

MINUTES OF THE REGULAR MEETING
OPEN SESSION
ILLINOIS LIQUOR CONTROL COMMISSION
AUGUST 19, 2015
JAMES R. THOMPSON CENTER – ROOM 9-031
11:00 AM
CHICAGO, ILLINOIS

The regular meeting of the Illinois Liquor Control Commission was held at the James R. Thompson Center, 100 W. Randolph Street, Chicago, Illinois 60601 room 9-031 pursuant to notice.

Call the Roll:

Constance Beard, Chair
Cynthia Cronin Cahill, Commissioner
Bill Morris, Commissioner (joining after initial call at 11:13 am)
Donald O'Connell, Commissioner
Jim Pandolfi, Commissioner
Maria Saldana, Commissioner
Amy C. Kurson, Commissioner (joining after initial call at 11:18 am)

Also Present:

Ivan Fernandez, Acting Director
Richard Haymaker, Chief Legal Counsel
Tina Tsatsoulis, Legal Counsel
Mary McNulty, Commission Secretary

I. Approval of Minutes

A motion was made by Commissioner Saldana to approve and release the minutes of the June 4, 2015 Business Meeting. The motion was seconded by Commissioner Cahill and unanimously approved by the Commission.

A motion was made by Commissioner Saldana to approve and release the minutes of the June 24, 2015 Business Meeting. The motion was seconded by Commissioner Cahill and unanimously approved by the Commission.

A motion was made by Commissioner Cahill to approve and release the minutes of the July 23, 2015 Business Meeting. The motion was seconded by Commissioner Pandolfi and unanimously approved by the Commission.

II. Docket Review

A. Citation Docket

Tina Tsatsoulis stated there are four sale of alcohol to minor violations with a third offense on the docket and seven violations with a second offense.

B. Revenue Docket

Ivan Fernandez stated that there are 25 citations on the revenue docket.

Rick Haymaker stated that the Department of Revenue has not collected a substantial amount of revenue from the February 2015 docket, primarily because Naperville Theater filed bankruptcy. The Commission revoked this license with a stay pending bankruptcy status. Z & S Food & Liquor was also revoked and no payments were made.

III. Old Business

A. Restoration Hardware (RH)

A motion was made by Commissioner Pandolfi to issue a retail liquor license to Restoration Hardware subject to conditions provided by RH attorney Dimitri Christopoulos. The motion was seconded by Commissioner Kurson. Votes for the issuance of the license were as follows:

Commissioner Cahill – Aye
Commissioner Pandolfi – Aye
Chair Beard– Aye
Commissioner O’Connell – Aye
Commissioner Kurson – Aye
Commissioner Morris – No
Commissioner Saldana - Aye

B. Direct Shipping/Importation

Mr. Haymaker stated that staff continues to monitor shipping reports on a monthly basis. Cease and desist letters were sent to roughly 160 manufacturers shipping to Illinois consumers. Since then, the ILCC has issued over 200 out-of-state wineries that were qualified for winery shipper’s licenses. Commissioner Pandolfi inquired about shippers submitting taxes to Illinois. Mr. Haymaker explained that applicants are required to submit a tax bond in order to receive a license. Staff plans to send a second cease and desist letter to retailers who continue to ship without a license. Staff will review the September 2015 shipping reports and, per the statute, notify local law enforcement in counties to which the alcohol is shipped. Staff will then reach out to the Cook County Sheriff’s Office and the State’s Attorney’s Office for assistance.

Mr. Haymaker advised that a rule has been drafted which will go through the Illinois Department of Revenue rulemaking process. With this rule, common

carriers will be required to enter a license number on the monthly shipping reports for the shipper on whose behalf the common carrier is shipping. In this manner, it will be easier to identify whether or not shipments sent from a licensed shipper. If a common carrier fails to collect the license number, the common carrier will be held accountable for submitting incomplete reports.

Commissioner Cahill suggested that Commission staff refer cases of non-compliant shippers to the Office of the Illinois Attorney General for enforcement against unlicensed shippers.

Commissioner O'Connell voiced his concern on shipments possibly going to underage recipients.

WSDI attorney Sam Vinson advised that manufacturers issued a winery shipper's permit should collect local use taxes but this is generally not occurring. Chairperson Beard advised that, in her experience in non-alcoholic beverage sales, there is no local use tax charge requirement. The Chair stated, however, that the matter would need further evaluation by IDOR tax attorneys.

IV. New Business

A. University of Illinois

Commissioner Cahill reported that she read an article which stated that the University of Illinois has been labeled the biggest party school in the United States. Commissioner Cahill stated that the Commission is responsible for leading the prevention of underage drinking, especially on college campuses. Staff was directed to organize a Commission meeting in with University officials and hold a remote hearing in Champaign which would further discuss college drinking issues on the U of I campus and adjacent areas. Meeting topics could include a discussion of the Unofficial St. Patrick's Day event, bar entry age, and keg registration laws.

Commissioner Cahill explained that Unofficial St. Partick's Day, an event that takes place in Champaign annually, was started by bar owners with the intent to make money and promote local bars. Commissioner Cahill also explained that many of the bars are open until 2 a.m. every day of the week.

Karin Matura, Executive Director for Wine and Spirits Distributors of Illinois, reported that the University of Illinois Facebook page has promoted a new program which will allow designation of tailgating spots for students.

The Commission suggested that a round table discussion be held in Champaign on September 16th. The Commission also suggested the possibility of having a remote hearing in Champaign on September 16th. Staff will work on scheduling and confirm with the Commission at a later date.

B. Rulemaking Procedures and Priorities

Chairperson Beard suggested that rulemaking proceed in the following manner going forward:

1. Rule is drafted
2. Rule is brought before the Commission for review
3. Rule is posted for comment for a period of 30 days
4. Staff considers changes
5. Filing process begins

Following this procedure, there will be a 45 day period once the rule is filed for anyone to make additional comments. Mr. Haymaker stated that the Commission will conduct rulemaking in stages and will submit rules related to legislation passed in the 99th General Assembly in 2015.

C. 2016 Hearing Schedule

The Commission reviewed the proposed 2016 hearing schedule. Commissioner Saldana advised that she will not be available to attend on May 11, 2016. Commission unanimously approved 2016 hearing dates.

D. Remote Hearing

The Commission discussed the possibility of having a remote hearing in Champaign on September 16, 2015. Staff will work on scheduling and confirm with the Commission at a later date.

V. Adjournment

Commissioner Morris made a motion to adjourn the meeting. Motion was seconded by Commissioner Pandolfi. Motion unanimously approved. Meeting adjourned at 12:36 pm.

ATTEST:



Mary McNulty, Commission Secretary