
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: SCOTT KOEPPPEL, VILLAGE ADMINISTRATOR
ALISON MURPHY, ASSISTANT TO THE VILLAGE ADMINISTRATOR/
VILLAGE CLERK
SUBJECT: DISCUSSION: AMENDING TITLE 3, CHAPTER 2, SECTION 5
(RESTRICTIONS ON ISSUANE OF LIQUOR LICENSES)
AGENDA: JUNE 6, 2023 REGULAR BOARD MEETING
DATE: MAY 25, 2023

ISSUE

Should the Board discuss an Ordinance Amending Section 3-2-5 of the Village Code pertaining to restrictions on the issuance of liquor licenses.

DISCUSSION

Earlier this spring, the Village received an inquiry regarding the Liquor License provision (3-2-5H) that restricts the issuance of a liquor license to

“a corporation if any officer, manager or director thereof, or any stockholder having a five percent (5%) or more interest would not be eligible to receive a license hereunder for any reason other than residence.”

It was noted that some surrounding communities had also included citizenship as an exemption to the 5% restriction. Following the call, Village staff reviewed the provision and determined that some communities have made the change and further research by the Village Attorney determined that the citizenship restriction was removed by state statute in August 2019. Additionally, a number of other changes were made to Section 6-2 of the Illinois Liquor Control Act (235 ILCS 5/6-2) that are not currently reflected in the Village Code. The proposed ordinance amends Section 3-2-5 to reflect these changes.

COST

There will be attorney fees of approximately \$500 for review of the ordinance and a small cost for codifying the ordinance, which is already included in the budget.

RECOMMENDATION

That the Board discuss the proposed Ordinance amending Village Code Section 3-2-5 (Business and License Regulations - Liquor Control - Restrictions of Issuance of License) and direct staff to bring it back for consideration at the next Board meeting.



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

ORDINANCE NO. XXXX

**AN ORDINANCE AMENDING VILLAGE CODE SECTION 3-2-5
(BUSINESS AND LICENSE REGULATIONS- LIQUOR CONTROL- RESTRICTIONS
OF ISSUANCE OF LICENSE)**

WHEREAS, the Village of Sugar Grove (“**Village**”) is not a home rule municipality within Article VII, Section 6A of the Illinois Constitution, and accordingly, seeks to act pursuant to the powers granted to it under 65 ILCS 5/1-1 *et seq.* and other applicable state and federal laws; and,

WHEREAS, the Village has previously adopted Section 3-2 of the Village of Sugar Grove Code of Ordinances (“**Village Code**”) to establish regulations for the sale of alcoholic beverages within the corporate limits of the Village; and,

WHEREAS, Section 6-2 of the Illinois Liquor Control Act (235 ILCS 5/6-2) (“**Act**”) establishes that except as otherwise provided in paragraph (1) of subsection (a) of Section 3-12 of the Act, the State Commission and local commissions shall not issue liquor licenses to certain individuals or entities; and,

WHEREAS, since the Village’s adoption of Section 3-2-5, there have been a number of changes to Section 6-2 of the Act that are not currently reflected in the Village Code; and,

WHEREAS, the Village finds it is in the best interest of the residents of the Village to amend and update Section 3-2-5 of the Village Code to reflect the changes made to the corresponding Section 6-2 of the Act, insofar as it pertains to restrictions on the issuance of liquor licenses.

NOW THEREFORE BE IT ORDAINED, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

SECTION ONE:

Title 3 “Business and License Regulations”, Chapter 2 “Liquor Control”, Section 3-2-5

“Restrictions on Issuance of License” of the Village Code is hereby amended as follows:

3-2-5: RESTRICTIONS ON ISSUANCE OF LICENSE:

No such license shall be issued to:

A. A person who is not a resident of the Village in which the premises covered by the license are located; except in case of railroad or boat licenses. For purposes of this provision, a corporation that does business in the Village is deemed in compliance with this provision.

B. A person who is not of good character and reputation in the Village and/or the community in which they reside.~~A person who is not a citizen of the United States.~~

C. ~~A person who has been convicted of a felony.~~[Reserved]

D. ~~A person who has been convicted of being the keeper or is keeping a house of ill fame.~~A person who has been convicted of a felony under any federal or state law, unless the State Liquor Control Commission or Local Liquor Control Commissioner determines that such person will not be impaired by the conviction in engaging in the licensed practice after considering matters set forth in such person's application in accordance with Section 6.2-5 of the Liquor Control Act and the State Liquor Control Commission and/or Local Liquor Control Commissioner's investigation.

E. ~~A person who has been convicted of pandering or other crime or misdemeanor opposed to decency and morality. A person whose license under this chapter has been revoked for cause.~~A person who has been convicted of keeping a place of prostitution or keeping a place of juvenile prostitution, promoting prostitution that involves keeping a place of prostitution, or promoting juvenile prostitution that involves keeping a place of juvenile prostitution.

F. ~~A person who at the time of application for renewal of any license issued hereunder would not be eligible for such license upon a first application.~~A person who has been convicted of pandering.

G. ~~A copartnership, unless all of the members of such copartnership shall be qualified to obtain a license.~~A person whose license issued by the Village has been revoked for cause.

H. A person who at the time of application for renewal of any license hereunder would not be eligible for such license upon a first application.

I. A co-partnership, if any general partnership thereof, or any limited partnership thereof, owning more than 5% of the aggregate limited partner interest in such co-partnership would not be eligible to receive a license hereunder for any reason other than residence within the political subdivision.

J.H. A corporation or limited liability company, if any officer, manager or director thereof, or any stockholder having a owning in the aggregate more than five percent (5%) of the stock of

such corporation, or more interest would not be eligible to receive a license hereunder for any reason other than residence within the political subdivision.

1. A corporation or limited liability company unless it is incorporated or organized in Illinois, or unless it is a foreign corporation or foreign limited liability company which is qualified under the Business Corporation Act of 1983 or the Limited Liability Company Act to transact business in Illinois and is in good standing with the Illinois Secretary of State.

I. A person whose place of business is conducted by a manager or agent unless said manager or agent possesses the same qualifications required of the licensee.

J. A person who has been convicted of a violation of any federal or state law concerning the manufacture, possession or sale of alcoholic liquor, or who shall have forfeited his/her bond to appear in court to answer charges for any such violation, unless the Local Liquor Control Commissioner determines, in accordance with Section 6-2.5 of the Liquor Control Act, that the person will not be impaired by the conviction in engaging in the licensed practice.

K. A person who does not beneficially own the premises for which a license is sought, or does not have a lease thereon for the full period for which the license is issued.

L. Any law enforcing public official, including the Village President or any member of the Board of Trustees, interested directly or indirectly in the manufacture, sale or distribution of alcoholic liquor whether as an individual or under a corporate entity in such liquor related business, except:

1. A license may be granted to such official in relation to premises that are not located within the territory subject to the jurisdiction of that official if the issuance of such license is approved by the State Liquor Control Commission;

2. A license may be granted to the Village President or any member of the Board of Trustees in relation to premises that are located within the territory subject to the jurisdiction of that official if:

- a. The sale of alcoholic liquor pursuant to the license is incidental to the selling of food;
- b. The issuance of the license is approved by the State Liquor Control Commission;
- c. The issuance of the license is in accordance with all applicable local ordinances in effect where the premises are located;

- d. The official granted a license does not vote on alcoholic liquor issues pending before the Board of Trustees to which the license holder is elected; and

- e. In the case of the Village President, an alternative Local Liquor Control Commissioner has been appointed as outlined in 3-2-2-C.

M. ~~Any person not eligible for a state retail liquor dealer's license.~~ A person who is not a beneficial owner of the business to be operated by the licensee.

N. A person who has been convicted of a gambling offense as proscribed by any of subsections (a)(3) through (a)(11) of Section 28-1, or as proscribed by Section 28-1.1 or 28-3 of the Criminal Code of 1961 or the Criminal Code of 2012, or as proscribed by a statute replaced by any of the aforesaid statutory provisions.

O. A person or entity to whom a federal wagering stamp has been issued by the federal government, unless the person or entity is eligible to be issued a license under the Raffles and Poker Runs Act or the Illinois Pull Tabs and Jar Games Act.

P. A person who intends to sell alcoholic liquors for use or consumption on their licensed retail premises who does not have liquor liability insurance coverage for that premises in an amount that is at least equal to the maximum required liability amounts.

Q. A person who is licensed by any licensing authority as a manufacturer of beer, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacturer of beer, having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed in this State as a distributor or importing distributor. For purposes of this paragraph (Q), a person who is licensed by any licensing authority as a “manufacturer of beer” shall also mean a brewer and a non-residential dealer who is also a manufacturer of beer, including a partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacture of beer.

R. A person who is licensed in this State as a distributor or importing distributor, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed in this State as a distributor or importing distributor having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed as a manufacturer of beer by any licensing authority, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise, except for a person who owns no more than 5% of the outstanding shares of a manufacturer of beer whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934. For purposes of this paragraph (R), a person who is licensed by any licensing authority as a “manufacturer of beer” including a partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed as a manufacturer of beer.

All other provisions not part of the amended Section 3-2-5 shall remain in full force and effect.

SECTION TWO:

GENERAL PROVISIONS

REPEALER: All ordinances or portions thereof in conflict with this Ordinance are hereby

repealed.

SEVERABILITY: Should any provision of this Ordinance be declared invalid by a court of competent jurisdiction; the remaining provisions will remain in full force and effect the same as if the invalid provision had not been a part of this Ordinance.

EFFECTIVE DATE: This Ordinance shall be in full force and effect on and after its approval, passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois on this XX day of XXXX, 2023.

Jennifer Konen
President of the Board of Trustees of the
Village of Sugar Grove, Kane County, Illinois

ATTEST: _____
Alison Murphy
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Heidi Lendi	_____	_____	_____	_____
Trustee Michael Schomas	_____	_____	_____	_____
Trustee Sean Herron	_____	_____	_____	_____
Trustee James F. White	_____	_____	_____	_____
Trustee Matthew Bonnie	_____	_____	_____	_____
Trustee Sean Michels	_____	_____	_____	_____
Village President Jennifer Konen	_____	_____	_____	_____