



Chicago's Quick Guide to Liquor Licensing



City of Chicago
Richard M. Daley, Mayor



Opening a business that requires a liquor license can be a rewarding endeavor. The City of Chicago is committed to assisting you through the process and helping you succeed. 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 or expand a business, this guide will provide you with the basic information you need to get started and help you make the right decisions.

The following are the most common types of liquor licenses:



TAVERN

When the primary activity is the retail sale of alcohol, to be consumed on the premise in a business such as a bar, nightclub, pub, or lounge.

Fee: \$4,440

PACKAGED GOODS

For the retail sale of liquor enclosed in the original manufacturer sealed and labeled container in a business such as a grocery store, convenience store or liquor store.

Fee: \$4,440



CONSUMPTION ON PREMISES—INCIDENTAL ACTIVITY

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, hotel, banquet hall, theater or bowling alley.

Fee: \$4,440

CLUB (NOT-FOR-PROFIT CLUB)

For not-for-profit organizations that promote some common object other than the sale or consumption of alcohol, such as the Fraternal Order of Eagles. To qualify, the organization must be legally chartered for at least three years and have a membership roll of at least 50 members. A Retail Food Establishment License is also required.

Fee: \$1,140

CATERER'S

This license allows catering companies or restaurants located in the City of Chicago to serve food and alcoholic beverages off-site and within the City of Chicago. A Retail Food Establishment License is required.

Fee: \$4,440

CATERER'S REGISTRATION

This license allows catering companies or restaurants located outside of the City of Chicago to serve food and alcoholic beverages off-site and within the City of Chicago. Proof of local municipality liquor and food licenses are required.

Fee: \$6,600

OUTDOOR PATIO

For the sale of alcoholic beverages in a privately owned outdoor location adjacent to a business with a Tavern, Club, or Consumption on Premises – Incidental Activity Liquor License. Live or recorded music may not be played or performed at any outdoor location licensed as an Outdoor Patio.

Fee: \$1,760

LATE HOUR

This license allows establishments to remain open and permit the sale of liquor until 4:00 am, Monday–Saturday, and until 5:00 am on Sunday. Consent of 51% of the legal voters registered within 500 ft. of the business is required.

Fee: \$6,040

All license fees are based on a two-year term.

The first step in applying for a liquor license is to meet with a BACP business consultant to determine what type of license is required and if there are any restrictions based on your business location. The consultant will guide you through the entire application process. Make an appointment online at www.cityofchicago.org/BACP or by calling 312-74-GOBIZ/312-744-6249.

APPLICATION

Along with the liquor license application, the following are required: Business structure documents; IBT and FEIN tax numbers; a lease; financial disclosure detailing the source of funds used to establish the business; an occupancy placard; a detailed floor plan and site plan; proof of liquor liability insurance and a Beverage Alcohol Sellers and Servers Education and Training (BASSET) Certificate. A criminal background check is required for any person with 5% or more ownership in the business, corporate officers, site managers and/or persons loaning or giving 10% or more interest.

ZONING

One of the most important things to do before investing in a business involving a liquor license is to ensure that the zoning designation of the business location permits the sale of liquor. Each zoning district has different regulations regarding the type of business activities that are permitted. You can check the zoning designation of your proposed business location online at www.cityofchicago.org/zoningmap.

RESTRICTIONS/DRY AREAS

Liquor licenses are not permitted within 100 ft. of a library, church, school, hospital, home for the aged or building used exclusively for educational purposes.

Certain precincts within the City of Chicago have been voted "dry" through a local option referendum. If a precinct has been voted "dry," no liquor licenses can be held within the precinct.

A BACP business consultant will tell you if the location of your business is in a restricted area.



CHANGING OWNERSHIP

Changes in ownership or corporate officers of a legal entity holding a liquor license must be reported to BACP within 30 days. A "Change of Officers" application is required when a legal entity that has a current liquor license is purchased and the new owner(s) wish to maintain that license; or when there is a change in corporate officers. Making changes to your business name or location must also be reported. See a BACP business consultant for more details.

HOURS OF OPERATION

- Liquor establishments are permitted to operate between the hours of 7:00am and 2:00am Monday-Saturday and close at 3:00am on Sunday.
- Opening hours on Sunday is 10:00am for establishments with a Consumption on Premises – Incidental Activity Liquor License and 11:00am for establishments with a Packaged Goods License.
- Outdoor patios that serve liquor must close by 11:00pm Sunday–Thursday and at midnight on Friday and Saturday.
- A business with a Late Hour Liquor License may remain open until 4:00am Monday–Saturday and until 5:00am on Sunday.

To get started, make an appointment with a BACP business consultant online or call 312-74-GOBIZ/312-744-6249, or visit www.cityofchicago.org/BACP and download the full "Citizens Guide to the Liquor License Application Process."

Do you need help with your inspections?

BACP offers free monthly workshops to help you prepare for your business inspections. Visit BACP online for the monthly workshop calendar and for other business education workshops.

MORATORIUM DISTRICTS

Any area of the city may be designated by the City Council as a Liquor Moratorium. In these areas a new liquor license cannot be issued. However, an existing liquor license may be transferred, if it meets one of two criteria. The first way is to obtain consent of 51% of the legal voters registered within 500 ft. of the business. An additional non refundable fee of \$1000.00 is required to apply.

The second way is to meet one of the following exceptions: transferring between spouses, parents and children, an heir of the prior licensee, any person acquiring less than 5% interest in the business or any shareholder with a minimum of 5% interest in the corporate licensee prior to the creation of the moratorium. Moratoriums generally do not apply to restaurant services.

INSPECTIONS

Part of the liquor license process is to pass inspections to ensure the safety and welfare of the public. BACP investigators will conduct an onsite inspection to ensure compliance with liquor regulations. Fire inspectors will check for safety measures to ensure the building is fire resistant and easy to evacuate in an emergency. Building inspectors will ensure that the structure of the building is sound for use. The Health department will check for sanitary requirements. Inspection workshops are offered every month at BACP to help you prepare, checklists are also available on BACP's website.

NEIGHBORHOOD SENTIMENT

When a new application for a liquor license is filed, BACP will mail a public notice to the registered voters who reside within 250 ft. of the business. The community is granted a 40-day public comment period and may object the issuance of the license.

Applicants may appeal a denial of a liquor license to the License Appeal Commission (LAC) within 20 days.



DID YOU KNOW . . .

- Once a liquor license application is completed and filed, including the submission of all required documentation, a decision is made 60 days after the submission of your last document and a license may be issued.
- If you are planning the construction of a new facility or the rehabilitation of an existing building, the City has established a "conditional approval" application process that allows an application to be filed while postponing the facility inspection for up to one year. This option is only available when applying for a Consumption On Premises – Incidental Activity Liquor License.
- Patrons entering a tavern must be at least 21 years of age, unless accompanied by a parent or legal guardian. Employees handling liquor in any establishment must be at least 21 years of age.

SIDEWALK CAFES

- While an Outdoor Patio Liquor License allows the sale of liquor on private property, the sale of food and/or liquor on the public way (or sidewalk) requires a Sidewalk Café Permit. The permit requires that the business have a Retail Food Establishment License. If liquor service is desired, a liquor license must be secured. Sidewalk Café Permit applications are available online.

OFFERING ENTERTAINMENT

- A Public Place of Amusement (PPA) License may be required for a business that offers any amusement or entertainment with a capacity of 100 or more. Charging an admission fee for any type of amusement, having more than one pool table or more than three arcade machines also requires a PPA License.

RENEWING YOUR LICENSE

- License fees are based on a two-year term and may be renewed online, by mail or in person. Liquor liability insurance must be current and proof of insurance must be kept on the premises at all times.

STATE OF ILLINOIS LIQUOR LAWS:

- Chicago businesses with a liquor license also require a State of Illinois Liquor License.
- The City of Chicago regulates the retail sale of alcohol. Wholesalers and manufacturers of alcohol in Illinois are regulated by the State Liquor Control Commission.

HAPPY HOUR LAWS

- The State of Illinois has a happy hour law that restricts promotions of alcohol that encourages overconsumption.

CORK AND CARRY LAWS

- In Illinois, restaurants with a liquor license are permitted to allow customers to take home an opened bottle of wine, as long as the wine is placed in a transparent, one-time use, tamper proof bag. See Section 5, 6-33 of the Liquor Control Act for more detail.

Visit www.state.il.us/lcc for more information on all state related issues.

WHO IS INELIGIBLE TO HOLD A LIQUOR LICENSE?

A person with any of the following is ineligible to hold a liquor license:

- A felony and some types of misdemeanor convictions.
- Any outstanding debt to the City of Chicago.
- All elected public officials of local government, law enforcement officials or employees who have jurisdiction in the City of Chicago.
- A person who is married to, or is the registered domestic partner of, an individual who is ineligible to hold a liquor license.
- Any person who has had a liquor license revoked in the State of Illinois.

For a complete list, visit www.cityofchicago.org/BACP and look under Municipal Code Chapter 4-60.

YOUR RESPONSIBILITY AS A LIQUOR LICENSEE

Call 911: Train your staff to call 911 immediately to report any illegal activity that has been reported at your business, observed by an employee taking place within the business, within site of the business, or adjacent property.

Be a Good Neighbor: Demonstrate your willingness to work with your community and participate in Chicago Alternative Policing Strategy (CAPS) community meetings. Contact 311 to find out your beat, meeting dates and locations or visit www.cityofchicago.org.

Attend BASSET/TIPS Training: BASSET (Beverage Alcohol Sellers and Servers Education and Training) or TIPS (Training for Intervention Procedures) training is required for the manager or owner of a liquor establishment. However, the City encourages this training for all personnel including bartenders and security. These programs are an education and training tool to sellers and servers of alcoholic beverages to serve responsibly and stay within the law. For BASSET information visit www2.state.il.us, for TIPS information visit www.gettips.com.



Department of Business Affairs and
Consumer Protection
121 North LaSalle Street, Room 800
Chicago, Illinois 60602

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