



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5500

Introduced 2/13/2026, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.4.1  
50 ILCS 475/5-10  
50 ILCS 475/5-30  
50 ILCS 475/5-45  
50 ILCS 475/5-50  
50 ILCS 475/5-75

Amends the Illinois Enterprise Zone Act. Provides that, if a municipality has adopted an enterprise zone pursuant to the Act and subsequently establishes a redevelopment project area pursuant to the Tax Increment Allocation Redevelopment Act, the municipality may provide for a partial abatement of taxes for property located within both the enterprise zone and the redevelopment project area. Provides that, if a municipality has established a redevelopment project area pursuant to Tax Increment Allocation Redevelopment Act and subsequently adopts an enterprise zone that includes property within the redevelopment project area, the municipality may provide for a partial abatement of taxes for property located within both the enterprise zone and the redevelopment project area. Amends the Statewide Innovation Development and Economy Act. Provides that certain local hotel taxes are considered local taxes for purposes of the Act.

LRB104 19454 HLH 34246 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Enterprise Zone Act is amended by  
5 changing Section 5.4.1 as follows:

6 (20 ILCS 655/5.4.1)

7 Sec. 5.4.1. Adoption of Tax Increment Financing.

8 (a) If (i) a redevelopment project area is, will be, or has  
9 been created by a municipality under Division 74.4 of the  
10 Illinois Municipal Code, (ii) the redevelopment project area  
11 contains property that is located in an enterprise zone, (iii)  
12 the municipality adopts an amendment to the enterprise zone  
13 designating ordinance pursuant to Section 5.4 of this Act  
14 specifically concerning the abatement of taxes on property  
15 located within a redevelopment project area created pursuant  
16 to Division 74.4 of the Illinois Municipal Code, and (iv) the  
17 Department certifies the ordinance amendment, then the  
18 property that is located in both the enterprise zone and the  
19 redevelopment project area shall not be eligible for the  
20 abatement of taxes under Section 18-170 of the Property Tax  
21 Code.

22 No business enterprise or expansion or individual,  
23 however, that has constructed a new improvement or renovated

1 or rehabilitated an existing improvement and has received an  
2 abatement on the improvement under Section 18-170 of the  
3 Property Tax Code shall be denied any benefit previously  
4 extended within the zone pursuant to this Act or pursuant to  
5 any other Illinois law providing benefits specifically to or  
6 within enterprise zones. Moreover, if the business enterprise  
7 or individual presents evidence to the municipality within 30  
8 days after the adoption by the municipality of an amendment to  
9 the designating ordinance the sufficiency of which shall be  
10 determined by findings of the corporate authorities made  
11 within 30 days of the receipt of such evidence by the  
12 municipality, that before the date of the notice of the public  
13 hearing provided by the municipality regarding the amendment  
14 to the designating ordinance (i) the business enterprise or  
15 expansion or individual was committed to locate within the  
16 enterprise zone, (ii) substantial and binding financial  
17 obligations were made towards the development of the  
18 enterprise, and (iii) those commitments were made in  
19 reasonable reliance on the benefits and programs that were  
20 applicable to the enterprise or individual by reason of the  
21 enterprise zone, then the enterprise or expansion or  
22 individual shall not be denied any benefit previously extended  
23 within the zone pursuant to this Act or pursuant to any other  
24 Illinois law providing benefits specifically to or within  
25 enterprise zones.

26 (b) This Section applies to all property located within

1 both a redevelopment project area adopted under Division 74.4  
2 of the Illinois Municipal Code and an enterprise zone even if  
3 the redevelopment project area or the enterprise zone was  
4 adopted before the effective date of this amendatory Act of  
5 1997.

6 (c) After July 1, 1997, if (i) a redevelopment project  
7 area is created by a municipality under Division 74.4 of the  
8 Illinois Municipal Code and (ii) the redevelopment project  
9 area contains property that is located in an enterprise zone,  
10 the municipality must adopt an amendment to the certified  
11 enterprise zone designating ordinance under Section 5.4 that  
12 property that is located in both the enterprise zone and the  
13 redevelopment project area shall not be eligible for any  
14 abatement of taxes under Section 18-170 of the Property Tax  
15 Code for new improvements or the renovation or rehabilitation  
16 of existing improvements, except as provided in subsection (e)  
17 and (f).

18 (d) In declaratory judgment actions under this Section,  
19 the Department and the designating municipality shall be  
20 necessary parties defendant.

21 (e) Notwithstanding any other provision of law, if a  
22 municipality has adopted an enterprise zone pursuant to this  
23 Act and subsequently establishes a redevelopment project area  
24 pursuant to the Tax Increment Allocation Redevelopment Act in  
25 the Illinois Municipal Code, the municipality may, by  
26 amendment to the certified enterprise zone designating

1 ordinance, provide for a partial abatement of taxes under  
2 Section 18-170 of the Property Tax Code for property located  
3 within both the enterprise zone and the redevelopment project  
4 area. Any portion of property taxes not abated shall be  
5 subject to tax increment financing, and the terms of the  
6 applicable redevelopment project area agreement adopted  
7 pursuant to the Tax Increment Allocation Redevelopment Act.

8 (f) Notwithstanding any other provision of law, if a  
9 municipality has established a redevelopment project area  
10 pursuant to Tax Increment Allocation Redevelopment Act in the  
11 Illinois Municipal Code and subsequently adopts an enterprise  
12 zone that includes property within the redevelopment project  
13 area, the municipality may, subject to the redevelopment  
14 project area plan and agreement, provide for a partial  
15 abatement of taxes under Section 18-170 of the Property Tax  
16 Code for property located within both the enterprise zone and  
17 the redevelopment project area. No such abatement shall reduce  
18 or impair any tax increment revenues pledged to secure  
19 outstanding bonds, notes, or other obligations of the  
20 redevelopment project area. Any portion of property taxes not  
21 abated shall remain subject to tax increment financing and the  
22 terms of the applicable redevelopment project area agreement  
23 adopted pursuant to Division 74.4 of the Illinois Municipal  
24 Code.

25 (Source: P.A. 90-258, eff. 7-30-97.)

1           Section 10. The Statewide Innovation Development and  
2 Economy Act is amended by changing Sections 5-10, 5-30, 5-45,  
3 and 5-50, and 5-75 as follows:

4           (50 ILCS 475/5-10)

5           Sec. 5-10. Definitions. In this Act:

6           "Base year" means the calendar year immediately before the  
7 calendar year in which the Office of the Governor approves the  
8 first STAR bond project within the STAR bond district.

9           "Commence work" means the manifest commencement of actual  
10 operations on the development site, such as erecting a  
11 building, general on-site and off-site grading and utility  
12 installations, commencing design and construction  
13 documentation, ordering lead-time materials, excavating the  
14 ground to lay a foundation or a basement, or work of like  
15 description that a reasonable person would recognize as being  
16 done with the intention and purpose to continue work until the  
17 project is completed.

18           "Corporate authority" or "corporate authorities" means the  
19 county board of a county; the mayor and alderpersons or  
20 similar body when the reference is to cities; the president  
21 and trustees or similar body when the reference is to villages  
22 or incorporated towns; and the council when the reference is  
23 to municipalities under the commission form of government.

24           "De minimis amount" means an amount less than 15% of the  
25 land area within a STAR bond district.

1 "Department" means the Department of Commerce and Economic  
2 Opportunity.

3 "Developer" means any individual, corporation, trust,  
4 estate, partnership, limited liability partnership, limited  
5 liability company, or other entity. "Developer" does not  
6 include a not-for-profit entity, political subdivision, or  
7 other agency or instrumentality of the State.

8 "Development user" means an owner, operator, licensee,  
9 codeveloper, subdeveloper, or tenant that: (i) operates a  
10 business within a STAR bond district that is a retail store,  
11 hotel, or entertainment venue; (ii) does not have another  
12 Illinois location within a 30-mile radius at the time of  
13 opening; and (iii) makes an initial capital investment,  
14 including project costs and other direct costs, of not less  
15 than \$30,000,000 for the business.

16 "Director" means the Director of Commerce and Economic  
17 Opportunity.

18 "Economic development region" means the counties  
19 encompassed within any one of the 10 economic development  
20 regions recognized by the Department on the effective date of  
21 this Act.

22 "Eligible area" means contiguous parcels of real property  
23 that meet all of the following: (i) the property is directly  
24 and substantially benefited by the proposed STAR bond district  
25 plan; (ii) at least 50% of the total land area of the real  
26 property is located within an underserved area, as defined by

1 the Department at the time the STAR bond district plan is  
2 submitted; (iii) the property is located in an area with not  
3 less than 10,000 residents within a 5-mile radius of the  
4 proposed district; (iv) the property is located 15 miles or  
5 less from either a State highway or federal interstate  
6 highway; and (v) the area is found by the governing body of the  
7 political subdivision to meet the following requirements:

8 (1) the use, condition, and character of the buildings  
9 in the area, if any, are not consistent with the purposes  
10 set forth in Section 5-5;

11 (2) a STAR bond district within the area is expected  
12 to create or retain job opportunities within the political  
13 subdivision;

14 (3) a STAR bond district within the area will serve to  
15 further the development of adjacent areas;

16 (4) without the availability of STAR bonds, the  
17 projects described in the STAR bond district plan would  
18 not be feasible in the area;

19 (5) a STAR bond district will strengthen the  
20 commercial sector of the political subdivision;

21 (6) a STAR bond district will enhance the tax base of  
22 the political subdivision; and

23 (7) the formation of a STAR bond district is in the  
24 best interest of the political subdivision.

25 The findings described in paragraphs (1) through (7) are  
26 subject to the review process provided in subsections (e) and

1 (f) of Section 5-20.

2 For the purposes of this definition, the area may be  
3 bisected by streets, highways, roads, alleys, railways, bike  
4 paths, streams, rivers, and other waterways and still be  
5 deemed contiguous.

6 "Entertainment venue" means a business that has a primary  
7 use of providing a venue for entertainment attractions, rides,  
8 or other activities oriented toward the entertainment and  
9 amusement of its patrons.

10 "Feasibility study" means the feasibility study described  
11 in subsection (b) of Section 5-30.

12 "Hotel" has the same meaning given to that term in Section  
13 2 of the Hotel Operators' Occupation Tax Act.

14 "Infrastructure" means the public improvements and private  
15 improvements that serve the public purposes set forth in  
16 Section 5-5 of this Act and that benefit the STAR bond district  
17 or any STAR bond projects, including, but not limited to,  
18 streets, drives and driveways, traffic and directional signs  
19 and signals, parking lots and parking facilities,  
20 interchanges, highways, sidewalks, bridges, underpasses and  
21 overpasses, bike and walking trails, sanitary storm sewers and  
22 lift stations, drainage conduits, channels, levees, canals,  
23 storm water detention and retention facilities, utilities and  
24 utility connections, water mains and extensions, and street  
25 and parking lot lighting and connections.

26 "Local hotel tax" means any taxes received by a

1 municipality, county, or other local government entity arising  
2 from transactions by all persons engaged in the business of  
3 renting, leasing, or letting rooms in a hotel, as defined in  
4 the Hotel Operators' Occupation Tax Act, within a STAR bond  
5 district, imposed pursuant to Section 8-3-14 of the Illinois  
6 Municipal Code or Section 5-1030 of the Counties Code.

7 "Local sales taxes" means any locally imposed taxes  
8 received by a municipality, county, or other local  
9 governmental entity arising from sales by retailers and  
10 servicemen within a STAR bond district. "Local sales taxes"  
11 includes business district sales taxes, taxes imposed under  
12 Section 5-50, and that portion of the net revenue allocated  
13 from the Local Government Tax Fund and the County and Mass  
14 Transit District Fund to the municipality, county, or other  
15 governmental entity under the Retailers' Occupation Tax Act,  
16 the Use Tax Act, the Service Use Tax Act, and the Service  
17 Occupation Tax Act from transactions at places of business  
18 located in a STAR bond district. "Local sales taxes" includes  
19 all the net revenue realized under any local hotel tax. "Local  
20 sales taxes" does not include (i) any taxes authorized under  
21 the Local Mass Transit District Act or the Metro-East Park and  
22 Recreation District Act for so long as the applicable taxing  
23 district does not impose a tax on real property, (ii) any  
24 county school facility and resources occupation taxes imposed  
25 under Section 5-1006.7 of the Counties Code, (iii) any taxes  
26 authorized under the Flood Prevention District Act, (iv) any

1 taxes authorized under the Special County Occupation Tax For  
2 Public Safety, Public Facilities, Mental Health, Substance  
3 Abuse, or Transportation Law, (v) any taxes authorized under  
4 the Regional Transportation Authority Act, (vi) any taxes  
5 authorized under the County Motor Fuel Tax Law, ~~or~~ (vii) any  
6 taxes authorized under the Municipal Motor Fuel Tax Law, or  
7 (viii) any taxes committed to other uses by election of voters  
8 or pledged to any bond repayment, other than STAR bonds, prior  
9 to the approval of the STAR bond project.

10 "Local sales tax increment" means:

11 (1) with respect to local sales taxes administered by  
12 a municipality, county, or other unit of local government,  
13 that portion of the local sales tax that is in excess of  
14 the aggregate local sales tax in the district for the same  
15 month in the base year, as determined by the respective  
16 municipality, county, or other unit of local government;  
17 the Department of Revenue shall allocate the local sales  
18 tax increment only if the local sales tax is administered  
19 by the Department; and

20 (2) with respect to local sales taxes administered by  
21 the Department of Revenue:

22 (A) except with respect to the 0.25% county  
23 portion of the 6.25% State rate, all the local sales  
24 tax paid by taxpayers in the district that is in excess  
25 of the aggregate local sales tax paid by taxpayers in  
26 the district for the same month in the base year, as

1 determined by the Department of Revenue; and

2 (B) with respect to the 0.25% county portion of  
3 the 6.25% State rate, in the case of a STAR bond  
4 district that is partially or wholly within a  
5 municipality, that portion of the 0.25% county portion  
6 of the 6.25% rate paid by taxpayers in the district for  
7 sales made within the corporate limits of the  
8 municipality that is in excess of the aggregate local  
9 sales tax paid by taxpayers in the district for sales  
10 made within the corporate limits of the municipality  
11 for the same month in the base year, as determined by  
12 the Department of Revenue, but only if the corporate  
13 authorities of the county adopt an ordinance, and file  
14 a copy of the ordinance with the Department of Revenue  
15 within the same time frames as required for STAR bond  
16 occupation taxes under Section 5-50, that designates  
17 the taxes as part of the local sales tax increment  
18 under this Act.

19 (3) with respect to any local hotel tax that is  
20 administered and collected directly by a municipality,  
21 that portion of the local hotel tax revenues that is in  
22 excess of the amount of such tax revenues generated within  
23 the STAR bond district that are in excess of the aggregate  
24 hotel tax revenues generated within the district for the  
25 same month in the base year, as determined by the  
26 political subdivision.

1 "Market study" means a study to determine the ability of  
2 the proposed STAR bond project to gain market share locally  
3 and regionally and to remain profitable after the term of  
4 repayment of STAR bonds.

5 "Master developer" means a developer cooperating with a  
6 political subdivision to plan, develop, and implement a STAR  
7 bond project plan for a STAR bond district. Subject to the  
8 limitations of Section 5-40, the master developer may work  
9 with and transfer certain development rights to other  
10 developers for the purpose of implementing STAR bond project  
11 plans and achieving the purposes of this Act. A master  
12 developer for a STAR bond district shall be appointed by a  
13 political subdivision in the resolution establishing the STAR  
14 bond district, and the master developer or its affiliate must,  
15 at the time of appointment, own or have control of, through  
16 purchase agreements, option contracts, or other means, not  
17 less than 50% of the acreage within the STAR bond district.

18 "Master developer" also means any successor developer who has  
19 assumed the role and responsibilities of the original master  
20 developer through the execution of an amended master  
21 development agreement and has been approved as the master  
22 developer through resolution by the applicable political  
23 subdivision.

24 "Master development agreement" means an agreement between  
25 the master developer (or any approved successor developers)  
26 and the political subdivision to govern a STAR bond district

1 and any STAR bond projects.

2 "Municipality" means the city, village, or incorporated  
3 town in which a proposed STAR bond district is located.

4 "New Opportunities for Vacation and Adventure District" or  
5 "NOVA district" means a STAR bond district that encompasses a  
6 minimum of 500 contiguous acres and, during the STAR bond  
7 district plan approval process, demonstrates a reasonable  
8 expectation of (1) producing a capital investment of at least  
9 \$500,000,000, (2) generating not less than \$300,000,000 in  
10 annual gross sales, (3) attracting at least 1,000,000 visitors  
11 annually, and (4) creating a minimum of 1,500 jobs.

12 "Pledged STAR revenues" means those sales tax revenues and  
13 other sources of funds that are pledged to pay debt service on  
14 STAR bonds or to pay project costs under Section 5-45.  
15 Notwithstanding any provision of law to the contrary, any  
16 State sales tax increment or local sales tax increment from a  
17 retail entity initiating operations in a STAR bond district  
18 while terminating operations at another Illinois location  
19 within 25 miles of the STAR bond district shall not constitute  
20 pledged STAR revenues or be available to pay principal and  
21 interest on STAR bonds. For purposes of this definition,  
22 "terminating operations" means a closing of a retail operation  
23 that is directly related to the opening of the same operation  
24 or like retail entity owned or operated by more than 50% of the  
25 original ownership in a STAR bond district within one year  
26 before or after initiating operations in the STAR bond

1 district, but it does not mean closing an operation for  
2 reasons beyond the control of the retail entity, as documented  
3 by the retail entity, subject to a reasonable finding by the  
4 municipality (or county if such retail operation is not  
5 located within a municipality) in which the terminated  
6 operations were located that the closed location contained  
7 inadequate space, had become economically obsolete, or was no  
8 longer a viable location for the retailer or serviceperson.

9 "Political subdivision" means a municipality or county  
10 that undertakes to establish a STAR bond district under the  
11 provisions of this Act.

12 "Professional sports" means any of the following sports at  
13 the major league level: baseball, basketball, football, or ice  
14 hockey.

15 "Project costs" means the total of all costs incurred or  
16 estimated to be incurred on or after the date of establishment  
17 of a STAR bond district that are reasonable or necessary to  
18 implement a STAR bond district plan or any STAR bond project  
19 plans, or both, including costs incurred for public  
20 improvements and private improvements that serve the public  
21 purposes set forth in Section 5-5 of this Act. "Project costs"  
22 includes, without limitation:

- 23 (1) costs of studies, surveys, development of plans  
24 and specifications, formation, implementation, and  
25 administration of a STAR bond district, STAR bond district  
26 plan, any STAR bond projects, or any STAR bond project

1 plans, including, but not limited to, staff and  
2 professional service costs for architectural, engineering,  
3 legal, financial, planning, or other services; however, no  
4 charges for professional services may be based on a  
5 percentage of the tax increment collected, and no  
6 contracts for professional services, excluding  
7 architectural and engineering services, may be entered  
8 into if the terms of the contract extend beyond a period of  
9 3 years;

10 (2) property assembly costs, including, but not  
11 limited to, costs related to:

12 (A) the acquisition of land and other real  
13 property or rights or interests in the land or other  
14 real property located within the boundaries of a STAR  
15 bond district;

16 (B) the demolition of buildings, site preparation,  
17 and site improvements that serve as an engineered  
18 barrier addressing ground level or below ground  
19 environmental contamination, including, but not  
20 limited to, parking lots and other concrete or asphalt  
21 barriers; and

22 (C) the clearing and grading of land and the  
23 importing of additional soil and fill materials or the  
24 removal of soil and fill materials from the site;

25 (3) subject to paragraph (6), the costs of buildings  
26 and other vertical improvements that are located within

1 the boundaries of a STAR bond district and are owned by a  
2 political subdivision or other public entity, including  
3 without limitation police and fire stations, educational  
4 facilities, and public restrooms and rest areas;

5 (4) costs of buildings and other vertical improvements  
6 that are located within: (i) the boundaries of a STAR bond  
7 district and are owned by a development user, except that  
8 only 4 development users, other than a hotel or  
9 entertainment venue, in a STAR bond district and one hotel  
10 are eligible to include the cost of those vertical  
11 improvements as project costs, or (ii) the boundaries of a  
12 NOVA district;

13 (5) costs of the following vertical improvements that  
14 are located within (i) the boundaries of a STAR bond  
15 district and owned by an entertainment venue, except that  
16 only one entertainment venue in a STAR bond district is  
17 eligible to include the cost of those vertical  
18 improvements as project costs, or (ii) a NOVA district:

19 (A) buildings;

20 (B) rides and attractions, including, but not  
21 limited to, carousels, slides, roller coasters,  
22 displays, models, towers, works of art, and similar  
23 theme and amusement park improvements; and

24 (C) other vertical improvements;

25 (6) costs of the design and construction of  
26 infrastructure and public works located within the

1 boundaries of a STAR bond district that are reasonable or  
2 necessary to implement a STAR bond district plan or any  
3 STAR bond project plans, or both, except that "project  
4 costs" does not include the cost of constructing a new  
5 municipal public building principally used to provide  
6 offices, storage space, or conference facilities or  
7 vehicle storage, maintenance, or repair for  
8 administrative, public safety, or public works personnel  
9 and that is not intended to replace an existing public  
10 building unless the political subdivision makes a  
11 reasonable determination in a STAR bond district plan or  
12 any STAR bond project plans, supported by information that  
13 provides the basis for that determination, that the new  
14 municipal building is required to meet an increase in the  
15 need for public safety purposes anticipated to result from  
16 the implementation of the STAR bond district plan or any  
17 STAR bond project plans;

18 (7) costs of the design and construction of the  
19 following improvements located outside the boundaries of a  
20 STAR bond district if the costs are essential to further  
21 the purpose and development of a STAR bond district plan  
22 and either (i) part of and connected to sewer, water, or  
23 utility service lines that physically connect to the STAR  
24 bond district or (ii) significant improvements for  
25 adjacent off-site highways, streets, roadways, and  
26 interchanges that are approved by the Department of

1           Transportation. No other cost of infrastructure and public  
2           works improvements located outside the boundaries of a  
3           STAR bond district may be deemed project costs;

4           (8) costs of job training and retraining projects for  
5           current and future employees of development users,  
6           including programs implemented by businesses located  
7           within a STAR bond district;

8           (9) financing costs, including, but not limited to,  
9           all necessary and incidental expenses related to the  
10          issuance of obligations and the payment of interest on any  
11          obligations issued under this Act, including interest  
12          accruing during the estimated period of construction of  
13          any improvements in a STAR bond district or any STAR bond  
14          projects for which such obligations are issued and for not  
15          exceeding 36 months thereafter and including reasonable  
16          reserves related thereto;

17          (10) interest costs incurred by a developer for  
18          project costs related to the acquisition, formation,  
19          implementation, development, construction, and  
20          administration of a STAR bond district, STAR bond district  
21          plan, STAR bond projects, or any STAR bond project plans  
22          if:

23                 (A) payment of the costs in any one year may not  
24                 exceed 30% of the annual interest costs incurred by  
25                 the developer with regard to the STAR bond district or  
26                 any STAR bond projects during that year; and

1 (B) the total of the interest payments paid under  
2 this Act may not exceed 30% of the total cost paid or  
3 incurred by the developer for a STAR bond district or  
4 STAR bond projects, plus project costs, excluding any  
5 property assembly costs incurred by a political  
6 subdivision under this Act;

7 (11) to the extent the political subdivision by  
8 written agreement accepts and approves the same, all or a  
9 portion of a taxing district's capital costs resulting  
10 from a STAR bond district or STAR bond projects  
11 necessarily incurred or to be incurred within a taxing  
12 district in furtherance of the objectives of a STAR bond  
13 district plan or STAR bond project plans;

14 (12) costs of common areas located within the  
15 boundaries of a STAR bond district;

16 (13) costs of landscaping and plantings, retaining  
17 walls and fences, artificial lakes and ponds, shelters,  
18 benches, lighting, and similar amenities located within  
19 the boundaries of a STAR bond district;

20 (14) costs of mounted building signs, site monuments,  
21 and pylon signs located within the boundaries of a STAR  
22 bond district; or

23 (15) if included in the STAR bond district plan and  
24 approved in writing by the Director, salaries or a portion  
25 of salaries for local government employees to the extent  
26 the same are directly attributable to the work of those

1 employees on the establishment and management of a STAR  
2 bond district or any STAR bond project.

3 Except as specified in items (1) through (15) of this  
4 definition, "project costs" does not include:

5 (A) the cost of construction of buildings that are  
6 owned by a municipality or county and leased to a  
7 development user for uses other than as a retail store,  
8 hotel, or entertainment venue;

9 (B) moving expenses for employees of the businesses  
10 locating within the STAR bond district;

11 (C) property taxes for property located in the STAR  
12 bond district;

13 (D) lobbying costs; and

14 (E) general overhead or administrative costs of the  
15 political subdivision that would still have been incurred  
16 by the political subdivision if the political subdivision  
17 had not established a STAR bond district.

18 "Project development agreement" means any one or more  
19 agreements, including any amendments to that agreement or  
20 those agreements, between a master developer and any  
21 codeveloper or subdeveloper in connection with a STAR bond  
22 project, which project development agreement may include the  
23 political subdivision as a party.

24 "Project labor agreement" means a prehire collective  
25 bargaining agreement that covers all terms and conditions of  
26 employment between the general contractor and all

1 subcontractors hired by the master developer, developer,  
2 codeveloper, or subdeveloper, as applicable, of a STAR bond  
3 project. A "project labor agreement" must include the  
4 following provisions: (1) a provision establishing the minimum  
5 hourly wage for each class of labor organization employee; (2)  
6 a provision establishing the benefits and other compensation  
7 for each class of labor organization employee; (3) a provision  
8 requiring that no strike or dispute will be engaged in by the  
9 labor organization employees; (4) a provision requiring that  
10 no lockout or dispute will be engaged in by the general  
11 contractor and all subcontractors building the project; and  
12 (5) a provision establishing goals for apprenticeship hours to  
13 be performed by minority persons and women and goals for total  
14 hours to be performed by minority persons and women, as those  
15 terms are defined in the Business Enterprise for Minorities,  
16 Women, and Persons with Disabilities Act. A "project labor  
17 agreement" may include other terms and conditions as  
18 necessary.

19 "Projected market area" means any area within the State in  
20 which a STAR bond district or STAR bond project is projected to  
21 have a significant fiscal or market impact as determined by  
22 the Director.

23 "Resolution" means a resolution, order, ordinance, or  
24 other appropriate form of legislative action of a political  
25 subdivision or other applicable public entity approved by a  
26 vote of a majority of a quorum at a meeting of the governing

1 body of the political subdivision or applicable public entity.

2 "STAR bond" means a sales tax and revenue bond, note, or  
3 other obligation payable from pledged STAR revenues and issued  
4 by a political subdivision, the proceeds of which shall be  
5 used only to pay project costs as defined in this Act.

6 "STAR bond district" means the specific area that is  
7 declared to be an eligible area by the political subdivision,  
8 that has received approval by the State, and in which the  
9 political subdivision may develop one or more STAR bond  
10 projects.

11 "STAR bond district plan" means the preliminary or  
12 conceptual plan that generally identifies the proposed STAR  
13 bond project areas and identifies in a general manner the  
14 buildings, facilities, and improvements to be constructed or  
15 improved in each STAR bond project area.

16 "STAR bond project" means a project that is located within  
17 a STAR bond district and that is approved under Section 5-30.

18 "STAR bond project area" means the geographic area within  
19 a STAR bond district in which there may be one or more STAR  
20 bond projects.

21 "STAR bond project plan" means the written plan adopted by  
22 a political subdivision for the development of a STAR bond  
23 project in a STAR bond district; the plan may include, but is  
24 not limited to, (i) project costs incurred prior to the date of  
25 the STAR bond project plan and estimated future STAR bond  
26 project costs, (ii) proposed sources of funds to pay those

1 costs, (iii) the nature and estimated term of any obligations  
2 to be issued by the political subdivision to pay those costs,  
3 (iv) the most recent equalized assessed valuation of the STAR  
4 bond project area, (v) an estimate of the equalized assessed  
5 valuation of the STAR bond district or applicable project area  
6 after completion of a STAR bond project, (vi) a general  
7 description of the types of any known or proposed developers,  
8 users, or tenants of the STAR bond project or projects  
9 included in the plan, (vii) a general description of the type,  
10 structure, and character of the property or facilities to be  
11 developed or improved, (viii) a description of the general  
12 land uses to apply to the STAR bond project, and (ix) a general  
13 description or an estimate of the type, class, and number of  
14 employees to be employed in the operation of the STAR bond  
15 project.

16 "State sales tax" means all the net revenue realized under  
17 the Retailers' Occupation Tax Act, the Use Tax Act, the  
18 Service Use Tax Act, the Hotel Operators' Occupation Tax Act,  
19 and the Service Occupation Tax Act from transactions at places  
20 of business located within a STAR bond district, excluding  
21 that portion of the net revenue realized under the Retailers'  
22 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,  
23 and the Service Occupation Tax Act from transactions at places  
24 of business located within a STAR bond district that is  
25 deposited into the Local Government Tax Fund and the County  
26 and Mass Transit District Fund.

1 "State sales tax increment" means:

2 (1) with respect to all STAR bond districts that do  
3 not qualify as NOVA districts:

4 (A) 100% of that portion of the aggregate State  
5 sales tax that is in excess of the aggregate State  
6 sales tax for the same month in the base year, as  
7 determined by the Department of Revenue, from  
8 transactions at up to 4 development users located  
9 within a STAR bond district, which development users  
10 shall be designated by the master developer and  
11 approved by the political subdivision and the Director  
12 of Revenue in conjunction with the applicable STAR  
13 bond project approval; and

14 (B) 25% of that portion of the aggregate State  
15 sales tax that is in excess of the aggregate State  
16 sales tax for the same month in the base year, as  
17 determined by the Department of Revenue from all other  
18 transactions within a STAR bond district; and

19 (2) with respect to all NOVA districts:

20 (A) 100% of that portion of the State sales tax  
21 that is in excess of the State sales tax for the same  
22 month in the base year, as determined by the  
23 Department of Revenue, from transactions at up to 4  
24 development users located, which development users  
25 shall be designated by the master developer and  
26 approved by the political subdivision and the Director

1 of Revenue in conjunction with the applicable STAR  
2 bond project approval; and

3 (B) 50% of that portion of the State sales tax that  
4 is in excess of the State sales tax for the same month  
5 in the base year from all other transactions within  
6 the NOVA district.

7 "Substantial change" means a change in which the proposed  
8 STAR bond project plan differs substantially in size, scope,  
9 or use from the approved STAR bond district plan or STAR bond  
10 project plan.

11 "Taxpayer" means an individual, partnership, corporation,  
12 limited liability company, trust, estate, or other entity that  
13 is subject to the Illinois Income Tax Act.

14 "Total development costs" means the aggregate public and  
15 private investment in a STAR bond district, including project  
16 costs and other direct and indirect costs related to the  
17 development of the STAR bond district.

18 "Underserved area" has the meaning given to that term in  
19 Section 5-5 of the Economic Development for a Growing Economy  
20 Tax Credit Act.

21 "Vacant" means that portion of the land in a proposed STAR  
22 bond district that is not occupied by a building, facility, or  
23 other vertical improvement.

24 (Source: P.A. 104-453, eff. 12-12-25.)

1           Sec. 5-30. Approval of STAR bond projects.

2           (a) The corporate authorities of a political subdivision  
3 seeking to establish a STAR bond project in an approved STAR  
4 bond district must submit a proposed STAR bond project plan to  
5 the Department, the Department of Revenue, and the Governor's  
6 Office of Management and Budget on or before June 1, 2028. A  
7 STAR bond project which is partially outside the boundaries of  
8 a municipality must also be approved by the corporate  
9 authorities of the county by resolution.

10           After the establishment of a STAR bond district, the  
11 master developer may propose a STAR bond project to a  
12 political subdivision, and the master developer shall, in  
13 cooperation with the political subdivision, prepare a STAR  
14 bond project plan in consultation with the planning commission  
15 of the political subdivision, if any. The STAR bond project  
16 plan may be implemented in separate development stages.

17           (b) Any political subdivision considering a STAR bond  
18 project within a STAR bond district shall cause to be prepared  
19 an independent feasibility study. The feasibility study shall  
20 be prepared by a feasibility consultant approved by the  
21 Department. The feasibility consultant shall provide certified  
22 copies of the feasibility study to the political subdivision,  
23 the Department, the Department of Revenue, and the Governor's  
24 Office of Management and Budget. The feasibility study shall  
25 include the following:

26           (1) the estimated amount of pledged STAR revenues

1 expected to be collected in each year through the maturity  
2 date of the proposed STAR bonds;

3 (2) a statement of how the jobs and taxes obtained  
4 from the STAR bond project will contribute significantly  
5 to the economic development of the State and region;

6 (3) visitation expectations;

7 (4) the unique quality of the project;

8 (5) an economic impact study;

9 (6) a market study;

10 (7) current and anticipated infrastructure analysis;

11 (8) integration and collaboration with other resources  
12 or businesses;

13 (9) the quality of service and experience provided, as  
14 measured against national consumer standards for the  
15 specific target market;

16 (10) project accountability, measured according to  
17 best industry practices;

18 (11) the expected return on State and local investment  
19 that the STAR bond project is anticipated to produce; and

20 (12) an anticipated principal and interest payment  
21 schedule on the STAR bonds.

22 The feasibility consultant, along with any other  
23 consultants commissioned to perform the studies and other  
24 analysis required by the feasibility study, shall be selected  
25 by the political subdivision but approved by the Department.  
26 The consultants shall be retained by the political

1 subdivision. The political subdivision may seek reimbursement  
2 from the master developer.

3 The failure to include all information enumerated in this  
4 subsection in the feasibility study for a STAR bond project  
5 shall not affect the validity of STAR bonds issued under this  
6 Act.

7 (c) If the political subdivision determines the STAR bond  
8 project is feasible, the STAR bond project plan shall include:

9 (1) a summary of the feasibility study;

10 (2) a reference to the STAR bond district plan that  
11 identifies the STAR bond project area that is set forth in  
12 the STAR bond project plan that is being considered;

13 (3) a legal description and map of the STAR bond  
14 project area to be developed or redeveloped;

15 (4) a description of the buildings and facilities  
16 proposed to be constructed or improved in the STAR bond  
17 project area, including development users, as applicable;

18 (5) a copy of letters of intent to locate within the  
19 STAR bond district signed by both the master developer and  
20 the appropriate corporate officer of at least one  
21 development user for the STAR bond project proposed within  
22 the district;

23 (6) a copy of a project labor agreement entered into  
24 by the master developer and a commitment by the master  
25 developer, other developers, contractors, and  
26 subcontractors to comply with the requirements of Section

1 30-22 of the Illinois Procurement Code as they apply to  
2 responsible bidders; and

3 (7) any other information the corporate authorities of  
4 the political subdivision deems reasonable and necessary  
5 to advise the public of the intent of the STAR bond project  
6 plan.

7 (d) Before a political subdivision may hold a public  
8 hearing to consider a STAR bond project plan, the political  
9 subdivision must apply to the Department, the Department of  
10 Revenue, and the Governor's Office of Management and Budget  
11 for joint review and recommendation and ultimate approval or  
12 denial by the Office of the Governor of the STAR bond project  
13 plan. The corporate authorities of a political subdivision  
14 seeking to establish a STAR bond project in an approved STAR  
15 bond district must submit a proposed STAR bond project plan to  
16 the Department, the Department of Revenue, and the Governor's  
17 Office of Management and Budget by June 1, 2028 for  
18 consideration.

19 An application for approval of a STAR bond project plan  
20 must not be approved by the State unless all the components of  
21 the feasibility study set forth in paragraphs (1) through (12)  
22 of subsection (b) have been completed and submitted for review  
23 and recommendation for approval or denial. In addition to  
24 reviewing all the other elements of the STAR bond project plan  
25 required under subsection (c), which must be included in the  
26 application and include a letter of intent as required under

1 paragraph (5) of subsection (c) in order to receive State  
2 approval, the Department, the Department of Revenue, and the  
3 Governor's Office of Management and Budget must review the  
4 feasibility study and consider all the components of the  
5 feasibility study set forth in paragraphs (1) through (12) of  
6 subsection (b), including, without limitation, the economic  
7 impact study and the financial benefit of the proposed STAR  
8 bond project to the local, regional, and State economies, the  
9 proposed adverse impacts on similar businesses and projects as  
10 well as municipalities within the market area, and the net  
11 effect of the proposed STAR bond project on the local,  
12 regional, and State economies. In addition to the economic  
13 impact study, the political subdivision must also submit to  
14 the agencies, as part of its application, the financial and  
15 other information that substantiates the basis for the  
16 conclusion of the economic impact study, in the form and  
17 manner as required by the agencies, so that the agencies can  
18 verify the results of the study. In addition to any other  
19 criteria in this subsection, the State may not approve the  
20 STAR bond project plan unless the agencies are satisfied that  
21 the proposed development users are, in fact, true development  
22 users and find that the STAR bond project plan is in accordance  
23 with the purpose of this Act and the public interest. As part  
24 of the review, the agencies shall evaluate the conclusions of  
25 the feasibility study as it relates to the projected State and  
26 local sales tax increments expected to be generated in the

1 STAR bond district. The Department, the Department of Revenue,  
2 and the Governor's Office of Management and Budget shall  
3 jointly recommend the approval of a STAR bond project plan. In  
4 making the recommendation, the agencies shall consider the  
5 proximity of a proposed STAR bond project to another proposed  
6 or existing STAR bond project. Notwithstanding any other  
7 provision of this Act, the Department, the Department of  
8 Revenue, and the Governor's Office of Management and Budget  
9 shall not approve any STAR bond project plan that includes as  
10 part of the plan the development of any facility, stadium,  
11 arena, or other structure if: (1) the purpose of the facility,  
12 stadium, arena, or other structure is the holding of  
13 professional sports contests; or (2) the facility, stadium,  
14 arena, or other structure is within a one-mile radius of any  
15 structure that is developed on or after the effective date of  
16 this Act and has as one of its purposes the holding of  
17 professional sports contests. The agencies shall send a copy  
18 of their written findings and recommended approval or denial  
19 of the STAR bond project plan to the Office of the Governor for  
20 final action. Upon receipt of the Director's written findings  
21 and recommendation, the Office of the Governor shall issue a  
22 final approval or denial of the STAR bond project plan based on  
23 the criteria in this subsection and Section 5-15 and send a  
24 written approval or denial to the requesting political  
25 subdivision. Notwithstanding any other provision of law, for  
26 STAR bond districts designated as NOVA districts, the Office

1 of the Governor shall issue a final approval or denial of the  
2 STAR bond project plan based on the criteria in this  
3 subsection and Section 5-15 and send written approval or  
4 denial to the requesting political subdivision within 180 days  
5 after the political subdivision applies for approval, as set  
6 out in this subsection (d). In granting its approval, the  
7 Office of the Governor may require the political subdivision  
8 to execute a binding agreement or memorandum of understanding  
9 with the State. The terms of the agreement or memorandum may  
10 include, among other things, the political subdivision's  
11 repayment of the State sales tax increment distributed to it  
12 if any violation of the agreement or memorandum or this Act  
13 occurs.

14 (e) Upon a finding by the planning and zoning commission  
15 of the political subdivision, if any, that the STAR bond  
16 project plan is consistent with the intent of the  
17 comprehensive plan for the development of the political  
18 subdivision and upon issuance of written approval of the STAR  
19 bond project plan from the Office of the Governor under  
20 subsection (d) of this Section, the corporate authorities of  
21 the political subdivision shall adopt a resolution stating  
22 that the political subdivision is considering the adoption of  
23 the STAR bond project plan. The resolution shall:

24 (1) give notice that a public hearing will be held to  
25 consider the adoption of the STAR bond project plan and  
26 fix the date, hour, and place of the public hearing;

1           (2) describe the general boundaries of the STAR bond  
2 district within which the STAR bond project will be  
3 located and the date of establishment of the STAR bond  
4 district;

5           (3) describe the general boundaries of the area  
6 proposed to be included within the STAR bond project area;

7           (4) provide that the STAR bond project plan and map of  
8 the area to be redeveloped or developed are available for  
9 inspection during regular office hours in the offices of  
10 the political subdivision; and

11           (5) contain a summary of the terms and conditions of  
12 any proposed project development agreement with the  
13 political subdivision.

14           (f) A public hearing shall be conducted to consider the  
15 adoption of any STAR bond project plan.

16           (1) The date fixed for the public hearing to consider  
17 the adoption of the STAR bond project plan shall be not  
18 less than 20 nor more than 90 days following the date of  
19 the adoption of the resolution fixing the date of the  
20 hearing.

21           (2) A copy of the political subdivision's resolution  
22 providing for the public hearing shall be sent by  
23 certified mail, return receipt requested, to the corporate  
24 authorities of the county. A copy of the political  
25 subdivision's resolution providing for the public hearing  
26 shall be sent by certified mail, return receipt requested,

1 to each person or persons in whose name the general taxes  
2 for the last preceding year were paid on each parcel of  
3 land lying within the proposed STAR bond project area  
4 within 10 days following the date of the adoption of the  
5 resolution. The resolution shall be published once in a  
6 newspaper of general circulation in the political  
7 subdivision not less than one week nor more than 3 weeks  
8 before the date fixed for the public hearing. A map or  
9 aerial photo clearly delineating the area of land proposed  
10 to be included within the STAR bond project area shall be  
11 published with the resolution.

12 (3) The hearing shall be held at a location that is  
13 within 20 miles of the STAR bond district in a facility  
14 that can accommodate a large crowd is accessible to  
15 persons with disabilities.

16 (4) At the public hearing, a representative of the  
17 political subdivision or master developer shall present  
18 the STAR bond project plan. Following the presentation of  
19 the STAR bond project plan, all interested persons shall  
20 be given an opportunity to be heard. The corporate  
21 authorities may continue the date and time of the public  
22 hearing.

23 (g) Upon conclusion of the public hearing, the governing  
24 body of the political subdivision may adopt the STAR bond  
25 project plan by a resolution approving the STAR bond project  
26 plan.

1           (h) After the adoption by the corporate authorities of the  
2 political subdivision of a STAR bond project plan, the  
3 political subdivision may enter into a project development  
4 agreement if the master developer has requested the political  
5 subdivision to be a party to the project development agreement  
6 under subsection (b) of Section 5-40.

7           (i) Within 30 days after the adoption by the political  
8 subdivision of a STAR bond project plan, the clerk of the  
9 political subdivision shall transmit a copy of the legal  
10 description of the land and a list of all new and existing  
11 mailing addresses within the STAR bond district, a copy of the  
12 resolution adopting the STAR bond project plan, and a map or  
13 plat indicating the boundaries of the STAR bond project area  
14 and STAR bond district to the clerk, treasurer, and governing  
15 body of the county and to the Department and Department of  
16 Revenue. Within 30 days of creation of any new mailing address  
17 within a STAR bond district, the clerk of the political  
18 subdivision shall provide written notice of that new address  
19 to the Department and the Department of Revenue.

20           If a certified copy of the resolution adopting the STAR  
21 bond project plan is filed with the Department of Revenue on or  
22 before the first day of April, the Department of Revenue, if  
23 all other requirements of this subsection are met, shall  
24 proceed to collect and allocate any local sales tax increment  
25 and any State sales tax increment in accordance with the  
26 provisions of this Act on the first day of July next following

1 the adoption and filing. If a certified copy of the resolution  
2 adopting the STAR bond project plan is filed with the  
3 Department of Revenue after April 1 but on or before the first  
4 day of October, the Department of Revenue, if all other  
5 requirements of this subsection are met, shall proceed to  
6 collect and allocate any local sales tax increment and any  
7 State sales tax increment in accordance with the provisions of  
8 this Act as of the first day of January next following the  
9 adoption and filing. Notwithstanding the foregoing, any local  
10 sales tax increment derived from local hotel taxes and visitor  
11 investment surcharges that are designated as pledged STAR  
12 revenues pursuant to this Act shall be calculated, collected,  
13 and administered by the political subdivision imposing such  
14 tax, and shall not be subject to collection or allocation by  
15 the Department of Revenue.

16 Any substantial changes to a STAR bond project plan as  
17 adopted shall be subject to a public hearing following  
18 publication of notice thereof in a newspaper of general  
19 circulation in the political subdivision and approval by  
20 resolution of the governing body of the political subdivision.

21 The Department of Revenue shall not collect or allocate  
22 any local sales tax increment or State sales tax increment  
23 until the political subdivision also provides, in the manner  
24 prescribed by the Department of Revenue, the boundaries of the  
25 STAR bond district and each address in the STAR bond district  
26 in such a way that the Department of Revenue can determine by

1 its address whether a business is located in the STAR bond  
2 district. The political subdivision must provide this boundary  
3 and address information to the Department of Revenue, with a  
4 copy to the Department, on or before April 1 for  
5 administration and enforcement under this Act by the  
6 Department of Revenue beginning on the following July 1 and on  
7 or before October 1 for administration and enforcement under  
8 this Act by the Department of Revenue beginning on the  
9 following January 1. The Department of Revenue shall not  
10 administer or enforce any change made to the boundaries of a  
11 STAR bond district or any address change, addition, or  
12 deletion until the political subdivision reports the boundary  
13 change or address change, addition, or deletion to the  
14 Department of Revenue, with a copy to the Department, in the  
15 manner prescribed by the Department of Revenue. The political  
16 subdivision must provide this boundary change or address  
17 change, addition, or deletion information to the Department of  
18 Revenue, with a copy to the Department, on or before April 1  
19 for administration and enforcement by the Department of  
20 Revenue of the change, addition, or deletion beginning on the  
21 following July 1 and on or before October 1 for administration  
22 and enforcement by the Department of Revenue of the change,  
23 addition, or deletion beginning on the following January 1. If  
24 a retailer is incorrectly included or excluded from the list  
25 of those located in the STAR bond district, the Department of  
26 Revenue shall be held harmless if the Department reasonably

1 relied on information provided by the political subdivision.

2 (j) Any STAR bond project must be approved by the  
3 political subdivision within 23 years after the date of the  
4 approval of the STAR bond district; however, any amendments to  
5 the STAR bond project may occur following that date.

6 (k) Any developer of a STAR bond project shall commence  
7 work on the STAR bond project within 3 years from the date of  
8 adoption of the STAR bond project plan. If the developer fails  
9 to commence work on the STAR bond project within the 3-year  
10 period, funding for the project shall cease and the developer  
11 of the project or complex shall have one year to appeal to the  
12 political subdivision for a one-time reapproval of the project  
13 and funding. If the project is reapproved, the 3-year period  
14 for commencement shall begin again on the date of the  
15 reapproval. If the project is not reapproved or if the  
16 developer again fails to commence work on the STAR bond  
17 project within the second 3-year period, the project shall be  
18 terminated, and the Department may accept applications for a  
19 new STAR bond project in the Economic Development Region.

20 (l) After the adoption of a STAR bond project plan by the  
21 corporate authorities of the political subdivision and  
22 approval by the Office of the Governor under subsection (d),  
23 the political subdivision may authorize the issuance of STAR  
24 bonds in one or more series to finance the STAR bond project or  
25 pay or reimburse any eligible project cost within the STAR  
26 bond district in accordance with the provisions of this Act.

1 (m) Except as otherwise provided in subsection (n), the  
2 maximum maturity of STAR bonds issued to finance a STAR bond  
3 project shall not exceed 23 years from the first date of  
4 distribution of State sales tax increment from the STAR bond  
5 project to the political subdivision unless the political  
6 subdivision extends that maturity by resolution up to a  
7 maximum of 35 years from such first distribution date. Any  
8 such extension shall require the approval of the Office of the  
9 Governor, upon the recommendation of the Directors. In no  
10 event shall the maximum maturity date for any STAR bonds  
11 exceed that date which is 35 years from the first distribution  
12 date of the first STAR bonds issued in a STAR bond district.

13 (n) The maximum maturity of STAR bonds issued to finance a  
14 STAR bond project located within a NOVA district shall not  
15 exceed 35 years from the first date of distribution of State  
16 sales tax increment from the STAR bond project to the  
17 political subdivision.

18 (Source: P.A. 104-453, eff. 12-12-25.)

19 (50 ILCS 475/5-45)

20 Sec. 5-45. STAR bonds; source of payment.

21 (a) Any political subdivision shall have the power to  
22 issue STAR bonds in one or more series to finance the  
23 undertaking of any STAR bond project in accordance with the  
24 provisions of this Act and the Omnibus Bond Acts. Any STAR bond  
25 project approved under this Act may be completed in one or more

1 phases, and STAR bonds may be issued, in one or more series, to  
2 finance any STAR bond project or phase thereof. STAR bonds may  
3 be issued as revenue bonds, alternate bonds, or general  
4 obligation bonds as defined in and subject to the procedures  
5 provided in the Local Government Debt Reform Act.

6 STAR bonds may be made payable, both as to principal and  
7 interest, from the following revenues, which, to the extent  
8 pledged by each respective political subdivision or other  
9 public entity for that purpose, shall constitute pledged STAR  
10 revenues:

11 (1) revenues of the political subdivision derived from  
12 or held in connection with the undertaking and carrying  
13 out of any STAR bond project or projects under this Act;

14 (2) available private funds and contributions, grants,  
15 tax credits, or other financial assistance from the State  
16 or federal government;

17 (3) any taxes created under Section 5-50 and  
18 designated as pledged STAR revenues by the political  
19 subdivision;

20 (4) all the local sales tax increment of a  
21 municipality, county, or other unit of local government;

22 (5) any special service area taxes collected within  
23 the STAR bond district under the Special Service Area Tax  
24 Act, which may be used for the purposes of funding project  
25 costs or paying debt service on STAR bonds in addition to  
26 the purposes contained in the special service area plan;

1           (6) all the State sales tax increment;

2           (7) any other revenues appropriated by the political  
3           subdivision; and

4           (8) any combination of these methods.

5           (b) The political subdivision may pledge the pledged STAR  
6           revenues to the repayment of STAR bonds before, simultaneously  
7           with, or after the issuance of the STAR bonds.

8           (c) Bonds issued as revenue bonds shall not be general  
9           obligations of the political subdivision, nor, in any event,  
10          shall they give rise to a charge against the political  
11          subdivision's general credit or taxing powers or be payable  
12          out of any funds or properties other than those set forth in  
13          subsection (a). The bonds shall so state on their face.

14          (d) For each STAR bond project financed with STAR bonds  
15          payable from the pledged STAR revenues, the political  
16          subdivision shall prepare and submit to the Department, the  
17          Department of Revenue, the Office of the Governor, and the  
18          Governor's Office of Management and Budget by June 1 of each  
19          year a report describing the status of the STAR bond project,  
20          any expenditures of the proceeds of STAR bonds that have  
21          occurred for the preceding calendar year, and any expenditures  
22          of the proceeds of the bonds expected to occur in the future,  
23          including the amount of pledged STAR revenue, the amount of  
24          revenue that has been spent, the projected amount of the  
25          revenue, and the anticipated use of the revenue. Each annual  
26          report shall be accompanied by an affidavit of the master

1 developer certifying the contents of the report as true to the  
2 best of the master developer's knowledge. The Department shall  
3 have the right, but not the obligation, to request the Auditor  
4 General to review the annual report and the political  
5 subdivision's records containing the source information for  
6 the report for the purpose of verifying the report's contents.  
7 If the Auditor General declines the request for review, the  
8 Department shall have the right to select an independent  
9 third-party auditor to conduct an audit of the annual report  
10 and the political subdivision's records containing the source  
11 information for the report. The reasonable cost of the audit  
12 shall be paid by the master developer. The master development  
13 agreement shall grant the Department and the Auditor General  
14 the right to review the records of the political subdivision  
15 containing the source information for the report.

16 (e) As soon as possible after the first day of each month,  
17 upon certification of the Department of Revenue, the  
18 Comptroller shall order transferred and the Treasurer shall  
19 transfer, from the General Revenue Fund to the STAR Bonds  
20 Revenue Fund, the State sales tax increment for the second  
21 preceding month, less 3% of that amount, which shall be  
22 transferred into the Tax Compliance and Administration Fund  
23 and shall be used by the Department of Revenue, subject to  
24 appropriation, to cover the costs of the Department of Revenue  
25 in administering this Act. As soon as possible after the first  
26 day of each month, upon certification of the Department of

1 Revenue, the Comptroller shall order transferred and the  
2 Treasurer shall transfer, from the Local Government Tax Fund  
3 to the STAR Bonds Revenue Fund, the local sales tax increment  
4 for the second preceding month, as provided in Section 6z-18  
5 of the State Finance Act and from the County and Mass Transit  
6 District Fund to the STAR Bonds Revenue Fund the local sales  
7 tax increment for the second preceding month, as provided in  
8 Section 6z-20 of the State Finance Act. On or before the 25th  
9 day of each calendar month, the Department of Revenue shall  
10 prepare and certify to the Comptroller the disbursement of  
11 stated sums of money out of the STAR Bonds Revenue Fund to  
12 named municipalities and counties, the municipalities and  
13 counties to be those entitled to distribution of taxes or  
14 penalties paid to the Department of Revenue during the second  
15 preceding calendar month. The amount to be paid to each  
16 municipality or county shall be the amount of the State sales  
17 tax increment and the local sales tax increment (not including  
18 credit memoranda or the amount transferred into the Tax  
19 Compliance and Administration Fund) collected during the  
20 second preceding calendar month by the Department of Revenue  
21 from retailers and servicepersons on transactions at places of  
22 business located within a STAR bond district in that  
23 municipality or county, plus an amount the Department of  
24 Revenue determines is necessary to offset any amounts which  
25 were erroneously paid to a different taxing body, and not  
26 including an amount equal to the amount of refunds made during

1 the second preceding calendar month by the Department of  
2 Revenue, and not including any amount which the Department of  
3 Revenue determines is necessary to offset any amounts which  
4 are payable to a different taxing body but were erroneously  
5 paid to the municipality or county. Within 10 days after  
6 receipt by the Comptroller of the disbursement certification  
7 to the municipalities and counties, which shall be given to  
8 the Comptroller by the Department of Revenue, the Comptroller  
9 shall cause the orders to be drawn for the respective amounts  
10 in accordance with the directions contained in the  
11 certification. When certifying the amount of monthly  
12 disbursement to a municipality or county under this  
13 subsection, the Department of Revenue shall increase or  
14 decrease that amount by an amount necessary to offset any  
15 misallocation of previous disbursements. The offset amount  
16 shall be the amount erroneously disbursed within the 6 months  
17 preceding the time a misallocation is discovered.  
18 Notwithstanding the foregoing, any local sales tax increment  
19 derived from local hotel taxes and visitor investment  
20 surcharges that are designated as pledged STAR revenues  
21 pursuant to this Act shall not be subject to certification,  
22 collection, transfer, or allocation by the Department of  
23 Revenue, Comptroller, or Treasurer, and shall instead be  
24 deposited directly by the political subdivision into the STAR  
25 Bond Revenues Fund in accordance with the applicable STAR bond  
26 project plan, ordinance, and bond documents.

1           (f) The corporate authorities of the political subdivision  
2 shall deposit the proceeds for the STAR Bonds Revenue Fund  
3 into a special fund of the political subdivision called the  
4 "[Name of political subdivision] STAR Bond District Revenue  
5 Fund" for the purpose of paying or reimbursing STAR bond  
6 project costs and obligations incurred in the payment of those  
7 costs. If the political subdivision fails to issue STAR bonds  
8 within 180 days after the first distribution to the political  
9 subdivision from the STAR Bonds Revenue Fund, the Department  
10 of Revenue shall cease distribution of the State sales tax  
11 increment to the political subdivision, shall transfer any  
12 State sales tax increment in the STAR Bonds Revenue Fund to the  
13 General Revenue Fund, and shall cease deposits of State sales  
14 tax increment amounts into the STAR Bonds Revenue Fund. The  
15 political subdivision shall repay all the State sales tax  
16 increment distributed to the political subdivision to date,  
17 which amounts shall be deposited into the General Revenue  
18 Fund. If not repaid within 90 days after notice from the State,  
19 the Department of Revenue shall withhold distributions to the  
20 political subdivision from the Local Government Tax Fund until  
21 the excess amount is repaid, which withheld amounts shall be  
22 transferred to the General Revenue Fund. At such time as the  
23 political subdivision notifies the Department of Revenue in  
24 writing that it has issued STAR Bonds in accordance with this  
25 Act and provides the Department with a copy of the political  
26 subdivision's official statement, bond purchase agreements,

1 indenture, or other evidence of bond sale, the Department of  
2 Revenue shall resume deposits of the State sales tax increment  
3 into the STAR Bonds Revenue Fund and distribution of the State  
4 sales tax increment to the political subdivision in accordance  
5 with this Section.

6 (g) If at any time after the seventh anniversary of the  
7 date of distribution of State sales tax increment from a STAR  
8 bond project the Auditor General determines that the  
9 percentage of the aggregate proceeds of STAR bonds issued to  
10 date that is derived from the State sales tax increment has  
11 exceeded 50% of the total development costs of that STAR Bonds  
12 project, no additional STAR bonds may be issued for that STAR  
13 Bonds project until that percentage is reduced to 50% or  
14 below. When the percentage has been reduced to 50% or below,  
15 the master developer shall have the right, at its own cost, to  
16 obtain a new audit prepared by an independent third-party  
17 auditor verifying compliance and shall provide such audit to  
18 the Auditor General for review and approval. Upon the Auditor  
19 General's determination from the audit that the percentage has  
20 been reduced to 50% or below, STAR bonds may again be issued  
21 for the STAR bond project.

22 (Source: P.A. 104-453, eff. 12-12-25.)

23 (50 ILCS 475/5-50)

24 Sec. 5-50. STAR bond occupation taxes.

25 (a) If the corporate authorities of a political

1 subdivision have established a STAR bond district and have  
2 elected to impose a tax by ordinance under subsection (b), ~~or~~  
3 (c), or (c-10) of this Section, each year after the date of the  
4 adoption of the ordinance and until all STAR bond project  
5 costs and all political subdivision obligations financing the  
6 STAR bond project costs, if any, have been paid in accordance  
7 with the STAR bond project plans, but in no event longer than  
8 the maximum maturity date of the last of the STAR bonds issued  
9 for projects in the STAR bond district, all amounts generated  
10 by the retailers' occupation tax and service occupation tax  
11 shall be collected, and the tax shall be enforced, by the  
12 Department of Revenue in the same manner as all retailers'  
13 occupation taxes and service occupation taxes imposed in the  
14 political subdivision imposing the tax. The corporate  
15 authorities of the political subdivision shall deposit the  
16 proceeds of the taxes imposed under subsections (b), ~~and~~ (c),  
17 or (c-10) into either (i) a special fund held by the corporate  
18 authorities of the political subdivision called the STAR Bonds  
19 Tax Allocation Fund for the purpose of paying STAR bond  
20 project costs and obligations incurred in the payment of those  
21 costs if such taxes are designated as pledged STAR revenues by  
22 resolution or ordinance of the political subdivision or (ii)  
23 the political subdivision's general corporate fund if such  
24 taxes are not designated as pledged STAR revenues by  
25 resolution or ordinance.

26 The tax imposed under this Section by a municipality may

1 be imposed only on the portion of a STAR bond district that is  
2 within the boundaries of the municipality. For any part of a  
3 STAR bond district that lies outside the boundaries of that  
4 municipality, the municipality in which the other part of the  
5 STAR bond district lies (or the county, in cases where a  
6 portion of the STAR bond district lies in the unincorporated  
7 area of a county) is authorized to impose the tax under this  
8 Section on that part of the STAR bond district.

9 (b) The corporate authorities of a political subdivision  
10 that has established a STAR bond district under this Act may,  
11 by ordinance or resolution, impose a STAR Bond Retailers'  
12 Occupation Tax upon all persons engaged in the business of  
13 selling tangible personal property, other than an item of  
14 tangible personal property titled or registered with an agency  
15 of this State's government, at retail in the STAR bond  
16 district at a rate not to exceed 1% of the gross receipts from  
17 the sales made in the course of that business, to be imposed  
18 only in 0.25% increments. The tax may not be imposed on  
19 tangible personal property taxed at the 1% rate under the  
20 Retailers' Occupation Tax Act. The tax may not be imposed on  
21 aviation fuel for so long as the revenue use requirements of 49  
22 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
23 political subdivision.

24 The tax imposed under this subsection and all civil  
25 penalties that may be assessed as an incident thereof shall be  
26 collected and enforced by the Department of Revenue. The

1 certificate of registration that is issued by the Department  
2 of Revenue to a retailer under the Retailers' Occupation Tax  
3 Act shall permit the retailer to engage in a business that is  
4 taxable under any ordinance or resolution enacted under this  
5 subsection without registering separately with the Department  
6 of Revenue under such ordinance or resolution or under this  
7 subsection. The Department of Revenue shall have full power to  
8 administer and enforce this subsection, to collect all taxes  
9 and penalties due under this subsection in the manner  
10 hereinafter provided, and to determine all rights to credit  
11 memoranda arising on account of the erroneous payment of tax  
12 or penalty under this subsection. In the administration of,  
13 and compliance with, this subsection, the Department of  
14 Revenue and persons who are subject to this subsection shall  
15 have the same rights, remedies, privileges, immunities,  
16 powers, and duties, and be subject to the same conditions,  
17 restrictions, limitations, penalties, exclusions, exemptions,  
18 and definitions of terms and employ the same modes of  
19 procedure, as are prescribed in Sections 1, 1a through 1o, 2  
20 through 2-65 (in respect to all provisions therein other than  
21 the State rate of tax), 2c through 2h, 3 (except as to the  
22 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
23 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,  
24 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
25 provisions of the Uniform Penalty and Interest Act, as fully  
26 as if those provisions were set forth herein.

1           If a tax is imposed under this subsection (b), a tax shall  
2 also be imposed under subsection (c) of this Section.

3           (c) If a tax has been imposed under subsection (b), a STAR  
4 Bond Service Occupation Tax shall also be imposed upon all  
5 persons engaged, in the STAR bond district, in the business of  
6 making sales of service, who, as an incident to making those  
7 sales of service, transfer tangible personal property within  
8 the STAR bond district, either in the form of tangible  
9 personal property or in the form of real estate as an incident  
10 to a sale of service. The service occupation tax shall be  
11 imposed upon all persons engaged in the business of making  
12 sales of service at the same rate as the tax imposed in  
13 subsection (b) of the selling price of tangible personal  
14 property transferred within the STAR bond district by such  
15 servicemen as an incident to a sale of service and shall not  
16 exceed 1% and shall be imposed only in 0.25% increments. The  
17 tax may not be imposed on tangible personal property taxed at  
18 the 1% rate under the Service Occupation Tax Act. The tax may  
19 not be imposed on aviation fuel for so long as the revenue use  
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
21 binding on the political subdivision.

22           The tax imposed under this subsection and all civil  
23 penalties that may be assessed as an incident thereof shall be  
24 collected and enforced by the Department of Revenue. The  
25 certificate of registration that is issued by the Department  
26 of Revenue to a retailer under the Retailers' Occupation Tax

1 Act or under the Service Occupation Tax Act shall permit the  
2 registrant to engage in a business that is taxable under any  
3 ordinance or resolution enacted under this subsection without  
4 registering separately with the Department of Revenue under  
5 that ordinance or resolution or under this subsection. The  
6 Department of Revenue shall have full power to administer and  
7 enforce this subsection, to collect all taxes and penalties  
8 due under this subsection, to dispose of taxes and penalties  
9 so collected in the manner provided in this Act, and to  
10 determine all rights to credit memoranda arising on account of  
11 the erroneous payment of tax or penalty under this subsection.  
12 In the administration of, and compliance with this subsection,  
13 the Department of Revenue and persons who are subject to this  
14 subsection shall have the same rights, remedies, privileges,  
15 immunities, powers, and duties, and be subject to the same  
16 conditions, restrictions, limitations, penalties, exclusions,  
17 exemptions, and definitions of terms and employ the same modes  
18 of procedure as are prescribed in Sections 2, 2a through 2d, 3  
19 through 3-50 (in respect to all provisions therein other than  
20 the State rate of tax), 4 (except that the reference to the  
21 State shall be to the STAR bond district), 5, 7, 8 (except that  
22 the jurisdiction to which the tax shall be a debt to the extent  
23 indicated in that Section 8 shall be the political  
24 subdivision), 9 (except as to the disposition of taxes and  
25 penalties collected, and except that the returned merchandise  
26 credit for this tax may not be taken against any State tax),

1 10, 11, 12 (except the reference therein to Section 2b of the  
2 Retailers' Occupation Tax Act), 13 (except that any reference  
3 to the State shall mean the political subdivision), the first  
4 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
5 the Service Occupation Tax Act and all provisions of the  
6 Uniform Penalty and Interest Act, as fully as if those  
7 provisions were set forth herein.

8 If a tax is imposed under this subsection (c), a tax shall  
9 also be imposed under subsection (b) of this Section.

10 (c-10) The corporate authorities of any political  
11 subdivision that has established a STAR bond district under  
12 this Act may, by ordinance or resolution, impose an visitor  
13 investment surcharge upon all admission and charges from  
14 transactions at places of business located within such STAR  
15 bond district, at a rate not to exceed 9% of the gross receipts  
16 derived from any admission and charge within such STAR bond  
17 district, to be imposed only in 0.25% increments to pay for  
18 eligible project cost. The charge imposed under this  
19 subsection and all civil penalties that may be assessed as an  
20 incident thereof shall be collected and enforced by the  
21 political subdivision. For purposes of this section, "visitor  
22 investment surcharges" shall include, but shall not be limited  
23 to charges for: (a) admission or rental to any physical space  
24 or venue in which attendees gather for entertainment or  
25 amusement, including but not limited to facilities owned or  
26 operated by users, destination hotels, amusement parks,

1 hotels, entertainment venues, or traditional retailers,  
2 resorts, golf or pickle ball type facilities, simulator type  
3 facilities, music venues, water parks, RV parks, surf parks,  
4 ice rinks, family entertainment type facilities, zip line  
5 courses, wake boarding courses, miniature golf courses,  
6 go-cart tracks or facilities, arcades and other venues  
7 designed for the playing of video games, pinball machines,  
8 air-hockey, billiards tables, or other games operated by coins  
9 or other payment methods, theaters, trade shows and convention  
10 centers, and athletic stadiums or venues for the hosting of  
11 any athletic context; and (b) any separate charge for  
12 admission or rental to or use of entertainment attractions,  
13 rides, or other activities within the aforementioned venues.  
14 The provisions set out in this subsection (c-10) shall not be  
15 subject to subsection (d) of this Section.

16 (d) Persons subject to any tax imposed under this Section  
17 may reimburse themselves for their seller's tax liability  
18 under this Section by separately stating the tax as an  
19 additional charge, which charge may be stated in combination,  
20 in a single amount, with State taxes that sellers are required  
21 to collect under the Use Tax Act, in accordance with such  
22 bracket schedules as the Department may prescribe.

23 Whenever the Department of Revenue determines that a  
24 refund should be made under this Section to a claimant the  
25 Department of Revenue shall not issue a credit memorandum. The  
26 Department of Revenue shall notify the State Comptroller, who

1 shall cause the order to be drawn for the amount specified and  
2 to the person named in the notification from the Department of  
3 Revenue. The refund shall be paid by the State Treasurer out of  
4 the STAR Bond Retailers' Occupation Tax Fund.

5 Except as otherwise provided in this subsection, the  
6 Department of Revenue shall immediately pay over to the State  
7 Treasurer, ex officio, as trustee, all taxes, penalties, and  
8 interest collected under this Section for deposit into the  
9 STAR Bond Retailers' Occupation Tax Fund. On or before the  
10 25th day of each calendar month, the Department of Revenue  
11 shall prepare and certify to the Comptroller the disbursement  
12 of stated sums of money to named political subdivisions from  
13 the STAR Bond Retailers' Occupation Tax Fund, the political  
14 subdivisions to be those from which retailers have paid taxes  
15 or penalties under this Section to the Department of Revenue  
16 during the second preceding calendar month. The amount to be  
17 paid to each political subdivision shall be the amount (not  
18 including credit memoranda) collected under this Section  
19 during the second preceding calendar month by the Department  
20 of Revenue plus an amount the Department of Revenue determines  
21 is necessary to offset any amounts that were erroneously paid  
22 to a different taxing body, and not including an amount equal  
23 to the amount of refunds made during the second preceding  
24 calendar month by the Department of Revenue, less 3% of that  
25 amount, which shall be deposited into the Tax Compliance and  
26 Administration Fund and shall be used by the Department of

1 Revenue, subject to appropriation, to cover the costs of the  
2 Department of Revenue in administering and enforcing the  
3 provisions of this Section, on behalf of such political  
4 subdivision, and not including any amount that the Department  
5 of Revenue determines is necessary to offset any amounts that  
6 were payable to a different taxing body but were erroneously  
7 paid to the political subdivision. Within 10 days after  
8 receipt by the Comptroller of the disbursement certification  
9 to the political subdivisions provided for in this Section to  
10 be given to the Comptroller by the Department, the Comptroller  
11 shall cause the orders to be drawn for the respective amounts  
12 in accordance with the directions contained in the  
13 certification. The proceeds of the tax paid to political  
14 subdivisions under this Section shall be deposited into either  
15 (i) the STAR Bonds Tax Allocation Fund by the political  
16 subdivision if the political subdivision has designated them  
17 as pledged STAR revenues by resolution or ordinance or (ii)  
18 the political subdivision's general corporate fund if the  
19 political subdivision has not designated them as pledged STAR  
20 revenues.

21 An ordinance or resolution imposing or discontinuing the  
22 tax under this Section or effecting a change in the rate  
23 thereof shall either (i) be adopted and a certified copy  
24 thereof filed with the Department of Revenue on or before the  
25 first day of April, whereupon the Department of Revenue, if  
26 all other requirements of this Section are met, shall proceed

1 to administer and enforce this Section as of the first day of  
2 July next following the adoption and filing; or (ii) be  
3 adopted and a certified copy thereof filed with the Department  
4 of Revenue on or before the first day of October, whereupon, if  
5 all other requirements of this Section are met, the Department  
6 of Revenue shall proceed to administer and enforce this  
7 Section as of the first day of January next following the  
8 adoption and filing.

9 The Department of Revenue shall not administer or enforce  
10 an ordinance imposing, discontinuing, or changing the rate of  
11 the tax under this Section until the political subdivision  
12 also provides, in the manner prescribed by the Department of  
13 Revenue, the boundaries of the STAR bond district and each  
14 address in the STAR bond district in such a way that the  
15 Department of Revenue can determine by its address whether a  
16 business is located in the STAR bond district. The political  
17 subdivision must provide this boundary and address information  
18 to the Department of Revenue on or before April 1 for  
19 administration and enforcement of the tax under this Section  
20 by the Department of Revenue beginning on the following July 1  
21 and on or before October 1 for administration and enforcement  
22 of the tax under this Section by the Department of Revenue  
23 beginning on the following January 1. The Department of  
24 Revenue shall not administer or enforce any change made to the  
25 boundaries of a STAR bond district or any address change,  
26 addition, or deletion until the political subdivision reports

1 the boundary change or address change, addition, or deletion  
2 to the Department of Revenue in the manner prescribed by the  
3 Department of Revenue. The political subdivision must provide  
4 this boundary change or address change, addition, or deletion  
5 information to the Department of Revenue on or before April 1  
6 for administration and enforcement by the Department of  
7 Revenue of the change, addition, or deletion beginning on the  
8 following July 1 and on or before October 1 for administration  
9 and enforcement by the Department of Revenue of the change,  
10 addition, or deletion beginning on the following January 1.  
11 The retailers in the STAR bond district shall be responsible  
12 for charging the tax imposed under this Section. If a retailer  
13 is incorrectly included or excluded from the list of those  
14 required to collect the tax under this Section, both the  
15 Department of Revenue and the retailer shall be held harmless  
16 if they reasonably relied on information provided by the  
17 political subdivision.

18 A political subdivision that imposes the tax under this  
19 Section must submit to the Department of Revenue any other  
20 information as the Department of Revenue may require that is  
21 necessary for the administration and enforcement of the tax.

22 When certifying the amount of a monthly disbursement to a  
23 political subdivision under this Section, the Department of  
24 Revenue shall increase or decrease the amount by an amount  
25 necessary to offset any misallocation of previous  
26 disbursements. The offset amount shall be the amount

1 erroneously disbursed within the previous 6 months from the  
2 time a misallocation is discovered.

3 Nothing in this Section shall be construed to authorize  
4 the political subdivision to impose a tax upon the privilege  
5 of engaging in any business which under the Constitution of  
6 the United States may not be made the subject of taxation by  
7 this State.

8 The provisions of this subsection (d) shall only apply to  
9 taxes imposed under subsection (b) and subsection (c) of this  
10 Section.

11 (e) When STAR bond project costs, including, without  
12 limitation, all political subdivision obligations financing  
13 STAR bond project costs, have been paid, any surplus funds  
14 then remaining in the STAR Bonds Tax Allocation Fund shall be  
15 distributed to the treasurer of the political subdivision for  
16 deposit into the political subdivision's general corporate  
17 fund. Upon payment of all STAR bond project costs and  
18 retirement of obligations, but in no event later than the  
19 maximum maturity date of the last of the STAR bonds issued in  
20 the STAR bond district, the political subdivision shall adopt  
21 an ordinance immediately rescinding the taxes imposed under  
22 this Section and file a certified copy of the ordinance with  
23 the Department of Revenue in the form and manner as described  
24 in this Section.

25 (Source: P.A. 104-453, eff. 12-12-25.)

1 (50 ILCS 475/5-75)

2 Sec. 5-75. Reporting taxes.

3 (a) Notwithstanding any other provisions of law to the  
4 contrary, the Department of Revenue shall provide a certified  
5 report of the State sales tax increment and local sales tax  
6 increment from all taxpayers within a STAR bond district to  
7 the bond trustee, escrow agent, or paying agent for such bonds  
8 upon the written request of the political subdivision on or  
9 before the 25th day of each month. Such report shall provide a  
10 detailed allocation of State sales tax increment and local  
11 sales tax increment from each local sales tax and State sales  
12 tax reported to the Department of Revenue.

13 The bond trustee, escrow agent, or paying agent shall keep  
14 such sales and use tax reports and the information contained  
15 therein confidential, but may use such information for  
16 purposes of allocating and depositing the sales and use tax  
17 revenues in connection with the bonds used to finance project  
18 costs in such STAR bond district. Except as otherwise provided  
19 in this Section, the sales and use tax reports received by the  
20 bond trustee, escrow agent, or paying agent shall be subject  
21 to the confidentiality provisions of Section 11 of the  
22 Retailers' Occupation Tax Act. Notwithstanding the provisions  
23 of this Section, any local sales tax increment derived from  
24 local hotel taxes and visitor investment surcharges that are  
25 designated as pledged STAR revenues pursuant to this Act shall  
26 not be included in the Department of Revenue's certified

1 report and shall instead be reported to the bond trustee,  
2 escrow agent, or paying agent by the political subdivision in  
3 such form and manner as may be provided in the applicable bond  
4 documents.

5 (b) The political subdivision shall determine when the  
6 amount of sales tax and other revenues that have been  
7 collected and distributed to the bond debt service or reserve  
8 fund is sufficient to satisfy all principal and interest costs  
9 to the maturity date or dates of any STAR bond issued by a  
10 political subdivision to finance a STAR bond project and shall  
11 give the Department of Revenue written notice of such  
12 determination. The notice shall include a date certain on  
13 which deposits into the STAR Bonds Revenue Fund for that STAR  
14 bond project shall terminate and shall be provided to the  
15 Department of Revenue at least 60 days prior to that date.  
16 Thereafter, all sales tax and other revenues shall be  
17 collected and distributed in accordance with applicable law.

18 If the political subdivision fails to give timely notice  
19 under this subsection (b), the Department of Revenue, upon  
20 discovery of this failure, shall cease distribution of the  
21 State sales tax increment to the political subdivision, shall  
22 transfer any State sales tax increment in the STAR Bonds  
23 Revenue Fund to the General Revenue Fund, and shall cease  
24 deposits of State sales tax increment amounts into the STAR  
25 Bonds Revenue Fund. Any amount of State sales tax increment  
26 distributed to the political subdivision from the STAR Bonds

1 Revenue Fund in excess of the amount sufficient to satisfy all  
2 principal and interest costs to the maturity date or dates of  
3 any STAR bond issued by the political subdivision to finance a  
4 STAR bond project shall be repaid to the Department of Revenue  
5 and deposited into the General Revenue Fund. If not repaid  
6 within 90 days after notice from the State, the Department of  
7 Revenue shall withhold distributions to the political  
8 subdivision from the Local Government Tax Fund until the  
9 excess amount is repaid, which withheld amounts shall be  
10 transferred to the General Revenue Fund.

11 (Source: P.A. 104-453, eff. 12-12-25.)