and fire safety, as well as youth alcohol awareness. The ILCC also visited schools to engage with youth of varying grade levels and talk with them about a variety of alcohol awareness topics. The ILCC also put on a presentation on underage drinking prevention to 5th-8th graders at Kozminski Community Academy in Chicago and attended a Health Fair at Malcom X College in Chicago to discuss alcohol safety.

These events allow the ILCC the opportunity to listen and learn from the state's younger demographics. ILCC staff bring alcohol awareness games and activities to these events to better engage with the youth and attendees. Drunk goggles and a drunk-driving pedal car are among the activities the ILCC uses for hands-on education about overconsumption and drunk driving.

VIII. Fiscal Outlook

In FY23, all 1A Retail Liquor Licenses were waived to assist in relief efforts from the COVID-19 pandemic. An estimated \$14 million in fees were waived. In FY24, the ILCC saw a resurgence from the industry with revenues rebounding substantially to \$19.5 million, nearing 2019, pre-COVID totals. The increase in revenue in FY22, shown in the Table below, was caused by the payment of the license fees that had been waived FY21, with payment deferred until FY22.



The ILCC generated \$19.5 million in revenue in Fiscal Year 2024: 92% from liquor licenses and 8% from fines, penalties, violations. The ILCC has remained fiscally responsible through the negative impacts from the previous years when the ILCC became an independent State agency, navigated the COVID-19 pandemic, and moved the locations of both the Springfield and Chicago office.

The Dram Shop Fund has seen a 55% increase since the ILCC separated from the Illinois Department of Revenue in 2019. The trends from 2024 leading into 2025 suggest that the alcohol industry has fully recovered from the effects of the Pandemic and has resumed growth momentum. Due to an increase in total licenses, the ILCC anticipates record-setting revenues in FY25, exceeding the agency's previous highest earnings in FY19. Key opportunities include continuing to expand the Enforcement division with revenue generating positions, cost savings by moving to our own cloud-based platform tailored to the needs of both our licensees and the Commission, and implementing a new system on how we conduct our Underage Compliance Checks which gives the Commission quicker access to participants in the program.