



Citizen's Guide to the Liquor License Application Process



312-74-GOBIZ
www.cityofchicago.org/businessaffairs

A message from the Mayor:

As Mayor of the City of Chicago, I would like to welcome you to our City. Chicago has a long history of culinary excellence and innovative arts & entertainment; today it has grown to be one of the top-rated food cities in the country and is home to some of the greatest restaurants, bars, cafés and theaters in the world.

Opening a business that requires a liquor license is a challenging yet rewarding endeavor, and the City of Chicago is committed to helping you succeed. For business owners who intend to make Chicago home, the City provides this step-by-step guide to liquor licensing as well as Business Consultants who are dedicated to assisting you and your business and guiding you through the City's operation requirements.

Obtaining a liquor license is a comprehensive process that involves both community input and facilities inspections. Whether you are looking to start a grocery store, restaurant, bar, nightclub, or are ready to buy a business, this guide will provide you with the information you need to ensure that you make the right decisions.

While this guide contains information about all major liquor license issues, it is recommended that you review the laws and regulations pertaining to the retail sale of alcoholic liquor directly by consulting the Chicago Municipal Code, Chapter 4-60 and the Illinois Liquor Control Act, Chapter 235 of the Illinois Compiled Statutes.

Good luck with your new business.

Sincerely,



Richard M. Daley
Mayor



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I. Overview of the Liquor Licensing Process

The liquor license application process is a thorough process, designed to ensure that only responsible business owners are granted the privilege of selling and/or serving liquor to the public. Applicants seeking a license are required to provide detailed information about the ownership and financing of their business. Establishments must undergo and pass inspections from several city departments, including the Departments of Health, Fire and Buildings.

Neighborhood sentiment is also taken into consideration; each legal voter registered within 250 feet of a proposed liquor license establishment is notified when a new application is filed. In some areas of the City, it may not be possible to obtain a liquor license due to restrictions such as "dry precincts" or moratorium areas that prohibit the issuance of additional packaged goods and consumption on premises licenses. It is also important to note that liquor licenses can not be issued to an establishment located within 100 feet of a school, church, hospital, day-care center, home for the aged or indigent, or library.

Whether you are starting a new business, interested in buying a business, or making changes to your existing business, we encourage you to research the license and zoning requirements as well as any restrictions carefully before committing yourself to any business or property. Doing the proper research ahead of time will prevent you from making important decisions before you know the facts.

The City has developed a customer-oriented case management approach to guide you through the application process. A Business Consultant will work closely with you to file your application and ensure you understand all of the responsibilities of a licensed liquor establishment in the City of Chicago. Once an application has been filed, the City is committed to making a decision on license issuance between 45-90 days.

The information in this guide is taken from the Chicago Municipal Code, Chapters 4-60. For more detailed information please visit <http://www.cityofchicago.org/businessaffairs>.

II. Classes of Liquor Licenses

Currently, there are nine major classes of liquor licenses in the City of Chicago:

- Tavern
- Packaged Goods
- Consumption on Premise-Incidental Activity
- Club (not-for-profit club)
- Caterer's Liquor OR Caterer's Registration
- Outdoor Patio
- Late Hour
- Special Club-Wrigley Rooftop
- Navy Pier Mobile and Navy Pier Fixed

These categories were established to help the City identify and regulate the various types of establishments serving alcoholic beverages.

Tavern License

A Tavern liquor license is required for any business whose primary activity is the retail sales of alcohol, to be consumed on premises. Bars, nightclubs, taverns, pubs, and lounges are all examples of businesses that are required to obtain a tavern license. Patrons entering a tavern must be 21 years of age or older. Persons under 21 years of age or older may only enter a licensed tavern if they are accompanied by a parent or legal guardian. A business holding a Tavern license is also allowed to sell packaged goods in limited quantities.

Moratorium restrictions against the issuance of a new tavern license may apply; ask a Business Consultant or your Alderman if your business is located within a moratorium district.

Taverns that offer live entertainment, charge admission for entry, or have several amusement devices (such as pool tables or arcade games) may need an amusement license to conduct such activity (see section on Amusement – page 24).

- Inspections Required:** Health, Fire, Buildings, Plumbing and Ventilation
- Fees:** \$4,400 + \$40.00 one time publication fee
- Renewal:** Every two years

Package Goods License

A Package Goods liquor license is required for the retail sale of alcoholic liquor enclosed in the original manufacturer sealed and labeled container. Businesses requiring a packaged goods license include grocery stores, convenience stores, and liquor stores. Liquor sales are not permitted from gas stations or drive-through windows. Businesses that sell packaged goods are not permitted to sell alcohol to be consumed on the premises. Tasting is permitted but must comply with Illinois State regulations (see Chapter 235, section 5/6-31 of the Illinois Liquor Control Act).

Moratorium restrictions against the issuance of a new Package Goods license may apply; ask a Business Consultant or your Alderman if your business is located in a moratorium district.

- Inspections Required:** Health, Fire, Buildings, Plumbing and Ventilation
- Fees:** \$4,400 + \$40.00 one time publication fee
- Renewal:** Every two years

Consumption on Premises-Incidental Activity License

A Consumption on Premises – Incidental Activity (COP) liquor license is required for any business where the retail sale of alcohol to be consumed on premises is incidental or secondary to another primary business activity (such as a Restaurant, where liquor is secondary to food service). Restaurants, hotels, banquet halls, theaters and bowling alleys that would like to sell liquor are all examples of business that are required to have a Consumption on Premises-Incidental Activity (COP) license. Moratorium restrictions do not apply for a certain type of businesses that are seeking a COP license. These exemptions are: sports stadiums with a seating capacity of more than 3,000 persons; restaurants; hotels; banquet halls licensed for incidental service of liquor only and where the principal activity is the service of food; theaters with fixed seating that provide live stage performances, any ice rink that also has been issued a PPA license, or businesses located at Navy Pier or McCormick Place. However, moratorium restrictions may apply to other businesses seeking a COP license. A business holding a COP license is also allowed to sell a limited quantity of packaged goods.

Inspections Required: Fire, Health, Buildings, Plumbing and Ventilation

Fees: \$4,400 + \$40.00 one time publication fee

Renewal: Every two years

Conditional Approval

The City recognizes that opening a business is a major financial commitment that involves a large amount of risk. In order to minimize that risk, the City has established a conditional approval process for businesses that are applying for a Consumption on Premises-Incidental Activity License (COP) and are planning the construction of a new facility or the rehabilitation of an existing building.

A business applying for a liquor license under conditional approval must undergo the same process as any other liquor license application, with the exception of facility inspections. These inspections will be performed once the building is fully constructed or renovated. Businesses applying for a liquor license under conditional approval will receive a decision within 90 days of the application file date. If conditional approval is granted, applicants have one year to complete construction and pass all required inspections.

Applicants filing an application for an Expanded Establishment Liquor License may also file as conditional approval regardless of the type of license they have.

Club License (not-for-profit club)

A Club License may only be issued to a **not-for-profit** corporation, organized under the laws of the State of Illinois, solely for the promotion of some common object other than the sale or consumption of alcoholic beverages. Such clubs must have been in active-and-continuous existence for at least three years with a membership roll of more than 50 members. Applicants seeking this license must have a City of Chicago Retail Food Establishment License along with a suitable and adequate kitchen and dining room for preparing and serving meals. Moratoriums restrictions against the issuance of a new Club License may apply.

Inspections Required: Health, Fire, Buildings, Plumbing and Ventilation

Fees: \$1,100 + \$40.00 one time publication fee

Renewal: Every two years

Caterer's License (for caterers located within the City of Chicago).

A Caterer's License allows catering companies or restaurants located within the city limits to serve food and alcoholic beverages off site and within the City of Chicago. "Off Site" catering means the preparation of food at one location for service at another. Applicants for this license are also required to hold a valid City of Chicago Retail Food Establishment License.

Inspections Required: Fire, Health, Buildings, Plumbing and Ventilation

Fees: \$4,400 (\$2,200.00 for holders of a Consumption on Premise - Incidental Activity License)
+ \$40.00 one time publication fee

Renewal: Every two years

Caterer's Registration (for caterers located outside the City of Chicago)

A Caterer's Registration permits caterers or restaurants that are located outside the City of Chicago to serve food and alcoholic beverages at events within the city limits. "Outside Caterer" means a person who performs off site catering by preparing food at a location outside the City of Chicago for service at a location within the city limits. Please review section 04-60-081 of the Chicago Municipal Code at <http://www.cityofchicago.org/businessaffairs>, for more information.

Application Requirements: Local Municipality Food and Liquor License, a copy of an inspection report conducted by your local health department, a certificate of liquor liability insurance, and a Chicago food sanitation certificate.

Inspections: Health

Fees: \$6,600

Renewal: Every two years

Outdoor Patio

An Outdoor Patio License is required to sell alcoholic liquor in a privately owned outdoor location adjacent to premises licensed as a Tavern, Not-for-Profit Club, or Consumption on Premises-Incidental Activity. An outdoor patio must close by 11 p.m., Sunday through Thursday, and midnight, Friday and Saturday. Live or recorded music may not be played or performed at any outdoor location licensed as an Outdoor Patio. Late Hour Licenses do not extend to an outdoor patio. Outdoor patios are differentiated from Sidewalk Cafes by the land that they are located on: outdoor patios operate off of privately held land, while Sidewalk Cafes operate off of the Public Way. Businesses that have a Retail Food Establishment license and wish to operate on the public way need to obtain a Sidewalk Café Permit before they may do so.

Application Requirements: Business Site Plan, Outdoor Floor Plan, Liquor Liability Insurance Certificate, and Occupancy Placard

Inspections Required: Health, Fire, Plumbing, Ventilation and Buildings

Fees: \$1,720 + \$40.00 one time publication fee

Renewal: Every two years

Late Hour License

Businesses wishing to remain open beyond the legal closing time of 2:00 a.m. may obtain a Late Hour Liquor License. This license is required for the additional privilege to remain open and permit the sale of alcoholic liquor until 4:00 a.m., Monday through Saturday, and until 5:00 a.m. on Sunday. Businesses holding a Tavern, Packaged Goods, or Consumption on Premises-Incidental Activity license are

permitted to apply for a Late Hour license (see section on Late Hour Application Process). Applications for late hour licenses are not bound by the normal 45-90 day liquor timeframe, as additional time is typically needed to process and verify the accuracy of the additional paperwork that is required. For more information on Late Hour Licenses please consult chapter IX of this guide.

Application Requirements: Business Site Plan, Floor Plan, Late Hour Petition and related documents

Inspections Required: Buildings

Fees: \$6,000 + \$40.00 one time publication fee

Renewal: Every two years

Special Club-Wrigley Rooftop

This type of license is required to sell rooftop admission rights or sell food, beer or wine on rooftops in the Wrigley Field adjacent area described in Chapter 04-388-010. Wrigley Field Special Club licenses are only valid from March- November. Please review section 04-388 of the Chicago Municipal Code at <http://www.cityofchicago.org/businessaffairs>, for more information.

Inspections Required: Fire, Health, Buildings, Plumbing and Ventilation

Fees: \$1,000

Renewal: Every two Years; Seasonal, March-November

Navy Pier Mobile and Navy Pier Fixed

This type of license is required for each outdoor location, structure, or pushcart from which the sale of alcoholic liquor is made within Navy Pier. Please review section 04-60-071 of the Chicago Municipal Code at <http://www.cityofchicago.org/businessaffairs>, for more information.

Inspections Required: Health

Fees: \$4,400 + \$40.00 one time publication fee

Renewal: Every two years

III. The Application Process

The details of the liquor license application process are outlined below. Please note that a Business Consultant will assist and guide you through the application process.

Due to notification requirements embedded within the City of Chicago liquor license ordinance, actual issuance of a new liquor license takes a minimum of 45 days from the day we receive payment. Furthermore, payment **may not** be accepted until the address and plans for your business have been reviewed and approved by the Department of Zoning. For this reason, it is important that you speak with a Business Consultant about the specifics of licensing your business as soon as possible, so as to be ensure the quickest and smoothest possible licensing process.

Step 1: Getting Started

The first step in applying for a new license is to complete a “Business Information Sheet” and submit it to the Department of Business Affairs and Licensing. This form is available online at our website, as well as in person in the Business Assistance Center in City Hall, Room 800. You may request an application in person, by mail or over the phone. It is highly recommended that interested business owners discuss the application process in detail with a Business Consultant as soon as possible. We are located at the following address:

Department of Business Affairs and Licensing
Business Assistance Center
121 N. LaSalle Street
City Hall, Room 800
Chicago, IL 60602
312-74-GOBIZ (744-6249)

The Department of Business Affairs and Licensing is open for walk-in assistance, Monday–Friday 8:30 A.M-4:30 P.M. Business Consultants are available on a walk-in basis during business hours to answer your questions and assist you with the application process. You may also schedule an appointment online or by calling 312-74-GOBIZ (744-6249).

Step 2: Determine if your business is located in a restricted area

At your first meeting, your Business Consultant will ask you a series of questions regarding the ownership of your business, what type of business you want to open and the address of your business location. You should be prepared to answer these questions in detail and provide the information requested on the new accounts information sheet.

At this meeting, your Business Consultant will also review the zoning classification of your business location and will determine if your business is located in an area where liquor sales are restricted. Your Business Consultant can also assist you with building permits, occupancy placards, public-way-use permits, or any other city services you may require.

You are strongly encouraged to determine if a liquor license is permitted in a location before investing in any business. There are several different types of restrictions that may prevent you from obtaining a liquor license in the City of Chicago. On your first visit, a Business Consultant will help determine if your proposed business location is in a restricted area. Precincts that have been voted dry do not permit the sale of any alcohol. Moratorium areas, located throughout the City, also prohibit the issuance of new Tavern, Packaged Goods, Incidental Consumption on Premises, and Club licenses in certain areas in each ward. A liquor license of any type is not permitted within 100 ft. of a school, church, daycare center, home for the aged or indigent or library (see section on restrictions for more information).

Step 3: Complete the Written Application/Zoning Review

To begin the liquor license application process, you are required to complete the written application. You should also be prepared to submit a detailed floor and business site plan to your Business Consultant. The Department of Zoning will review your written application and floor and site plans to determine if liquor sales are allowed at your business location. Your Business Consultant will present your application along with floor and site plans to the Department of Zoning on your behalf.

You may review the zoning classification of your proposed business location at <http://www.cityofchicago.org/zoning>.

Step 4: File the Written Application

Once you have secured approval from the Department of Zoning, you are permitted to file your application with the Department of Business Affairs and Licensing and pay the required license application fees. The date you file your application is known as your application file date. You will have 30 days from your application file date to submit all applicable documents.

Once you have filed your written application, your Business Consultant will provide you with a list of all required documents, schedule all required inspections, and prepare all required public notifications, including notice to all legal voters registered within 250 feet of your business location.

Step 5: Task Force Inspections

Liquor license applicants are required to pass inspections from the Departments of Health, Fire and Buildings, plumbing and ventilation. These inspections are also known as “Task Force Inspections.” Your Business Consultant will schedule these inspections at a time convenient for you. A representative of the business must be available at the scheduled time (see section on inspection tips). **You should be prepared for an inspection when you file your written application.**

Step 6: Background Check

All liquor license applicants are required to undergo a thorough background check. A Business Consultant will schedule an appointment for each person who owns 5% or more interest in the business along with the corporate officers, authorized manager, and any other person loaning or giving more than 10% interest in the business to be fingerprinted. Spouses of owners with a 5% or greater share of the business are required to submit a **Spousal Affidavit**.

The Department of Business Affairs and Licensing will review the financial and business information provided in the application file, and the results of the criminal background check, to determine if the owners/officers of the business are eligible to hold a liquor license. The Illinois Liquor Control Act and Municipal Code prohibit the issuance of a liquor license to persons who have been convicted of a felony and some types of misdemeanors.

A DBA investigator will also conduct an inspection of your establishment to determine if your business is located within 100 feet of a church, school, library or home of the aged or indigent, or library.

Step 7: Public Notifications

Within 5 days of the application file date, the Department of Business Affairs and Licensing is required to notify all of the legal voters registered within 250 ft. of the proposed business location by mail. The notification informs the public that an application for liquor license has been filed. The public has the opportunity to provide comments or submit written objections to the Department of Business Affairs and Licensing. The public has 40 days to submit comments and/or written objections. Negative community

response may result in the denial of a liquor license. No liquor license will be issued until the public comment period has expired. The public comment period ends 45 days after the application fee is paid.

The Department of Business Affairs and Licensing is responsible for sending notice to the alderman and the police district commander. The notification informs the alderman and police commander that an application for liquor license has been filed. Finally, the Department of Business Affairs and Licensing will publish a legal notice in a daily newspaper of general circulation in the city, four times over a two-week period. The Department of Business Affairs and Licensing will also give the applicant a notification sign to post on the front of the business premises.

Step 8: Submit Required Documents

Once you have filed your written application with the Department of Business Affairs and Licensing, you will have 30 days in which to submit all applicable documents.

Failure to submit all of the required documents within 30 days of your application file date, will suspend further processing of your application. Applicants will have the option to reactivate the application by submitting a \$500 reactivation fee. You will have up to six months from your application file date to reactivate your application. If you fail to reactivate your application within 6 months, you will forfeit your license application fee. In order to apply for a liquor license after the 6-month period has lapsed, you must submit a new application and start the process over again. You will not be eligible for a refund of any previously paid application fees.

Step 9: Application Review

Once the entire application and all its contents have been submitted, the Local Liquor Control Commissioner (DBA Director) is required to review the application materials, as well as any community objections, and issue a decision on the license application within a maximum of 60 days from the date you submitted all required documents. A license can be issued as early as 46 days from your application file date. If you are denied a license you have the right to file an appeal before the License Appeal Commission within 20 days of the denial.

IV. Making Changes to a Licensed Business

Change of Officer/Shareholders

Businesses holding a liquor license must report changes in ownership or corporate officers to the City of Chicago within 30 days of the change by completing a Change of Officer/Shareholders Application.

Any of the following changes to a business holding a liquor license requires that a Change of Officers / Shareholders application be filed with the Department of Business Affairs and Licensing.

- **A change of officers of a legal entity (if the officers have no ownership interest in the licensed business).**

The City of Chicago has developed a streamlined application process for businesses reporting changes of corporate officers who do not maintain any ownership interest in the business.

Type I - Change of Officer Application: If your business is simply removing an officer and you are not seeking to replace that officer, please submit a notarized letter to the Department of Business Affairs and Licensing detailing the change. We will update your account appropriately. You are not required to file an application or pay a fee to record this change with the City of Chicago.

Type II - Change of Officer Application: If your business is removing an officer and you are seeking to replace that officer, you must file a Type II Change of Officer Application.

Application Requirements: Corporate Minutes reflecting election/resignation of officers, Individual History Form and Photo Identification for each new officer.

Fee: \$100

- **A change in the owners or shareholders with 5% or more interest in the business.**

Type III - Change of Officer Application: If the ownership of your business has changed, you are required to file a Type III Change of Ownership/Shareholder Application. The process to apply for a Change of Ownership/Shareholders is largely the same as the new license application process.

Fees: \$250.00 + \$40.00 one time publication fee

Changing your Doing Business As Name (DBA)

Occasionally, business owners may choose to operate a business under an assumed name. This assumed name is generally called a DBA which is an abbreviation for the words "doing business as". When a business changes its DBA, it is required to file a DBA Change Application with the City of Chicago. Any business operating under an assumed name, must also file the appropriate documents with the Illinois Secretary of State (corporations, partnerships, and LLCs) or Cook County Office of Assumed Names (sole proprietors).

Fee: \$40 one time application fee

Changing your Legal Name

Occasionally, businesses may choose to change the legal name of the business entity. When a business changes its legal name, it is required to file a Change of Legal Name Application with the City of Chicago. This applies to all business entity types.

For example, Jane Doe operates a business as a sole proprietor under the name of Jane Doe. Jane Doe marries and legally changes her name to Jane Smith. Jane Smith is required to file a Change of Legal Name Application with the City of Chicago to record the change in legal name from Jane Doe to Jane Smith.

Note: A change of legal name is not the same as a change in legal entity. For example, Jane Doe operates a business as a sole proprietor under the name of Jane Doe. Jane Doe changes the structure of her business to a corporation called Jane Doe, Inc. Jane Doe, Inc. is required to file a **new license application** with the City of Chicago to record the new legal entity as a licensee in Chicago.

Application Requirements: Certificate of Good Standing and Amended Articles of Incorporation/Organization (corporations, LLCs).

Fee: \$250.00 + \$40.00 publication fee

Expanded Establishment

An Expanded Establishment Liquor License is required for businesses that already have a City of Chicago liquor license but wish to expand the size of their establishment. **“Expansion” means any increase in the square footage of the area of an establishment where liquor is offered for sale, sold, served or consumed by members of the general public.** This does not include the reconfiguration of an existing space. Businesses seeking to expand a currently licensed establishment, may also apply under the conditional approval process. Please review sections Chapter 4-60-110 (b) and 4-60-040 of the Chicago Municipal Code at <http://www.cityofchicago.org/businessaffairs>, for further details.

Examples of an expanded establishment include, but are not limited to the following:

- Adding an additional floor to your business premises. You are currently operating your business on the first floor, but you wish to open up the second floor to patrons.
- The business next door to you has become vacant and you wish to expand your business into the new vacant space.
- Adding another room or putting an addition on the same floor you are already operating your business in. For example, you have a back room that was always used for storage and you wish to use it to increase your dining area.

Businesses that **do not** qualify to apply for an Expanded Establishment Liquor License include:

- Businesses moving to a new business location. When you move your business, you are required to apply for and obtain a new liquor license at your new business location.
- Businesses located in a moratorium area prohibiting new taverns or packaged goods stores.

Application Requirements: Proposed floor plans, proposed building or site plans, Occupancy Placard issued by the Chicago Department of Buildings, Financial Disclosure Form and a copy of Lease or proof of property ownership.

Inspections: Health, Fire, Buildings, Plumbing and Ventilation

Fees: \$1,000.00 one time fee + \$40. 00 publication fee

V. Required Documents

The following is a comprehensive list of documentation that is required to be submitted when filing a liquor license application and/or a Type III Change of Owners/Stockholders. Documentation must be submitted to a Business Consultant and reviewed for accuracy. Please note that not all of these documents are required for every license application; for more details you should refer to the "Required Documents" section near the back of your license application, or speak with a Business Consultant. Documents that are **bold** are documents that you provide to us; documents that are underlined are forms that we provide for your completion. These forms are available in the Business Assistance Center in City Hall, Room 800 or online at <http://www.cityofchicago.org/businessaffairs>.

1. Individual History Form: for any individuals who have 5% or more interest in the business and officers of the applicant entity, or any corporate officers or members that we determine need to be represented on the liquor license.
2. **Photo Identification**: Drivers License, State ID or Passport for each person required to complete an Individual History Form, for the spouse of any individual with more than 5% interest in a liquor establishment, or for any individual applying to become an approved manager.
3. Spousal Affidavit: for spouses of individuals who have 5% or more interest in a liquor establishment.
4. Manager Statement: an approved manager may conduct business activities and represent the licensee on license matters before the Department of Business Affairs & Licensing. The manager will need to submit a separate application and meet the same application requirements as owner/shareholders.
5. **Lease to the Property**: made to the *applicant entity* for a minimum of 1 year. If the applicant entity is the owner of the property, proof of ownership is required, such as a deed or a tax bill.
6. Financial Disclosure Form: detailing the source of funds used to establish the business.
7. **Certificate of Liquor Liability**: or Dram Shop Insurance issued to the business for the premises in the aggregate amount of \$300,000 per occurrence. The policy should cover the business for at least a year from license issuance. There must be a 30-day cancellation notice included on the certificate. The insurance also needs to cover the City of Chicago; it should identify the following as "Certificate Holder":

Local Liquor Control Commission
121 N. LaSalle Street, Room 800
Chicago, IL 60602
8. **Beverage Alcohol Sellers and Servers Education and Training (BASSET) Certificate**: is required for the manager or owner of a business. If you already have a certificate, make sure that it is still current as they expire every three years. Please visit <http://www2.state.il.us/lcc/basset> for a list of BASSET classes in your area.
9. **Business Structure Documents** (for primary applicant only):

Corporations

- Corporate Minutes (showing election of new officers and resignation of any previous officers)

- All issued Stock Certificates (Cancelled and current, privately held corporation only)
- Articles of Incorporation
- Business Organization Chart

Limited Liability Corporations

- Operating Agreement
- Articles of Organization
- Business Organization Chart

Limited Partnership

- Partnership Agreement
- Business Organization Chart
- Certificate of Limited Partnership

General Partnership

- Partnership Agreement (if applicable)
- Business Organization Chart

Sole Proprietorship

- Proof of Chicago Residence

10. **Site Plan of the Premises:** a plat of survey or a drawing showing the property where your establishment is located.
11. **Detailed Floor Plan of the Business:** Show exits, restrooms, seating, shelving, display units, bar area.
12. **Purchase/Sale Agreement:** If the applicant is purchasing an existing business.
13. **Illinois Business Tax Number (IBT):** You must register with the Illinois Department of Revenue if you conduct business in Illinois or with Illinois customers. You must also register if your business is a sole proprietor (individual or husband/wife), an exempt organization, or a government agency, and you are liable for reporting Sales and/or Use Tax, sales for resale, or withholding for Illinois employees. For further information, contact the Illinois Department of Revenue at 217-785-3707 or apply online at <http://www.revenue.state.il.us/>.
14. **Federal Employer Identification Number:** A Federal Employer Identification Number (FEIN), also known as a Federal Tax Identification Number, is a nine-digit number that the IRS assigns to business entities. The IRS uses this number to identify taxpayers that are required to file various business tax returns. You can contact the IRS at 1-800-829-1040 or apply online at <http://www.irs.gov>.
15. **Occupancy Placard:** issued by the City of Chicago Department of Buildings. These are required in each and every room or space that is being used to serve patrons. For more information on how to apply for an Occupancy Placard visit the Department of Buildings at <http://www.cityofchicago.org/buildings> or call (312) 744-3400.
16. **Packaged Goods Grocery Affidavit:** Completed by an applicant for a Packaged Goods License if the establishment is located in a "B" zoning classification.
17. **Food Service Menu:** Restaurants applying for Consumption on Premises - Incidental Activity License, Caterer's License, or Caterer's Registration must submit a copy of their food service menu.

VI. Inspections

Initial License Inspections

Any business filing an application for a liquor license is required to pass inspections from several city departments prior to obtaining a license. Once an application is filed for a liquor license, the Department of Business Affairs and Licensing will schedule your business establishment for inspection. The Departments of Health, Fire, and Buildings will determine if a business establishment meets the requirements of the applicable section of the municipal code. If your establishment does not pass the first inspection, you may resolve any outstanding issues and schedule a re-inspection.

You may check the status of an inspection at <http://www.cityofchicago.org/businessaffairs> under *Business Assistance Center / New Applicants* or contact your Business Consultant.

Health (Food Protection)

The Food Protection Division of the Chicago Department of Public Health inspects your facility to promote public health in areas of food safety and sanitation and prevent the occurrence of food-borne illness. Inspections focus on food handling practices, product temperatures, personal hygiene, facility maintenance, and pest control. If your liquor establishment sells food, a Food Service Sanitation Manager must be on duty at the time of inspection (managers must take and pass an approved course). For further information contact the Chicago Department of Public Health at (312) 747-9884 or visit them online at <http://www.cityofchicago.org/health> under Environmental Health and Surveillance, Food Protection.

Fire Prevention

Fire inspectors will visit your establishment and check for safety measures. Their primary concern is verifying that you have proper exit structures in case of emergency. They will verify that stairs, chimney, heating, and duct systems are in good condition. Aisles and exits must be easily accessible. Properly working fire extinguishers are necessary. An Occupancy Placard must be posted if a room capacity exceeds 100 persons.

Department of Buildings

Building Inspectors will be concerned with many of the structures (i.e. exits and stairways) that the Fire Department inspects, but for different reasons. While the Fire Department ensures that your building is fire resistant and easy to evacuate in case of emergency, the Department of Buildings, Bureau's of Plumbing, Ventilation and Conservation, ensures that structures are sound for use. Accessible exits and stairways with clear signs and sound exterior are some examples. The building inspector will also look at electrical components and emergency lighting. Adequate ventilation must be supplied and plumbing must be up to code. Please visit the Department of Buildings website, <http://www.cityofchicago.org/buildings> to view the inspection checklist.

Annual Inspections

Once you have obtained a license, the City will periodically inspect your establishment. Your establishment may be subject to the following types of inspection:

Scheduled Annual Inspections for Eating Establishments

The Department of Buildings will conduct annual inspections for businesses that hold a Retail Food Establishment License and are registered as Restaurant Taxpayers (primarily classic restaurants). Businesses are given 4 weeks notice and can confirm the inspection online or by phone. Inspections will be completed during the non-peak hours of 9:00-11:00 a.m. and 1:00-3:00 p.m.

Inspection fees are based on the square footage of your business location and will be billed with your annual license renewal. In order to renew your business license, you must submit your license fees and your inspection fees.

Amusement License Inspections

Businesses holding an amusement license are required to pass an annual inspection by the Department of Buildings. Amusement licenses will not be issued until your establishment has passed inspection. The Department of Buildings will contact you to schedule inspection of your licensed amusement establishment. The amusement license inspection fees are based on the square footage of your business and will be billed separately from your renewal fees.

Unannounced Inspections

The Departments of Health and Fire will conduct random unannounced inspections to all establishments that offer food. The Dumpster Task force also conducts unannounced inspections. In addition, all city departments will respond to public complaints and these inspections will be unannounced.

VII. Liquor License Eligibility

The City of Chicago's liquor license application process is designed to ensure that liquor licenses are issued only to persons who meet the eligibility requirements of the Chicago Municipal Code and the Illinois Liquor Control Act. The following list is a summary of all classes of individuals who are **prohibited** from holding any type of liquor license:

1. A person who knowingly files false or incomplete information on a liquor license application;
2. A person who knowingly files false or fraudulently obtained signatures on petitions for the purpose of obtaining a Late Hour Liquor License;
3. A person who has been convicted of a felony under any federal or state law -- if the Local Liquor Control Commission determines, after an investigation, that such person has not been sufficiently rehabilitated to warrant the public trust;
4. A person who is not a resident of the City of Chicago (if applying as a Sole Proprietorship only);
5. A person who is not of good character and reputation in the community in which he resides or in the community in which his premises are located;
6. A person who owes any outstanding debt to the City of Chicago;
7. A person who has been convicted of being the keeper or is keeping a house of prostitution;
8. A person who has been convicted of pandering or other crimes or misdemeanors opposed to decency and morality;
9. A person whose license issued under Title 4, Chapter 4-60 of the Municipal Code has been revoked;
10. A person who at the time of application or renewal would not be eligible to hold such license upon first application;
11. A partnership, if any member of the partnership would not be eligible to receive a license for any reason other than residency in the city;
12. A corporation, if any stockholder or any director, officer or manager of the corporation owning in aggregate more than 5% of the stock of such corporation, would not be eligible to receive a license for any reason other than residency in the city;
13. A corporation unless it is incorporated in the State of Illinois. If it is incorporated outside of Illinois, the corporation must be qualified under the Illinois Business Corporation Act of 1983;
14. A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the qualifications required to obtain a license, except for residency in the city;
15. A person who has been convicted of violation of any federal or state law concerning the manufacture, possession or sale of: liquor, cannabis, narcotics or other controlled substances, or who has forfeited bond to appear in court to answer charges for any such violations;
16. A person who does not beneficially own the premises for which the license is sought or does not have a lease for a minimum period of one year;

17. Any elected public official of local government, or any non-elected law enforcing official or law enforcement employee who has jurisdiction in the City of Chicago;
18. A person who is not the beneficial owner of the business to be operated by the licensee;
19. A person who is ineligible for or fails to receive a license to sell alcoholic liquor at retail from the State of Illinois;
20. A person who has been convicted of a gambling offense as prescribed by any of subsections (a)(3) through (a)(10) of Section 28-3 of the Illinois Criminal Code of 1961;
21. A person or partnership to whom a federal wagering stamp has been issued for the current tax period or a corporation, if any shareholder holding an aggregate amount of stock of 20% or more has been issued a wagering stamp for the current tax period.
22. A person who is married to, or is the registered domestic partner of, an individual who is ineligible to hold a liquor license.

VIII. Restrictions and Special Regulations

Zoning

The City of Chicago is divided into a variety of zoning districts that reflect the diversity of neighborhood uses. Each zoning district has different regulations regarding the type of business activities that are permitted. It is imperative that you check the zoning requirements of your proposed business location carefully. A Business Consultant will check the zoning classification of your proposed business location or if you have identified a business location, you may check the zoning classification through the Interactive Zoning Map at <https://www.cityofchicago.org/zoningmap>.

Dry Areas

The Illinois Liquor Control Act of 1934 permits voters in any precinct in the City of Chicago to vote an entire precinct “dry” through a local option referendum. If a precinct has been voted “dry,” no liquor licenses can be held within the precinct. Please check with your Business Consultant to determine if a proposed location is “dry”.

Liquor Moratorium Districts

The Chicago City Council has passed a series of ordinances restricting the issuance of liquor licenses in various locations throughout the City. These restrictions may apply to licenses for consumption on premises, taverns, private social clubs, and stores selling package goods. Restaurant services are generally not subject to these restrictions.

A fee of \$1,000.00 is required to file an application in a moratorium area, in addition to the license application fee. The moratorium ordinances also significantly restrict the transfer of existing liquor establishments to new owners. Presently, there are six limited exceptions that permit existing locations in a moratorium to legally be transferred. The following transfers are permitted:

- Between spouses;
- Between parents and children;
- An heir of the prior license by estate succession or a will;
- Any shareholder who already held shares prior to the creation of the moratorium area;
- Any person acquiring less than 5% of the shares of a corporate licensee;
- Any other person who acquiring the licensed business by purchase if that person can obtain the consent of over 51% of the registered voters within 500 feet of the premises.

If the above exceptions do not apply to you, the transfer of a license may only be approved after the new applicant obtains the consent of 51% of the legal voters registered within 500 ft. of the business. Please see a Business Consultant for petition forms, a list of registered voters, and further details.

Proximity to Churches, Schools, Homes for the Aged, Day Care Centers

Licenses for the retail sale of alcoholic liquor will not be issued to any establishment located within 100 feet of a church (some exceptions to this rule exist pertaining to locations near churches), school (other than an institution of higher learning), hospital, or home for the aged or indigent. In some cases, day care centers may be classified as schools. Distances are measured in several ways: the distance from a church is measured from the property line of the licensed premises to the nearest part of any building used for worship services or educational programs; the distance from a school is measured from the property line of the school to the property line of the premises to be licensed. Streets, alleys and public ways are included in the measurements mentioned above.

Proximity to Libraries

Licenses for the retail sale of alcohol will not be issued to an establishment located within 100 feet of any library, with the exception of the main library. Streets, alleys, and public ways are not included in the measurement from property lines of the library to the property line of the premises to be licensed.

Proximity to Other Taverns

No new tavern licenses can be issued to any location that is within 400 feet of existing businesses already licensed for the sale of alcoholic liquor in certain zoning districts. Measurements are made from the property line and exclude streets, alleys, and public ways. This prohibition does not apply to restaurants, hotels offering restaurant services, or not-for-profit clubs.

“Deleterious Impact” Application Denial

Applications for new liquor licenses undergo review by the Department of Business Affairs & Licensing (DBA) to ensure not only the safety of the public patronizing the liquor establishment, but also to ensure that the new establishment will not have a deleterious impact on the surrounding community. Whether or not an establishment will cause a deleterious impact is determined during the license application review process. The DBA can deny a new liquor license application for deleterious impact under three scenarios:

- 1) **Community Objection:** A new liquor application can be denied for deleterious impact where the community sends feedback to DBA alleging that issuance of the liquor license would:
 - Have an adverse effect on the value of any property, or
 - Increase the risk of violations of law, or
 - Create a risk of a substantial increase in noise, litter, or vehicular congestion.
- 2) A deleterious impact is presumed to exist whenever there have been a **substantial number of arrests** within 500 feet of the applicant’s premises within the previous two years.
- 3) The subject premises identified in the liquor application has been **previously denied for deleterious impact** within the last two years.

If an applicant is denied a liquor license for reasons of “deleterious impact”, under any of the three scenarios, then the applicant has the option to devise a plan of operation to address the specific negative impact concerns. The applicant will have 20 days from the date of denial to submit the plan of operation. The plan must provide reasonable assurance that the issuance of the liquor license will not have a deleterious impact. The burden is on the business owner to prove that their establishment will not negatively affect the community. The plan may include conditions upon the applicant’s operation of the premises that are useful or necessary to mitigate a deleterious impact. Such conditions include, but are not limited to; providing security personnel, restricting hours of operation, installing outdoor lighting, displaying signs, providing trash pickup services, or any other reasonable restrictions on a business practice. If a plan of operation is not approved, the denial will stand and the applicant may appeal the denial decision to the License Appeal Commission.

The primary method for determining whether a business will cause a deleterious impact is through community and law enforcement feedback. Upon payment for a new liquor license application, the Department of Business Affairs & Licensing is required to serve written notice to all registered voters residing within 250 feet of the proposed licensed establishment. Notice is also published in the Chicago Sun-Times and posted on the proposed business establishment.

“Public Nuisance” License Revocation

While a new license application may be denied for “deleterious impact”, DBA may revoke an existing liquor license if the business is deemed to be a “public nuisance”. This revocation process was created to offer communities better tools than traditional “vote dry” referendums, which affect entire precincts. Instead, the new “public nuisance” revocation process is designed to target specific problem establishments within communities.

Public Nuisance Revocation Process

In order to initiate the public nuisance license revocation process, any group of 5 or more residents who reside within 500 feet of the building in question may file a complaint to the Local Liquor Control Commissioner (LLCC). The complaint will state that the business operation causes a “public nuisance”, and that the business has failed to take reasonable steps to correct objectionable conditions on the premises.

When this occurs, the LLCC may notify the licensee and call for a community meeting to discuss and seek resolution to the complaint. In addition, the local alderman can request or the LLCC can convene a community meeting where there is a reasonable belief that a particular liquor establishment is causing a public nuisance. If the business fails to appear at the meeting it may be grounds for a fine, suspension, or revocation.

If the community meeting process fails and the business owner fails to take reasonable steps to correct the objectionable conditions, the community may circulate petitions and obtain consent from a majority of legal voters residing within 500 feet of the business to have a public nuisance hearing. If there are not at least 50 registered voters living within 500 feet, then the LLCC may request a hearing in lieu of the voter petition.

During this hearing, the burden of proof falls on the community to bring credible evidence that the business is a public nuisance. The business owner then has the opportunity to rebut the argument, or to devise a plan to address the issue(s).

The case will be presented before an LLCC hearing officer who will make a decision whether or not the business licenses should be suspended or revoked.

If the licenses are suspended or revoked, the business will have an opportunity to submit a plan of operation that provides reasonable assurances that the business will not continue to be a public nuisance.

The Local Liquor Control Commission may postpone the suspension or revocation order for six months while the business implements the plan of operation. After six months, a hearing will be held to evaluate the effectiveness of the plan. The plan of operation must be submitted within 20 days after the suspension or revocation order is issued. A 35-day stay may be granted to review the plan before a decision is reached. If the LLCC rejects the plan, the suspension or revocation order will become final.

Results of Revocation

If a liquor license is revoked due to public nuisance, a 2-year ban is placed on the location, and no new liquor licenses will be issued during that time. New liquor license applications for the location are banned for at least 1 year. After 1 year, a new business may apply for a new liquor license if the new applicant obtains consent of 51% of the registered voters who reside within 500 feet of the proposed location. Otherwise, the liquor license ban continues until the 2-year period expires. A liquor licensee who is revoked for public nuisance and appeals the revocation to the License Appeal Commission is prohibited from remaining open during the appeal process.

BYOB in Chicago:

While the BYOB (*Bring your own Bottle*) concept is considered a permitted activity for restaurants within the city limits, there are important city policies regulating the BYOB practice that restaurants need to consider:

- **Fee:** no direct or indirect fee may be charged for the allowance of alcohol consumption without a City of Chicago liquor license; this includes corkage fees.
- **Serving/Storing:** Restaurant employees may not touch, handle, pour or store the alcohol in any way. Patrons bringing their own liquor must handle it themselves.
- **Liability:** It is always recommended that BYOB locations obtain liquor liability insurance to protect against potential lawsuits. It is illegal for an establishment to serve anyone who is intoxicated; likewise, a business that allows patrons to BYOB can be held negligent for allowing patrons to over serve themselves.
- **Banquet Halls:** Banquet halls that allow BYOB service may be required to obtain a liquor license.

Sealing and removal of open wine bottles from restaurants licensed to serve liquor:

With the Illinois General Assembly's passage of SB946 (Public Act 094-1047) in 2007, a restaurant licensed to sell alcoholic liquor in Illinois may permit a patron to remove one unsealed and partially consumed bottle of wine for off-premise consumption, provided that the patron has purchased a meal and consumed a portion of the bottle of wine with the meal on the restaurant premises.

Additionally, the partially consumed bottle of wine **MUST** be securely sealed by the licensee (or an agent of the licensee) prior to removal from the premises and placed in a transparent one-time use tamper-proof bag. The licensee or agent of the licensee shall provide a dated receipt for the bottle of wine to the patron.

Wine that is resealed in accordance with the above provisions will not be considered an "unsealed container" for the purposes of Section 11-502 of the Illinois Vehicle Code.

IX. Late Hour Liquor Licenses

Businesses wishing to remain open beyond the regular time of closing may obtain a Late Hour Liquor License if they meet certain criteria and follow the application process outlined below.

Hours of Operation

The closing hour under a standard liquor license is 2 a.m., Monday through Saturday, and 3 a.m. on Sunday. With a Late Hour Liquor License, establishments are permitted to remain open until 4 a.m. Monday through Saturday and 5 a.m. on Sunday. The legal opening time for all liquor establishments is 7 a.m., Monday through Saturday, and 11 a.m. Sunday. Restaurants can begin selling liquor at 10:00 a.m. on Sunday. During years that Christmas Eve or New Year's Eve falls on a Sunday, package goods stores may open at 10 a.m. instead of the normal time of 11 a.m. for that one specific Sunday.

Late Hour Application Process

In order to apply for a Late Hour License, applicants must first hold an Incidental-Consumption on Premises, Tavern and/or Packaged Goods license.

If there are 50 or more legal voters registered within a distance of 500 feet from the licensed premises the applicant is required to: 1) Send written notice to all of these legal voters. The applicant must send notices via certified mail with a return receipt required. The Department of Affairs and Licensing can provide a sample notice; 2) Submit an affidavit stating that the local voters have been notified and that written notice has been provided to the local alderman informing him/her of the Late Hour application; 3.) Post a notice of Late Hour Application on the business premises; 4.) File a petition, signed by a majority of the registered voters within the affected area, giving consent to the business to file a Late Hour License application. The license application must be submitted within sixty (60) days of the date the petition was signed by the first legal voter.

Please note that a majority of the legal voters registered within 500 feet of the licensed premises may file a petition requesting the Director of the Department of Business Affairs and Licensing to suspend or revoke the Late Hour License privilege. Upon a finding to discontinue the late hour privilege, the Director of the Department of Business Affairs and Licensing may either revoke such privilege permanently or suspend it for a period of not more than 30 days.

X. Chicago Clean Indoor Air Ordinance

The new Chicago Clean Indoor Air Ordinance, passed by City Council in December 2005, regulates smoking in and near the entrance to all public buildings and enclosed workplaces and facilities.

Restaurants, Bars and Taverns

Smoking is prohibited in most public establishments and restaurants. However, smoking is permitted in restaurants with bar areas and bar/taverns until July 1, 2008. Such establishments must meet the following criteria:

Restaurant with Bar Area

1. You must be a licensed retail food establishment; and
2. You must derive **less than 65%** of your gross proceeds from the sale of alcohol; and
3. You must have a bar area open to patrons (as opposed to a service bar).

If you meet these three requirements, people may smoke within 15 feet of the bar counter.

Bar/Tavern

1. You must have a license to sell alcohol for consumption on the premises; and
2. You must derive **65% or more** of your gross proceeds from the sale of alcohol.

If you meet these two requirements, people may smoke in your establishment.

Restaurants, Bars and Taverns – Outdoor Venue

A restaurant or bar/tavern where smoking is allowed may also permit smoking in an adjoining outdoor patio or sidewalk café. A restaurant or bar/tavern where smoking is prohibited may not permit smoking in adjoining Outdoor Venue but may allow smoking in the area of the patio, sidewalk café or rooftop provided that smoking is prohibited within 15 feet of the entrance.

Not For Profit Clubs

Smoking is permitted in Not-For-Profit clubs or lodges that have been active for three (3) consecutive years and have more than 50 members who pay dues on a regular basis.

Exempt Businesses

1. Retail tobacco stores that are licensed as such, meaning they are used primarily for the sale of tobacco products and accessories; the sale of other products in the store is merely incidental; and no one under the age of 18 is permitted; or
2. Hotels or motels provided that no more than 25% of the sleeping rooms are designated as smoking.

XI. Your Responsibilities as a Liquor Licensee

Liquor licensees in the City of Chicago are responsible for adhering to all federal, state and local law regarding the sale and service of alcohol. As a licensee you should be familiar with these requirements.

The following is a list of prohibited activities:

It is illegal for a licensee or his/her agent to:

- Sell, give, or deliver liquor to a minor; under 21 years of age.
- Sell, give, or deliver liquor to an intoxicated person;
- Solicit, induce, or request any patron to purchase alcoholic, or non-alcoholic beverages for himself or any other employee;
- Serve any employee any alcoholic or non-alcoholic beverage that was purchased by a patron or sell an employee sealed alcoholic beverages at a discounted rate;
- Permit any employee, entertainer, or patron to engage in any live act, demonstration, dance, or exhibition on the licensed premises which exposes inappropriate body parts; and
- Sell, expose, or offer for sale alcoholic liquor that has an alcohol content exceeding 76% or more grain alcohol, regardless of proof, in any container with a capacity of less than eight ounces.

No package goods licensee shall:

Sell, give, offer for sale, or expose for sale alcoholic liquor in any container having a capacity of less than four ounces. However, containers having a capacity of less than four ounces can be sold solely for consumption purposes on premises with Consumption on Premises – Incidental Activity or Tavern license.

As a liquor licensee it is your responsibility to operate and maintain a safe environment for your patrons. It is also your responsibility to be a “good neighbor” to the residents and businesses in your community.

Be a good neighbor to your community:

As a liquor licensee, it is your responsibility to operate and maintain a safe environment for your patrons. It is also your responsibility to be a “good neighbor” to the residents and businesses in your community. It is required that you;

1. Post your current license(s) and occupancy placard in a visible location;
2. If you operate a Tavern, you are required to post signage, measuring 14” x 14” stating: “A person exiting this establishment must depart in a quiet and courteous fashion, and must not cause disturbances to nearby residents, litter or damage private property.” This signage is available from the Department of Environment. Any person who violates the provisions of this subsection shall be subject to a fine of \$500.00 plus \$100.00 per each day of a continuing violation.
3. Immediately contact the Police if violence and/or illegal activity occurs on or around premises.

XII. Frequently Asked Questions

What Other Types of Permits and Licenses Are Required besides my Liquor License?

To engage in business as a retail liquor dealer, you must obtain the following licenses and permits after your City of Chicago liquor license is issued, including:

- **State Retailer's License**

To obtain a State Retailer's License, visit the offices of the Illinois Liquor Control Commission, State of Illinois Building, 100 W. Randolph St., 7th Floor in Room 801, and make a written application for a state retailer liquor license. The application asks for your state sales tax number and local liquor license number. The \$175 fee is payable in cash, money order, certified check, or cashier's check. For more information please visit the Illinois Liquor Control Commission.

- **Federal Tax Stamp**

Applicants should contact the Regional Director of the Bureau of Alcohol, Tobacco and Firearms, 230 S. Dearborn Street, Chicago, and request a Form 11 application to obtain a federal tax stamp as a retail liquor dealer. A retail liquor dealer's stamp costs \$250.00 per year. This form should be filed with the Bureau of Alcohol, Tobacco and Firearms within 30 days after you commence operation of your business.

Should I invest in a business before I obtain a liquor license?

Absolutely not! You should never invest in any business that sells alcoholic liquor until you are certain that the business location and the business owner(s) and investors are eligible to be licensed. The City conducts a complete investigation of the business location and the owners and investors of any business seeking a liquor license.

Do I need an Amusement License?

Many businesses licensed to sell liquor in the City of Chicago also require an Amusement license. These businesses are often taverns or nightclubs that feature entertainment and charge patrons a fee for entry into the establishment. A business is also required to have an Amusement license if it has four or more automatic amusement devices, such as pinball machines or coin operated dartboards. A business that features more than one pool table, regardless of whether it is coin operated, is required to have a current Amusement license to operate legally in the City of Chicago. Please review chapter 4-156 of the Chicago Municipal Code at <http://www.cityofchicago.org/businessaffairs> for more information.

Can I open my business before I get all the licenses I need?

No. You cannot sell food or beverages until you physically receive and display all required licenses. They must be displayed within the business, and they must be visible to the general public. This rule extends to all businesses within the city limits that require City of Chicago business licenses.

Do I need a separate business license besides my liquor license?

A liquor license is one type of business license; however there may be additional licenses that your business requires, such as food, tobacco, or amusement. Please discuss this issue with your Business Consultant to ensure that your business is fully licensed.

I paid my renewal; why didn't I get my license?

If you do not receive your license even after paying the renewal fee, you may have forgotten to submit a new Certification of Liquor Liability of Dram Shop Insurance (see page 4) or have unresolved debt. To find out if you have unresolved debt and where you should pay, or if you do not owe any money and would like to know why you have not received your license, contact the Department of Business Affairs and Licensing at (312) 74-GOBIZ.

What information do I need to bring with me in order to apply for a license?

The requirements vary by license type. Please review the **Required Documents** in Section III for more information.

What kind of taxes do I need to register for?

All business owners need to register for Federal taxes and the Illinois Business Tax. Your business may also be required to register for a number of city taxes. Please consult the Department of Revenue at (312) 747-4747 for more information; your Business Consultant may also be able assist you with city taxes, depending on the situation.

What licenses do I need to get in order to start a business selling alcoholic beverages?

All establishments selling alcoholic liquor need at least one type of liquor license. You may also need additional licenses depending on the products and services you want to offer. For example, separate licenses and permits are required to serve food, serve liquor, offer valet parking, and to have a sidewalk café. Please review the licensing section of this guide for more information and visit the Restaurant Resource Center, found at <http://www.cityofchicago.org/businessaffairs>.

When should I apply for my licenses?

Generally, you should apply for your licenses when your establishment is ready to be opened. If you apply when you are not yet ready, you may fail some of the required inspections. However, each case may vary; please see a Business Consultant for more personalized guidance.

What health requirements must be met?

The standards set by the Chicago Department of Public Health vary depending on what kind of food and beverages you serve. More information is available online at <http://www.cityofchicago.org/health> or by phone at the Chicago Department of Public Health, Food Protection Division, at #312/746-8030.

What type of inspections do I need to pass in order to open my business?

Prior to opening, the Chicago Department of Public Health and Departments of Fire and Buildings will inspect your business. Other inspections may also be required depending on the licenses you need. Please review the license section of this guide.

If you are renovating or starting any construction you must visit the Department of Construction and Permits at <http://www.cityofchicago.org/dcap>.

Who determines the occupancy limit for my business?

The occupancy limit is based on the size of your establishment, the number of exits, the kind and amount of seating, and other factors. All businesses selling alcoholic liquor (except Packaged Goods) must display an Occupancy Placard that shows the maximum occupancy. You can submit an application for an Occupancy Placard at the Department of Buildings, 121 N. LaSalle St., Room 107.

Are there public restroom requirements for a liquor license?

Yes. All licensed liquor establishments must have both male and female restrooms available to the public.

Can I offer happy hour promotions?

As a rule, State of Illinois liquor laws prohibit happy hour promotions. For exceptions to these rules contact the State of Illinois Liquor Commission at #312/814-2206.

Do my employees need to be licensed or certified to serve liquor in my establishment?

The City of Chicago Municipal Code does not require all employees to be licensed or certified to serve liquor. The Code requires one owner, officer, or manager to have successfully completed Alcohol Awareness Training and to be re-tested every three years.

How old do my servers or bartenders have to be to serve alcohol?

The general rule is that any person who has duties in the restaurant related to the sale, dispensing, service, or delivery of alcoholic liquor on the premises must be 21 years of age or older. Receptionists, hosts, or hostesses may be under 21 years of age if they do not handle alcoholic liquor product in any way.

What are the requirements of having an outdoor patio or beer garden? Can I serve liquor at my sidewalk cafe?

An Outdoor Patio License allows the service of liquor to the public outdoors on **private** property. Outdoor Patios must be enclosed and be directly adjacent to the existing licensed business. No live or recorded music should be played in an Outdoor Patio and it must be closed (for both food and liquor service) by 11 p.m. Sunday through Thursday and midnight on Fridays and Saturdays.

A sidewalk café permit allows the service of food and/or liquor on the **public** way. You must have a liquor license and obtain a sidewalk café permit to have a sidewalk café. The Sidewalk Café Permit application may be obtained through the Department of Business Affairs & Licensing website, or at the Business Assistance Center in City Hall, Room 800.

What kind of inspections does the City conduct if I plan to sell liquor?

All new restaurants seeking a liquor license must pass Fire, Health, Plumbing, Institutional, and Ventilation inspections. You will also be subject to inspections for other license if you require them. To learn more please visit the Restaurant Resource Center at <http://www.cityofchicago.org/restaurants>.

What licenses or permits do I need to open a restaurant that sells liquor in Chicago?

To serve or sell liquor to the public, most restaurants obtain Consumption on Premises - Incidental Activity liquor license in conjunction with obtaining a Retail Food license. For outdoor liquor service, an Outdoor Patio license is required if the outdoor area is located on private property. A Sidewalk Café Permit is required for liquor service on the public way.

What permits do I need if I want to expand my restaurant's liquor service or add space?

To expand your existing licensed establishment, you would need to file an Expanded Establishment liquor license application for the expanded location at the City of Chicago Department of Business Affairs and Licensing's Business Assistance Center at 121 N. LaSalle Street, City Hall, Room 800.

Where can I legally purchase liquor? May I purchase liquor from a retail establishment?

The Illinois Liquor Control Act requires licensed retail liquor license holders to purchase liquor only from licensed liquor distributors. These distributors will not deliver their product to an establishment until it obtains a State of Illinois Liquor License. As a rule it is illegal to re-sell liquor purchased from another licensed retail liquor establishment. Contact the Illinois Liquor Commission at #312/814-2206 for further details.

Can I obtain a liquor license at my gas station or drive-through window?

No, per municipal ordinance liquor sales are not permitted from gas stations or drive-through windows.

What are the legal Hours of Operation?

The closing hour under a standard liquor license is 2 a.m., Monday through Saturday, and 3 a.m. on Sunday. With a Late Hour Liquor License, establishments are permitted to remain open until 4 a.m. Monday through Saturday and 5 a.m. on Sunday. The legal opening time for all liquor establishments is 7 a.m., Monday through Saturday, and 11 a.m. Sunday. Restaurants can begin selling liquor at 10:00 a.m. on Sunday. During years that Christmas Eve or New Year's Eve falls on a Sunday, package goods stores may open at 10 a.m. instead of the normal time of 11 a.m. for that one specific Sunday.