



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2956

Introduced 2/6/2025, by Rep. Michael J. Kelly

SYNOPSIS AS INTRODUCED:

235 ILCS 5/6-5

from Ch. 43, par. 122

Amends the Liquor Control Act of 1934. Provides that nothing in the provisions prohibiting retailers from accepting certain things of value shall prohibit any manufacturer, importing distributor, or distributor from providing tap handles, kegs, or barrels to a retailer pursuant to a written deposit agreement in which the deposit is in an amount equal to or less than the actual amount of money required to be paid by the manufacturer, distributor, or importing distributor to the manufacturer or supplier of any tap handles, kegs, or barrels, and any customary and reasonable delivery or freight fees. Provides that it shall be unlawful for a retailer, but not for any other licensee, to fail to return tap handles, bottles, cases, kegs, or barrels provided to a retailer pursuant to a written deposit agreement with a manufacturer, importing distributor, or distributor upon demand of the manufacturer, importing distributor, or distributor. Makes a conforming change. Effective immediately.

LRB104 10203 RPS 20277 b

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 6-5 as follows:

6 (235 ILCS 5/6-5) (from Ch. 43, par. 122)

7 Sec. 6-5. Except as otherwise provided in this Section, it
8 is unlawful for any person having a retailer's license or any
9 officer, associate, member, representative or agent of such
10 licensee to accept, receive or borrow money, or anything else
11 of value, or accept or receive credit (other than
12 merchandising credit in the ordinary course of business for a
13 period not to exceed 30 days) directly or indirectly from any
14 manufacturer, importing distributor or distributor of
15 alcoholic liquor, or from any person connected with or in any
16 way representing, or from any member of the family of, such
17 manufacturer, importing distributor, distributor or
18 wholesaler, or from any stockholders in any corporation
19 engaged in manufacturing, distributing or wholesaling of such
20 liquor, or from any officer, manager, agent or representative
21 of said manufacturer. Except as provided below, it is unlawful
22 for any manufacturer or distributor or importing distributor
23 to give or lend money or anything of value, or otherwise loan

1 or extend credit (except such merchandising credit) directly
2 or indirectly to any retail licensee or to the manager,
3 representative, agent, officer or director of such licensee. A
4 manufacturer, distributor or importing distributor may furnish
5 free advertising, posters, signs, brochures, hand-outs, or
6 other promotional devices or materials to any unit of
7 government owning or operating any auditorium, exhibition
8 hall, recreation facility or other similar facility holding a
9 retailer's license, provided that the primary purpose of such
10 promotional devices or materials is to promote public events
11 being held at such facility. A unit of government owning or
12 operating such a facility holding a retailer's license may
13 accept such promotional devices or materials designed
14 primarily to promote public events held at the facility. No
15 retail licensee delinquent beyond the 30 day period specified
16 in this Section shall solicit, accept or receive credit,
17 purchase or acquire alcoholic liquors, directly or indirectly
18 from any other licensee, and no manufacturer, distributor or
19 importing distributor shall knowingly grant or extend credit,
20 sell, furnish or supply alcoholic liquors to any such
21 delinquent retail licensee; provided that the purchase price
22 of all beer sold to a retail licensee shall be paid by the
23 retail licensee in cash on or before delivery of the beer, and
24 unless the purchase price payable by a retail licensee for
25 beer sold to him in returnable bottles shall expressly include
26 a charge for the bottles and cases, the retail licensee shall,

1 on or before delivery of such beer, pay the seller in cash a
2 deposit in an amount not less than the deposit required to be
3 paid by the distributor to the brewer; but where the brewer
4 sells direct to the retailer, the deposit shall be an amount no
5 less than that required by the brewer from his own
6 distributors; and provided further, that in no instance shall
7 this deposit be less than 50 cents for each case of beer in
8 pint or smaller bottles and 60 cents for each case of beer in
9 quart or half-gallon bottles; and provided further, that the
10 purchase price of all beer sold to an importing distributor or
11 distributor shall be paid by such importing distributor or
12 distributor in cash on or before the 15th day (Sundays and
13 holidays excepted) after delivery of such beer to such
14 purchaser; and unless the purchase price payable by such
15 importing distributor or distributor for beer sold in
16 returnable bottles and cases shall expressly include a charge
17 for the bottles and cases, such importing distributor or
18 distributor shall, on or before the 15th day (Sundays and
19 holidays excepted) after delivery of such beer to such
20 purchaser, pay the seller in cash a required amount as a
21 deposit to assure the return of such bottles and cases. In
22 addition to the items that a manufacturer, importing
23 distributor, or distributor may give or sell to a retailer
24 pursuant to this Section and Section 6-6, nothing herein
25 contained shall prohibit any manufacturer, importing
26 distributor, or distributor from providing tap handles, kegs,

1 or barrels to a retailer pursuant to a written deposit
2 agreement in which the deposit is in an amount equal to or less
3 than the actual amount of money required to be paid by the
4 manufacturer, distributor, or importing distributor to the
5 manufacturer or supplier of any tap handles, kegs, or barrels,
6 and any customary and reasonable delivery or freight fees. It
7 shall be unlawful for a retailer, but not for any other
8 licensee, to fail to return tap handles, bottles, cases, kegs,
9 or barrels provided to a retailer pursuant to a written
10 deposit agreement with a manufacturer, importing distributor,
11 or distributor upon demand of the manufacturer, importing
12 distributor, or distributor. Nothing herein contained shall
13 prohibit any licensee from crediting or refunding to a
14 purchaser the actual amount of money paid for tap handles,
15 bottles, cases, kegs, or barrels returned by the purchaser to
16 the seller or paid by the purchaser as a deposit on tap
17 handles, bottles, cases, kegs, or barrels, when such
18 containers or packages are returned to the seller. Nothing
19 herein contained shall prohibit any manufacturer, importing
20 distributor or distributor from extending usual and customary
21 credit for alcoholic liquor sold to customers or purchasers
22 who live in or maintain places of business outside of this
23 State when such alcoholic liquor is actually transported and
24 delivered to such points outside of this State.

25 A manufacturer, distributor, or importing distributor may
26 furnish free social media advertising to a retail licensee if

1 the social media advertisement does not contain the retail
2 price of any alcoholic liquor and the social media
3 advertisement complies with any applicable rules or
4 regulations issued by the Alcohol and Tobacco Tax and Trade
5 Bureau of the United States Department of the Treasury. A
6 manufacturer, distributor, or importing distributor may list
7 the names of one or more unaffiliated retailers in the
8 advertisement of alcoholic liquor through social media.
9 Nothing in this Section shall prohibit a retailer from
10 communicating with a manufacturer, distributor, or importing
11 distributor on social media or sharing media on the social
12 media of a manufacturer, distributor, or importing
13 distributor. A retailer may request free social media
14 advertising from a manufacturer, distributor, or importing
15 distributor. Nothing in this Section shall prohibit a
16 manufacturer, distributor, or importing distributor from
17 sharing, reposting, or otherwise forwarding a social media
18 post by a retail licensee, so long as the sharing, reposting,
19 or forwarding of the social media post does not contain the
20 retail price of any alcoholic liquor. No manufacturer,
21 distributor, or importing distributor shall pay or reimburse a
22 retailer, directly or indirectly, for any social media
23 advertising services, except as specifically permitted in this
24 Act. No retailer shall accept any payment or reimbursement,
25 directly or indirectly, for any social media advertising
26 services offered by a manufacturer, distributor, or importing

1 distributor, except as specifically permitted in this Act. For
2 the purposes of this Section, "social media" means a service,
3 platform, or site where users communicate with one another and
4 share media, such as pictures, videos, music, and blogs, with
5 other users free of charge.

6 No right of action shall exist for the collection of any
7 claim based upon credit extended to a distributor, importing
8 distributor or retail licensee contrary to the provisions of
9 this Section.

10 Every manufacturer, importing distributor and distributor
11 shall submit or cause to be submitted, to the State
12 Commission, not later than Thursday of each calendar week, a
13 verified written list of the names and respective addresses of
14 each retail licensee purchasing spirits or wine from such
15 manufacturer, importing distributor or distributor who, on the
16 first business day of that calendar week, was delinquent
17 beyond the above mentioned permissible merchandising credit
18 period of 30 days; or, if such is the fact, a verified written
19 statement that no retail licensee purchasing spirits or wine
20 was then delinquent beyond such permissible merchandising
21 credit period of 30 days.

22 Every manufacturer, importing distributor and distributor
23 shall submit or cause to be submitted, to the State
24 Commission, a verified written list of the names and
25 respective addresses of each previously reported delinquent
26 retail licensee who has cured such delinquency by payment,

1 which list shall be submitted not later than the close of the
2 second full business day following the day such delinquency
3 was so cured.

4 The written list of delinquent retail licensees shall be
5 developed, administered, and maintained only by the State
6 Commission. The State Commission shall notify each retail
7 licensee that it has been placed on the delinquency list.
8 Determinations of delinquency or nondelinquency shall be made
9 only by the State Commission.

10 Such written verified reports required to be submitted by
11 this Section shall be posted by the State Commission in each of
12 its offices in places available for public inspection not
13 later than the day following receipt thereof by the State
14 Commission. The reports so posted shall constitute notice to
15 every manufacturer, importing distributor and distributor of
16 the information contained therein. Actual notice to
17 manufacturers, importing distributors and distributors of the
18 information contained in any such posted reports, however
19 received, shall also constitute notice of such information.

20 The 30-day merchandising credit period allowed by this
21 Section shall commence with the day immediately following the
22 date of invoice and shall include all successive days
23 including Sundays and holidays to and including the 30th
24 successive day.

25 In addition to other methods allowed by law, payment by
26 check or credit card during the period for which merchandising

1 credit may be extended under the provisions of this Section
2 shall be considered payment. All checks received in payment
3 for alcoholic liquor shall be promptly deposited for
4 collection. A post dated check or a check dishonored on
5 presentation for payment shall not be deemed payment.

6 A credit card payment in dispute by a retailer shall not be
7 deemed payment, and the debt uncured for merchandising credit
8 shall be reported as delinquent. Nothing in this Section shall
9 prevent a distributor, self-distributing manufacturer, or
10 importing distributor from assessing a usual and customary
11 transaction fee representative of the actual finance charges
12 incurred for processing a credit card payment. This
13 transaction fee shall be disclosed on the invoice. It shall be
14 considered unlawful for a distributor, importing distributor,
15 or self-distributing manufacturer to waive finance charges for
16 retailers.

17 A retail licensee shall not be deemed to be delinquent in
18 payment for any alleged sale to him of alcoholic liquor when
19 there exists a bona fide dispute between such retailer and a
20 manufacturer, importing distributor or distributor with
21 respect to the amount of indebtedness existing because of such
22 alleged sale. A retail licensee shall not be deemed to be
23 delinquent under this provision and 11 Ill. Adm. Code 100.90
24 until 30 days after the date on which the region in which the
25 retail licensee is located enters Phase 4 of the Governor's
26 Restore Illinois Plan as issued on May 5, 2020.

1 A delinquent retail licensee who engages in the retail
2 liquor business at 2 or more locations shall be deemed to be
3 delinquent with respect to each such location.

4 The license of any person who violates any provision of
5 this Section shall be subject to suspension or revocation in
6 the manner provided by this Act.

7 If any part or provision of this Article or the
8 application thereof to any person or circumstances shall be
9 adjudged invalid by a court of competent jurisdiction, such
10 judgment shall be confined by its operation to the controversy
11 in which it was mentioned and shall not affect or invalidate
12 the remainder of this Article or the application thereof to
13 any other person or circumstance and to this and the
14 provisions of this Article are declared severable.

15 (Source: P.A. 102-8, eff. 6-2-21; 102-442, eff. 1-1-22;
16 102-813, eff. 5-13-22; 103-363, eff. 7-28-23.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.