



Rep. Jay Hoffman

Filed: 10/30/2025

10400SB1911ham003

LRB104 09605 HLH 29478 a

1 AMENDMENT TO SENATE BILL 1911

2 AMENDMENT NO. _____. Amend Senate Bill 1911, AS AMENDED,
3 by inserting immediately below the enacting clause the
4 following:

5 "ARTICLE 5

6 Section 5-1. Short title. This Act may be cited as the
7 Statewide Innovation Development and Economy Act. References
8 in this Article to "this Act" mean this Article.

9 Section 5-5. Purpose; findings.

1 stimulating significant capital investment, and promoting the
2 general welfare of the citizens of this State, by authorizing
3 municipalities and counties to issue sales tax and revenue
4 (STAR) bonds for the financing of STAR bond projects, as
5 defined in Section 5-10, and to otherwise exercise the powers
6 and authorities granted to municipalities.

7 (b) The General Assembly further finds and declares that:

8 (1) It is the policy of the State, in the interest of
9 promoting the health, safety, morals, and general welfare
10 of all the people of the State, to provide incentives to
11 create new job opportunities, and to promote major
12 tourism, entertainment, retail, and related projects
13 within the State.

14 (2) It is in the public interest to limit the portion
15 of the aggregate proceeds of STAR bonds issued that are
16 derived from the State sales tax increment pledged to pay
17 STAR bonds in any STAR bond district to not more than 50%
18 of the total development costs for a STAR bond project in
19 the STAR bond district as set forth in subsection (g) of
20 Section 5-45.

21 (3) As a result of the costs of land assemblage,
22 financing, and infrastructure and other project costs, the
23 private sector, without the assistance contemplated in
24 this Act, is unable to develop major tourism,
25 entertainment, retail, and related projects in some parts
26 of the State.

(4) The type of projects for which this Act is intended must be of a certain size and scope and must be developed in a cohesive and comprehensive manner.

(5) The eligible tracts of land are more likely to remain underused and undeveloped or to be developed in a piecemeal manner resulting in inefficient and poorly planned developments that do not maximize job creation, job retention, and tax revenue generation within the State.

(6) There are multiple eligible areas in the State that could benefit from this Act.

(7) Investment in major tourism, entertainment, retail, and related development within the State would stimulate economic activity in the State, including the creation and maintenance of jobs, the creation of new and lasting infrastructure and other improvements, and the attraction and retention of interstate tourists and entertainment events that generate significant economic activity.

(8) The continual encouragement, development, growth, and expansion of major tourism, entertainment, retail, and related projects within the State requires a cooperative and continuous partnership between government and the private sector.

(9) The State has a responsibility to help create a favorable climate for new and improved job opportunities

1 for its citizens and to increase the tax base of the State
2 and its political subdivisions by encouraging development
3 of major retail spaces within the State by the private
4 sector.

5 (10) The provision of additional incentives by the
6 State and its political subdivisions will relieve
7 conditions of unemployment, maintain existing levels of
8 employment, create new job opportunities, retain jobs
9 within the State, increase commerce within the State, and
10 increase the tax base of the State and its political
11 subdivisions.

12 (11) The powers conferred by this Act promote and
13 protect the health, safety, morals, and welfare of the
14 State and are for a public purpose and public use for which
15 public money and resources may be expended.

16 (12) The necessity in the public interest for the
17 provisions of this Act is hereby declared as a matter of
18 legislative determination.

19 Section 5-10. Definitions. In this Act:

20 "Base year" means the calendar year immediately before the
21 calendar year in which the Office of the Governor approves the
22 first STAR bond project within the STAR bond district.

23 "Commence work" means the manifest commencement of actual
24 operations on the development site, such as erecting a
25 building, general on-site and off-site grading and utility

1 installations, commencing design and construction
2 documentation, ordering lead-time materials, excavating the
3 ground to lay a foundation or a basement, or work of like
4 description that a reasonable person would recognize as being
5 done with the intention and purpose to continue work until the
6 project is completed.

7 "Corporate authority" or "corporate authorities" means the
8 county board of a county; the mayor and alderpersons or
9 similar body when the reference is to cities; the president
10 and trustees or similar body when the reference is to villages
11 or incorporated towns; and the council when the reference is
12 to municipalities under the commission form of government.

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

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Developer" means any individual, corporation, trust,
18 estate, partnership, limited liability partnership, limited
19 liability company, or other entity. "Developer" does not
20 include a not-for-profit entity, political subdivision, or
21 other agency or instrumentality of the State.

22 "Development user" means an owner, operator, licensee,
23 codeveloper, subdeveloper, or tenant that: (i) operates a
24 business within a STAR bond district that is a retail store,
25 hotel, or entertainment venue; (ii) does not have another
26 Illinois location within a 30-mile radius at the time of

1 opening; and (iii) makes an initial capital investment,
2 including project costs and other direct costs, of not less
3 than \$30,000,000 for the business.

4 "Director" means the Director of Commerce and Economic
5 Opportunity.

6 "Economic development region" means the counties
7 encompassed within any one of the 10 economic development
8 regions recognized by the Department on the effective date of
9 this Act.

10 "Eligible area" means contiguous parcels of real property
11 that meet all of the following: (i) the property is directly
12 and substantially benefited by the proposed STAR bond district
13 plan; (ii) at least 50% of the total land area of the real
14 property is located within an underserved area, as defined by
15 the Department at the time the STAR bond district plan is
16 submitted; (iii) the property is located in an area with not
17 less than 10,000 residents within a 5-mile radius of the
18 proposed district; (iv) the property is located 15 miles or
19 less from either a State highway or federal interstate
20 highway; and (v) the area is found by the governing body of the
21 political subdivision to meet the following requirements:

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

25 (2) a STAR bond district within the area is expected
26 to create or retain job opportunities within the political

1 subdivision;

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

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

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

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

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

13 The findings described in paragraphs (1) through (7) are
14 subject to the review process provided in subsections (e) and
15 (f) of Section 5-20.

16 For the purposes of this definition, the area may be
17 bisected by streets, highways, roads, alleys, railways, bike
18 paths, streams, rivers, and other waterways and still be
19 deemed contiguous.

20 "Entertainment venue" means a business that has a primary
21 use of providing a venue for entertainment attractions, rides,
22 or other activities oriented toward the entertainment and
23 amusement of its patrons.

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

26 "Hotel" has the same meaning given to that term in Section

1 2 of the Hotel Operators' Occupation Tax Act.

2 "Infrastructure" means the public improvements and private
3 improvements that serve the public purposes set forth in
4 Section 5-5 of this Act and that benefit the STAR bond district
5 or any STAR bond projects, including, but not limited to,
6 streets, drives and driveways, traffic and directional signs
7 and signals, parking lots and parking facilities,
8 interchanges, highways, sidewalks, bridges, underpasses and
9 overpasses, bike and walking trails, sanitary storm sewers and
10 lift stations, drainage conduits, channels, levees, canals,
11 storm water detention and retention facilities, utilities and
12 utility connections, water mains and extensions, and street
13 and parking lot lighting and connections.

14 "Local sales taxes" means any locally imposed taxes
15 received by a municipality, county, or other local
16 governmental entity arising from sales by retailers and
17 servicemen within a STAR bond district. "Local sales taxes"
18 includes business district sales taxes, taxes imposed under
19 Section 5-50, and that portion of the net revenue allocated
20 from the Local Government Tax Fund and the County and Mass
21 Transit District Fund to the municipality, county, or other
22 governmental entity under the Retailers' Occupation Tax Act,
23 the Use Tax Act, the Service Use Tax Act, and the Service
24 Occupation Tax Act from transactions at places of business
25 located in a STAR bond district. "Local sales taxes" does not
26 include (i) any taxes authorized under the Local Mass Transit

1 District Act or the Metro-East Park and Recreation District
2 Act for so long as the applicable taxing district does not
3 impose a tax on real property, (ii) any county school facility
4 and resources occupation taxes imposed under Section 5-1006.7
5 of the Counties Code, (iii) any taxes authorized under the
6 Flood Prevention District Act, (iv) any taxes authorized under
7 the Special County Occupation Tax For Public Safety, Public
8 Facilities, Mental Health, Substance Abuse, or Transportation
9 Law, (v) any taxes authorized under the Regional
10 Transportation Authority Act, (vi) any taxes authorized under
11 the County Motor Fuel Tax Law, or (vii) any taxes authorized
12 under the Municipal Motor Fuel Tax Law.

13 "Local sales tax increment" means:

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

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

25 (A) except with respect to the 0.25% county
26 portion of the 6.25% State rate, all the local sales

tax paid by taxpayers in the district that is in excess of the aggregate local sales tax paid by taxpayers in the district for the same month in the base year, as determined by the Department of Revenue; and

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

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

"Master developer" means a developer cooperating with a

1 political subdivision to plan, develop, and implement a STAR
2 bond project plan for a STAR bond district. Subject to the
3 limitations of Section 5-40, the master developer may work
4 with and transfer certain development rights to other
5 developers for the purpose of implementing STAR bond project
6 plans and achieving the purposes of this Act. A master
7 developer for a STAR bond district shall be appointed by a
8 political subdivision in the resolution establishing the STAR
9 bond district, and the master developer or its affiliate must,
10 at the time of appointment, own or have control of, through
11 purchase agreements, option contracts, or other means, not
12 less than 50% of the acreage within the STAR bond district.
13 "Master developer" also means any successor developer who has
14 assumed the role and responsibilities of the original master
15 developer through the execution of an amended master
16 development agreement and has been approved as the master
17 developer through resolution by the applicable political
18 subdivision.

19 "Master development agreement" means an agreement between
20 the master developer (or any approved successor developers)
21 and the political subdivision to govern a STAR bond district
22 and any STAR bond projects.

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

25 "New Opportunities for Vacation and Adventure District" or
26 "NOVA district" means a STAR bond district that encompasses a

1 minimum of 500 contiguous acres and, during the STAR bond
2 district plan approval process, demonstrates a reasonable
3 expectation of (1) producing a capital investment of at least
4 \$500,000,000, (2) generating not less than \$300,000,000 in
5 annual gross sales, (3) attracting at least 1,000,000 visitors
6 annually, and (4) creating a minimum of 1,500 jobs.

7 "Pledged STAR revenues" means those sales tax revenues and
8 other sources of funds that are pledged to pay debt service on
9 STAR bonds or to pay project costs under Section 5-45.
10 Notwithstanding any provision of law to the contrary, any
11 State sales tax increment or local sales tax increment from a
12 retail entity initiating operations in a STAR bond district
13 while terminating operations at another Illinois location
14 within 25 miles of the STAR bond district shall not constitute
15 pledged STAR revenues or be available to pay principal and
16 interest on STAR bonds. For purposes of this definition,
17 "terminating operations" means a closing of a retail operation
18 that is directly related to the opening of the same operation
19 or like retail entity owned or operated by more than 50% of the
20 original ownership in a STAR bond district within one year
21 before or after initiating operations in the STAR bond
22 district, but it does not mean closing an operation for
23 reasons beyond the control of the retail entity, as documented
24 by the retail entity, subject to a reasonable finding by the
25 municipality (or county if such retail operation is not
26 located within a municipality) in which the terminated

1 operations were located that the closed location contained
2 inadequate space, had become economically obsolete, or was no
3 longer a viable location for the retailer or serviceperson.

4 "Political subdivision" means a municipality or county
5 that undertakes to establish a STAR bond district under the
6 provisions of this Act.

7 "Professional sports" means any of the following sports at
8 the major league level: baseball, basketball, football, or ice
9 hockey.

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

18 (1) costs of studies, surveys, development of plans
19 and specifications, formation, implementation, and
20 administration of a STAR bond district, STAR bond district
21 plan, any STAR bond projects, or any STAR bond project
22 plans, including, but not limited to, staff and
23 professional service costs for architectural, engineering,
24 legal, financial, planning, or other services; however, no
25 charges for professional services may be based on a
26 percentage of the tax increment collected, and no

1 contracts for professional services, excluding
2 architectural and engineering services, may be entered
3 into if the terms of the contract extend beyond a period of
4 3 years;

5 (2) property assembly costs, including, but not
6 limited to, costs related to:

7 (A) the acquisition of land and other real
8 property or rights or interests in the land or other
9 real property located within the boundaries of a STAR
10 bond district;

11 (B) the demolition of buildings, site preparation,
12 and site improvements that serve as an engineered
13 barrier addressing ground level or below ground
14 environmental contamination, including, but not
15 limited to, parking lots and other concrete or asphalt
16 barriers; and

17 (C) the clearing and grading of land and the
18 importing of additional soil and fill materials or the
19 removal of soil and fill materials from the site;

20 (3) subject to paragraph (6), the costs of buildings
21 and other vertical improvements that are located within
22 the boundaries of a STAR bond district and are owned by a
23 political subdivision or other public entity, including
24 without limitation police and fire stations, educational
25 facilities, and public restrooms and rest areas;

26 (4) costs of buildings and other vertical improvements

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

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

14 (A) buildings;

15 (B) rides and attractions, including, but not
16 limited to, carousels, slides, roller coasters,
17 displays, models, towers, works of art, and similar
18 theme and amusement park improvements; and

19 (C) other vertical improvements;

20 (6) costs of the design and construction of
21 infrastructure and public works located within the
22 boundaries of a STAR bond district that are reasonable or
23 necessary to implement a STAR bond district plan or any
24 STAR bond project plans, or both, except that "project
25 costs" does not include the cost of constructing a new
26 municipal public building principally used to provide

1 offices, storage space, or conference facilities or
2 vehicle storage, maintenance, or repair for
3 administrative, public safety, or public works personnel
4 and that is not intended to replace an existing public
5 building unless the political subdivision makes a
6 reasonable determination in a STAR bond district plan or
7 any STAR bond project plans, supported by information that
8 provides the basis for that determination, that the new
9 municipal building is required to meet an increase in the
10 need for public safety purposes anticipated to result from
11 the implementation of the STAR bond district plan or any
12 STAR bond project plans;

13 (7) costs of the design and construction of the
14 following improvements located outside the boundaries of a
15 STAR bond district if the costs are essential to further
16 the purpose and development of a STAR bond district plan
17 and either (i) part of and connected to sewer, water, or
18 utility service lines that physically connect to the STAR
19 bond district or (ii) significant improvements for
20 adjacent off-site highways, streets, roadways, and
21 interchanges that are approved by the Department of
22 Transportation. No other cost of infrastructure and public
23 works improvements located outside the boundaries of a
24 STAR bond district may be deemed project costs;

25 (8) costs of job training and retraining projects for
26 current and future employees of development users,

1 including programs implemented by businesses located
2 within a STAR bond district;

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

12 (10) interest costs incurred by a developer for
13 project costs related to the acquisition, formation,
14 implementation, development, construction, and
15 administration of a STAR bond district, STAR bond district
16 plan, STAR bond projects, or any STAR bond project plans
17 if:

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

22 (B) the total of the interest payments paid under
23 this Act may not exceed 30% of the total cost paid or
24 incurred by the developer for a STAR bond district or
25 STAR bond projects, plus project costs, excluding any
26 property assembly costs incurred by a political

1 subdivision under this Act;

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

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

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

15 (14) costs of mounted building signs, site monuments,
16 and pylon signs located within the boundaries of a STAR
17 bond district; or

18 (15) if included in the STAR bond district plan and
19 approved in writing by the Director, salaries or a portion
20 of salaries for local government employees to the extent
21 the same are directly attributable to the work of those
22 employees on the establishment and management of a STAR
23 bond district or any STAR bond project.

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

26 (A) the cost of construction of buildings that are

1 owned by a municipality or county and leased to a
2 development user for uses other than as a retail store,
3 hotel, or entertainment venue;

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

6 (C) property taxes for property located in the STAR
7 bond district;

8 (D) lobbying costs; and

9 (E) general overhead or administrative costs of the
10 political subdivision that would still have been incurred
11 by the political subdivision if the political subdivision
12 had not established a STAR bond district.

13 "Project development agreement" means any one or more
14 agreements, including any amendments to that agreement or
15 those agreements, between a master developer and any
16 codeveloper or subdeveloper in connection with a STAR bond
17 project, which project development agreement may include the
18 political subdivision as a party.

19 "Project labor agreement" means a prehire collective
20 bargaining agreement that covers all terms and conditions of
21 employment between the general contractor and all
22 subcontractors hired by the master developer, developer,
23 codeveloper, or subdeveloper, as applicable, of a STAR bond
24 project and the local building and construction trades council
25 having geographic jurisdiction over a STAR bond project. A
26 "project labor agreement" must include the following

1 provisions: (1) a provision establishing the minimum hourly
2 wage for each class of labor organization employee as
3 determined by the Davis-Bacon Wage Report; (2) a provision
4 establishing the benefits and other compensation for each
5 class of labor organization employee; (3) a provision
6 requiring that no strike or dispute will be engaged in by the
7 labor organization employees; (4) a provision requiring that
8 no lockout or dispute will be engaged in by the general
9 contractor and all subcontractors building the project; and
10 (5) a provision establishing goals for apprenticeship hours to
11 be performed by minority persons and women and goals for total
12 hours to be performed by minority persons and women, as those
13 terms are defined in the Business Enterprise for Minorities,
14 Women, and Persons with Disabilities Act. A "project labor
15 agreement" may include other terms and conditions as the
16 appropriate building and construction trades council and the
17 general contractor building the STAR bond project deem
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, and the Service Occupation Tax Act from
19 transactions at places of business located within a STAR bond
20 district, excluding that portion of the net revenue realized
21 under the Retailers' Occupation Tax Act, the Use Tax Act, the
22 Service Use Tax Act, and the Service Occupation Tax Act from
23 transactions at places of business located within a STAR bond
24 district that is deposited into the Local Government Tax Fund
25 and the County and Mass Transit District Fund.

26 "State sales tax increment" means:

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

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

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

(2) with respect to all NOVA districts:

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

1 bond project approval; and

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

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

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

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

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

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

23 Section 5-15. Limitations on STAR bond districts and STAR
24 bond projects. The Office of the Governor, in consultation
25 with the Department, the Department of Revenue, and the

1 Governor's Office of Management and Budget, shall have final
2 approval of all STAR bond districts and STAR bond projects
3 established under this Act, which may be established
4 throughout the 10 Economic Development Regions in the State as
5 established by the Department. Regardless of the number of
6 STAR bond districts established within any Economic
7 Development Region: (i) only one STAR bond project may be
8 approved for each Economic Development Region having a
9 population of less than 600,000; (ii) up to 3 STAR bond
10 projects may be approved for each Economic Development Region
11 having a population of between 600,000 and 999,999; and (iii)
12 up to 4 STAR bond projects may be approved for each Economic
13 Development Region having a population of 1,000,000 or more,
14 excluding projects located in STAR bond districts established
15 under the Innovation Development and Economy Act. A STAR bond
16 district under this Act may not be located either entirely or
17 partially inside of a municipality with a population in excess
18 of 2,000,000.

19 A STAR bond project that is not located in a NOVA district
20 may not receive reimbursement from the proceeds of bonds
21 secured by State sales tax increment that exceeds the lesser
22 of (1) 50% of the total development costs or (2) an aggregate
23 amount of \$75,000,000. A STAR bond project that is located in a
24 NOVA district may not receive reimbursement from the proceeds
25 of bonds secured by State sales tax increment that exceeds the
26 lesser of (1) 50% of the total development costs or (2) an

1 aggregate amount of \$800,000,000.

2 Section 5-20. Establishment of STAR bond district.

3 (a) The corporate authorities of a municipality may
4 establish a STAR bond district within an eligible area within
5 the municipality or partially outside the boundaries of the
6 municipality in an unincorporated area of the county. A STAR
7 bond district that is partially outside the boundaries of the
8 municipality must also be approved by the corporate
9 authorities of the county by the passage of a resolution. The
10 corporate authorities of a county may establish a STAR bond
11 district in an eligible area in any unincorporated area of the
12 county.

13 (b) When a political subdivision is interested in
14 establishing a STAR bond district, the political subdivision
15 must first provide notice to the Director of Commerce and
16 Economic Opportunity and the Director of Revenue on or before
17 June 1, 2026 of its intention to establish a STAR bond
18 district. After filing notice, the political subdivision shall
19 determine whether the area satisfies the statutory criteria to
20 establish a STAR bond district consistent with this Act. The
21 corporate authorities of the political subdivision shall adopt
22 a resolution stating that the political subdivision is
23 considering the establishment of a STAR bond district. The
24 resolution shall:

25 (1) give notice, in the same manner as set forth in

1 subsection (e) of Section 5-30, that a public hearing will
2 be held to consider the establishment of a STAR bond
3 district and fix the date, hour, and place of the public
4 hearing, which shall be at a location that is within 20
5 miles of the STAR bond district, in a facility that can
6 accommodate a large crowd, and in a facility that is
7 accessible to persons with disabilities;

8 (2) describe the proposed general boundaries of the
9 STAR bond district;

10 (3) describe the STAR bond district plan;

11 (4) require that a description and map of the proposed
12 STAR bond district are available for inspection at a time
13 and place designated;

14 (5) identify the master developer for the STAR bond
15 district; and

16 (6) require that the corporate authorities consider
17 findings necessary for the establishment of a STAR bond
18 district.

19 (c) Upon the conclusion of the public hearing the
20 corporate authorities of the political subdivision may adopt a
21 resolution to establish the STAR bond district.

22 (1) A resolution to establish a STAR bond district
23 shall:

24 (A) make findings that the proposed STAR bond
25 district is to be developed with a STAR bond project;

26 (B) make findings that the STAR bond district is

an eligible area;

(C) contain a STAR bond district plan that identifies in a general manner the buildings and facilities that are proposed to be constructed or improved as part of the STAR bond project and that includes plans for at least one development user;

(D) contain the legal description of the STAR bond district;

(E) appoint the master developer for the STAR bond district, subject to the provisions of Section 5-25, and, if applicable, verify that master developer has a signed project labor agreement for the construction of future improvements within any STAR bond projects;

(F) if applicable, make a finding that the STAR bond district plan demonstrates a reasonable expectation that it will meet the acreage, capital investment, sales, and job creation thresholds necessary to qualify as a NOVA district and contains a request for NOVA district designation; and

(G) establish the STAR bond district, contingent upon approval of the State as set forth in subsection (e).

(2) If the resolution to establish a STAR bond district is not adopted by the political subdivision within 60 days after the conclusion of the public hearing, then the STAR bond district shall not be established.

(3) Upon adoption of a resolution to establish a STAR bond district, the political subdivision shall send a certified copy of the resolution to the Director of Commerce and Economic Opportunity, the Director of Revenue, and the Director of the Governor's Office of Management and Budget within 60 days after the adoption of the resolution.

(d) Upon adoption of a resolution to establish a STAR bond district, the STAR bond district and any STAR bond project shall be governed by a master development agreement between the political subdivision and the master developer. A STAR bond district that is partially outside the boundaries of a municipality shall require only one master development agreement, which shall be between the municipality and the master developer. In no event shall there be more than one master development agreement governing the terms and conditions of a STAR bond district. The master development agreement shall require the master developer to ensure compliance with the following requirements to reduce the ecological impact of the STAR bond district development: (i) inclusion of pollution prevention, erosion, and sedimentation control plans during construction; (ii) protection of endangered species' habitat and wetlands mitigation; (iii) preservation of at least 20% of the STAR bond district as green space, including lawns, parks, landscaped areas, paths, lakes, ponds, and other water features; (iv) promotion of the use of

1 renewable energy to the extent commercially feasible; (v)
2 implementation of recycling programs during construction and
3 at completed STAR bond projects; (vi) preservation of water
4 quality and promotion of water conservation through the use of
5 techniques such as reusing storm water and landscaping with
6 native and low-maintenance vegetation to reduce the need for
7 irrigation and fertilization; (vii) inclusion of comprehensive
8 lighting programs that reduce light pollution within the STAR
9 bond district; and (viii) promotion of shared parking between
10 different users to reduce the impact on project sites.

11 (e) Upon adoption of a resolution to establish a STAR bond
12 district, the political subdivision shall submit the proposed
13 STAR bond district plan to the Department, the Department of
14 Revenue, and the Governor's Office of Management and Budget
15 for consideration. All proposed STAR bond district plans must
16 be submitted on or before January 1, 2027 for consideration.
17 The Department, the Department of Revenue, and the Governor's
18 Office of Management and Budget shall make a joint
19 recommendation to approve a STAR bond district if the agencies
20 find that: (i) the proposed STAR bond district is an eligible
21 area; (ii) the STAR bond district plan includes a STAR bond
22 project that would entail a projected capital investment of at
23 least \$30,000,000 for a STAR bond district that is not
24 proposed to be designated as a NOVA district or \$500,000,000
25 for a STAR bond district that is proposed to be designated as a
26 NOVA district; (iii) the STAR bond district plan includes a

1 STAR bond project that is reasonably projected to produce at
2 least \$60,000,000 of annual gross sales and at least 300 new
3 jobs or, for a STAR bond district proposed to be designated as
4 a NOVA district, at least \$300,000,000 of annual gross sales
5 and 1,500 new jobs; (iv) the STAR bond district plan includes
6 potential development users; (v) the creation of the STAR bond
7 district and STAR bond district plan are in accordance with
8 the purpose of this Act and the public interest; and (vi) the
9 STAR bond district and STAR bond district plan meet any other
10 requirement that the State deems appropriate. The agencies
11 shall send a copy of their written findings and recommendation
12 for approval or denial of a STAR bond district to the Office of
13 the Governor for review and final action. In the case of any
14 NOVA district, those written findings and recommendations
15 shall be submitted to the Office of the Governor within 60 days
16 following the agencies' receipt of the District Plan proposing
17 the NOVA district.

18 (f) Upon receipt of the written findings and
19 recommendations, the Office of the Governor shall review the
20 submission and issue a final approval or denial of the STAR
21 bond district and send written notice of its approval or
22 denial to the requesting political subdivision and to the
23 agencies. If requested by the political subdivision under
24 paragraph (F) of subsection (c) of this Section, the written
25 notice shall also include a determination as to whether the
26 proposed STAR bond district qualifies for designation as a

1 NOVA district and shall be issued within 30 days after the
2 Office of the Governor receives the written findings of the
3 agencies as provided in subsection (e).

4 (g) Starting on the fifth anniversary of the first date of
5 distribution of State sales tax increment from the approved
6 STAR bond project in the STAR bond district, or, if the project
7 is in a NOVA district, the earlier of (i) the fifteenth
8 anniversary of that date or (ii) the date requested by the
9 master developer, and continuing each anniversary thereafter,
10 the Director shall, in consultation with the political
11 subdivision and the master developer, determine the total
12 number of new jobs created within the STAR bond district, the
13 total development cost to date, and the master developer's
14 compliance with its obligations under any written agreements
15 with the State. If, on the fifth anniversary of the first date
16 of distribution of State sales tax increment from the approved
17 STAR bond project in the STAR bond district, or the earlier of
18 (i) the fifteenth anniversary of that date or (ii) the date
19 requested by the master developer if the project is in a NOVA
20 district, the Director determines that the total development
21 cost to date is not equal to or greater than (i) \$30,000,000 if
22 the project is not in a NOVA district or (ii) \$500,000,000 if
23 the project is in a NOVA district, or that the master developer
24 is in breach of any written agreement with the State, then no
25 new STAR bonds may be issued in the STAR bond district until
26 the total development cost exceeds \$30,000,000 or

1 \$500,000,000, as applicable, or the breach of agreement is
2 cured, or both. If, on the fifth anniversary of the first date
3 of distribution of State sales tax increment from the approved
4 STAR bond project in the STAR bond district, or the earlier of
5 (i) the fifteenth anniversary of that date or (ii) the date
6 requested by the master developer if the project is in a NOVA
7 district, there are not at least (i) 300 new jobs existing in
8 the STAR bond district if the project is not in a NOVA district
9 or (ii) 1,500 new jobs existing in the STAR bond district if
10 the project is in a NOVA district, the State may require the
11 master developer to pay the State a penalty of \$1,500 per job
12 under 300 or 1,500, as applicable, each year until the earlier
13 of (i) the twenty-third anniversary of the first date of
14 distribution of State sales tax increment from the approved
15 STAR bond project in the STAR bond district, (ii) the date that
16 all STAR bonds issued in the STAR bond district have been paid
17 off, or (iii) the date on which at least 300 jobs or 1,500
18 jobs, as applicable, have been created in the STAR bond
19 district. Upon creation of 300 jobs or 1,500 jobs, as
20 applicable, in the STAR bond district, there shall not be an
21 ongoing obligation to maintain those jobs after the fifth
22 anniversary of the first date of distribution of State sales
23 tax increment from the approved STAR bond project in the STAR
24 bond district, and the master developer shall be relieved of
25 any liability with respect to job creation under this
26 subsection. Notwithstanding anything to the contrary in this

1 subsection, the master developer shall not be liable for the
2 penalties set forth in this subsection if the breach of
3 agreement, failure to reach the required amount in total
4 development costs, or failure to create the required number of
5 jobs is due to delays caused by force majeure, as that term is
6 defined in the master development agreement.

7 Section 5-25. Master developer standards. The master
8 developer appointed for the STAR bond district shall meet high
9 standards of creditworthiness and financial strength, as
10 demonstrated by one or more of the following: (i) corporate
11 debenture ratings of BBB or higher by Standard & Poor's
12 Corporation or Baa or higher by Moody's Investors Service,
13 Inc.; (ii) a letter from a financial institution with assets
14 of \$10,000,000 or more attesting to the financial strength of
15 the master developer; or (iii) specific evidence of equity
16 financing for not less than 10% of the estimated total STAR
17 bond project costs.

18 Section 5-30. Approval of STAR bond projects.

19 (a) The corporate authorities of a political subdivision
20 seeking to establish a STAR bond project in an approved STAR
21 bond district must submit a proposed STAR bond project plan to
22 the Department, the Department of Revenue, and the Governor's
23 Office of Management and Budget on or before June 1, 2028. A
24 STAR bond project which is partially outside the boundaries of

1 a municipality must also be approved by the corporate
2 authorities of the county by resolution.

3 After the establishment of a STAR bond district, the
4 master developer may propose a STAR bond project to a
5 political subdivision, and the master developer shall, in
6 cooperation with the political subdivision, prepare a STAR
7 bond project plan in consultation with the planning commission
8 of the political subdivision, if any. The STAR bond project
9 plan may be implemented in separate development stages.

10 (b) Any political subdivision considering a STAR bond
11 project within a STAR bond district shall cause to be prepared
12 an independent feasibility study. The feasibility study shall
13 be prepared by a feasibility consultant approved by the
14 Department. The feasibility consultant shall provide certified
15 copies of the feasibility study to the political subdivision,
16 the Department, the Department of Revenue, and the Governor's
17 Office of Management and Budget. The feasibility study shall
18 include the following:

19 (1) the estimated amount of pledged STAR revenues
20 expected to be collected in each year through the maturity
21 date of the proposed STAR bonds;

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

25 (3) visitation expectations;

26 (4) the unique quality of the project;

(5) an economic impact study;

(6) a market study;

(7) current and anticipated infrastructure analysis;

(8) integration and collaboration with other resources businesses;

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

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

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

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

The feasibility consultant, along with any other consultants commissioned to perform the studies and other analysis required by the feasibility study, shall be selected by the political subdivision but approved by the Department. The consultants shall be retained by the political subdivision. The political subdivision may seek reimbursement from the master developer.

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

(c) If the political subdivision determines the STAR bond

1 project is feasible, the STAR bond project plan shall include:

2 (1) a summary of the feasibility study;

3 (2) a reference to the STAR bond district plan that
4 identifies the STAR bond project area that is set forth in
5 the STAR bond project plan that is being considered;

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

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

11 (5) a copy of letters of intent to locate within the
12 STAR bond district signed by both the master developer and
13 the appropriate corporate officer of at least one
14 development user for the STAR bond project proposed within
15 the district;

16 (6) a copy of a project labor agreement entered into
17 by the master developer and a commitment by the master
18 developer, other developers, contractors, and
19 subcontractors to comply with the requirements of Section
20 30-22 of the Illinois Procurement Code as they apply to
21 responsible bidders; and

22 (7) any other information the corporate authorities of
23 the political subdivision deems reasonable and necessary
24 to advise the public of the intent of the STAR bond project
25 plan.

26 (d) Before a political subdivision may hold a public

1 hearing to consider a STAR bond project plan, the political
2 subdivision must apply to the Department, the Department of
3 Revenue, and the Governor's Office of Management and Budget
4 for joint review and recommendation and ultimate approval or
5 denial by the Office of the Governor of the STAR bond project
6 plan. The corporate authorities of a political subdivision
7 seeking to establish a STAR bond project in an approved STAR
8 bond district must submit a proposed STAR bond project plan to
9 the Department, the Department of Revenue, and the Governor's
10 Office of Management and Budget by June 1, 2028 for
11 consideration.

12 An application for approval of a STAR bond project plan
13 must not be approved by the State unless all the components of
14 the feasibility study set forth in paragraphs (1) through (12)
15 of subsection (b) have been completed and submitted for review
16 and recommendation for approval or denial. In addition to
17 reviewing all the other elements of the STAR bond project plan
18 required under subsection (c), which must be included in the
19 application and include a letter of intent as required under
20 paragraph (5) of subsection (c) in order to receive State
21 approval, the Department, the Department of Revenue, and the
22 Governor's Office of Management and Budget must review the
23 feasibility study and consider all the components of the
24 feasibility study set forth in paragraphs (1) through (12) of
25 subsection (b), including, without limitation, the economic
26 impact study and the financial benefit of the proposed STAR

1 bond project to the local, regional, and State economies, the
2 proposed adverse impacts on similar businesses and projects as
3 well as municipalities within the market area, and the net
4 effect of the proposed STAR bond project on the local,
5 regional, and State economies. In addition to the economic
6 impact study, the political subdivision must also submit to
7 the agencies, as part of its application, the financial and
8 other information that substantiates the basis for the
9 conclusion of the economic impact study, in the form and
10 manner as required by the agencies, so that the agencies can
11 verify the results of the study. In addition to any other
12 criteria in this subsection, the State may not approve the
13 STAR bond project plan unless the agencies are satisfied that
14 the proposed development users are, in fact, true development
15 users and find that the STAR bond project plan is in accordance
16 with the purpose of this Act and the public interest. As part
17 of the review, the agencies shall evaluate the conclusions of
18 the feasibility study as it relates to the projected State and
19 local sales tax increments expected to be generated in the
20 STAR bond district. The Department, the Department of Revenue,
21 and the Governor's Office of Management and Budget shall
22 jointly recommend the approval of a STAR bond project plan. In
23 making the recommendation, the agencies shall consider the
24 proximity of a proposed STAR bond project to another proposed
25 or existing STAR bond project. Notwithstanding any other
26 provision of this Act, the Department, the Department of

1 Revenue, and the Governor's Office of Management and Budget
2 shall not approve any STAR bond project plan that includes as
3 part of the plan the development of any facility, stadium,
4 arena, or other structure if: (1) the purpose of the facility,
5 stadium, arena, or other structure is the holding of
6 professional sports contests; or (2) the facility, stadium,
7 arena, or other structure is within a one-mile radius of any
8 structure that is developed on or after the effective date of
9 this Act and has as one of its purposes the holding of
10 professional sports contests. The agencies shall send a copy
11 of their written findings and recommended approval or denial
12 of the STAR bond project plan to the Office of the Governor for
13 final action. Upon receipt of the Director's written findings
14 and recommendation, the Office of the Governor shall issue a
15 final approval or denial of the STAR bond project plan based on
16 the criteria in this subsection and Section 5-15 and send a
17 written approval or denial to the requesting political
18 subdivision. Notwithstanding any other provision of law, for
19 STAR bond districts designated as NOVA districts, the Office
20 of the Governor shall issue a final approval or denial of the
21 STAR bond project plan based on the criteria in this
22 subsection and Section 5-15 and send written approval or
23 denial to the requesting political subdivision within 180 days
24 after the political subdivision applies for approval, as set
25 out in this subsection (d). In granting its approval, the
26 Office of the Governor may require the political subdivision

1 to execute a binding agreement or memorandum of understanding
2 with the State. The terms of the agreement or memorandum may
3 include, among other things, the political subdivision's
4 repayment of the State sales tax increment distributed to it
5 if any violation of the agreement or memorandum or this Act
6 occurs.

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

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

20 (2) describe the general boundaries of the STAR bond
21 district within which the STAR bond project will be
22 located and the date of establishment of the STAR bond
23 district;

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

26 (4) provide that the STAR bond project plan and map of

1 the area to be redeveloped or developed are available for
2 inspection during regular office hours in the offices of
3 the political subdivision; and

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

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

9 (1) The date fixed for the public hearing to consider
10 the adoption of the STAR bond project plan shall be not
11 less than 20 nor more than 90 days following the date of
12 the adoption of the resolution fixing the date of the
13 hearing.

14 (2) A copy of the political subdivision's resolution
15 providing for the public hearing shall be sent by
16 certified mail, return receipt requested, to the corporate
17 authorities of the county. A copy of the political
18 subdivision's resolution providing for the public hearing
19 shall be sent by certified mail, return receipt requested,
20 to each person or persons in whose name the general taxes
21 for the last preceding year were paid on each parcel of
22 land lying within the proposed STAR bond project area
23 within 10 days following the date of the adoption of the
24 resolution. The resolution shall be published once in a
25 newspaper of general circulation in the political
26 subdivision not less than one week nor more than 3 weeks

1 before the date fixed for the public hearing. A map or
2 aerial photo clearly delineating the area of land proposed
3 to be included within the STAR bond project area shall be
4 published with the resolution.

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

9 (4) At the public hearing, a representative of the
10 political subdivision or master developer shall present
11 the STAR bond project plan. Following the presentation of
12 the STAR bond project plan, all interested persons shall
13 be given an opportunity to be heard. The corporate
14 authorities may continue the date and time of the public
15 hearing.

16 (g) Upon conclusion of the public hearing, the governing
17 body of the political subdivision may adopt the STAR bond
18 project plan by a resolution approving the STAR bond project
19 plan.

20 (h) After the adoption by the corporate authorities of the
21 political subdivision of a STAR bond project plan, the
22 political subdivision may enter into a project development
23 agreement if the master developer has requested the political
24 subdivision to be a party to the project development agreement
25 under subsection (b) of Section 5-40.

26 (i) Within 30 days after the adoption by the political

1 subdivision of a STAR bond project plan, the clerk of the
2 political subdivision shall transmit a copy of the legal
3 description of the land and a list of all new and existing
4 mailing addresses within the STAR bond district, a copy of the
5 resolution adopting the STAR bond project plan, and a map or
6 plat indicating the boundaries of the STAR bond project area
7 and STAR bond district to the clerk, treasurer, and governing
8 body of the county and to the Department and Department of
9 Revenue. Within 30 days of creation of any new mailing address
10 within a STAR bond district, the clerk of the political
11 subdivision shall provide written notice of that new address
12 to the Department and the Department of Revenue.

13 If a certified copy of the resolution adopting the STAR
14 bond project plan is filed with the Department of Revenue on or
15 before the first day of April, the Department of Revenue, if
16 all other requirements of this subsection are met, shall
17 proceed to collect and allocate any local sales tax increment
18 and any State sales tax increment in accordance with the
19 provisions of this Act on the first day of July next following
20 the adoption and filing. If a certified copy of the resolution
21 adopting the STAR bond project plan is filed with the
22 Department of Revenue after April 1 but on or before the first
23 day of October, the Department of Revenue, if all other
24 requirements of this subsection are met, shall proceed to
25 collect and allocate any local sales tax increment and any
26 State sales tax increment in accordance with the provisions of

1 this Act as of the first day of January next following the
2 adoption and filing.

3 Any substantial changes to a STAR bond project plan as
4 adopted shall be subject to a public hearing following
5 publication of notice thereof in a newspaper of general
6 circulation in the political subdivision and approval by
7 resolution of the governing body of the political subdivision.

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

1 Department of Revenue, with a copy to the Department, in the
2 manner prescribed by the Department of Revenue. The political
3 subdivision must provide this boundary change or address
4 change, addition, or deletion information to the Department of
5 Revenue, with a copy to the Department, 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. If
11 a retailer is incorrectly included or excluded from the list
12 of those located in the STAR bond district, the Department of
13 Revenue shall be held harmless if the Department reasonably
14 relied on information provided by the political subdivision.

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

19 (k) Any developer of a STAR bond project shall commence
20 work on the STAR bond project within 3 years from the date of
21 adoption of the STAR bond project plan. If the developer fails
22 to commence work on the STAR bond project within the 3-year
23 period, funding for the project shall cease and the developer
24 of the project or complex shall have one year to appeal to the
25 political subdivision for a one-time reapproval of the project
26 and funding. If the project is reapproved, the 3-year period

1 for commencement shall begin again on the date of the
2 reapproval. If the project is not reapproved or if the
3 developer again fails to commence work on the STAR bond
4 project within the second 3-year period, the project shall be
5 terminated, and the Department may accept applications for a
6 new STAR bond project in the Economic Development Region.

7 (l) After the adoption of a STAR bond project plan by the
8 corporate authorities of the political subdivision and
9 approval by the Office of the Governor under subsection (d),
10 the political subdivision may authorize the issuance of STAR
11 bonds in one or more series to finance the STAR bond project or
12 pay or reimburse any eligible project cost within the STAR
13 bond district in accordance with the provisions of this Act.

14 (m) Except as otherwise provided in subsection (n), the
15 maximum maturity of STAR bonds issued to finance a STAR bond
16 project shall not exceed 23 years from the first date of
17 distribution of State sales tax increment from the STAR bond
18 project to the political subdivision unless the political
19 subdivision extends that maturity by resolution up to a
20 maximum of 35 years from such first distribution date. Any
21 such extension shall require the approval of the Office of the
22 Governor, upon the recommendation of the Directors. In no
23 event shall the maximum maturity date for any STAR bonds
24 exceed that date which is 35 years from the first distribution
25 date of the first STAR bonds issued in a STAR bond district.

26 (n) The maximum maturity of STAR bonds issued to finance a

1 STAR bond project located within a NOVA district shall not
2 exceed 35 years from the first date of distribution of State
3 sales tax increment from the STAR bond project to the
4 political subdivision.

5 Section 5-35. Approval of STAR bond projects in NOVA
6 districts. Notwithstanding any other provision of this Act, a
7 STAR bond project may be approved within each STAR bond
8 district designated as a NOVA district. Except as otherwise
9 provided in this Act, approval of a NOVA district shall follow
10 the same procedures applicable to STAR bond district approval
11 as provided in Section 5-20, and that designation shall be
12 determined by the Office of the Governor during the STAR bond
13 district approval process. The NOVA district must satisfy the
14 criteria set forth to be considered a NOVA district under
15 Section 5-10. Except as otherwise provided in this Act,
16 establishment of a NOVA district shall be construed to have
17 the same application and effect as a STAR bond district.

18 Section 5-40. Codevelopers and subdevelopers.

19 (a) Upon approval of a STAR bond project by the political
20 subdivision, the master developer may, subject to the approval
21 of the State and the political subdivision, develop the STAR
22 bond project on its own or it may develop the STAR bond project
23 with another developer, which may include an assignment or
24 transfer of development rights.

1 A master developer may sell, lease, or otherwise convey
2 its property interest in the STAR bond project area to a
3 codeveloper or subdeveloper.

4 (b) A master developer may enter into one or more
5 agreements with a codeveloper or subdeveloper in connection
6 with a STAR bond project, and the master developer may request
7 that the political subdivision become a party to the project
8 development agreement, or the master developer may request
9 that the political subdivision amend its master development
10 agreement to provide for certain terms and conditions that may
11 be related to the codeveloper or subdeveloper and the STAR
12 bond project. For any project development agreement to which
13 the political subdivision would be a party or for any
14 amendments to the master development agreement, the terms and
15 conditions must be acceptable to both the master developer and
16 the political subdivision. The Director shall receive a copy
17 of the master development agreement and any amendments.

18 Section 5-45. STAR bonds; source of payment.

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

1 be issued as revenue bonds, alternate bonds, or general
2 obligation bonds as defined in and subject to the procedures
3 provided in the Local Government Debt Reform Act.

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

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

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

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

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

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

25 (6) all the State sales tax increment;

26 (7) any other revenues appropriated by the political

1 subdivision; and

2 (8) any combination of these methods.

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

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

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

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

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

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

1 Revenue determines is necessary to offset any amounts which
2 are payable to a different taxing body but were erroneously
3 paid to the municipality or county. Within 10 days after
4 receipt by the Comptroller of the disbursement certification
5 to the municipalities and counties, which shall be given to
6 the Comptroller by the Department of Revenue, the Comptroller
7 shall cause the orders to be drawn for the respective amounts
8 in accordance with the directions contained in the
9 certification. When certifying the amount of monthly
10 disbursement to a municipality or county under this
11 subsection, the Department of Revenue shall increase or
12 decrease that amount by an amount necessary to offset any
13 misallocation of previous disbursements. The offset amount
14 shall be the amount erroneously disbursed within the 6 months
15 preceding the time a misallocation is discovered.

16 (f) The corporate authorities of the political subdivision
17 shall deposit the proceeds for the STAR Bonds Revenue Fund
18 into a special fund of the political subdivision called the
19 "[Name of political subdivision] STAR Bond District Revenue
20 Fund" for the purpose of paying or reimbursing STAR bond
21 project costs and obligations incurred in the payment of those
22 costs. If the political subdivision fails to issue STAR bonds
23 within 180 days after the first distribution to the political
24 subdivision from the STAR Bonds Revenue Fund, the Department
25 of Revenue shall cease distribution of the State sales tax
26 increment to the political subdivision, shall transfer any

1 State sales tax increment in the STAR Bonds Revenue Fund to the
2 General Revenue Fund, and shall cease deposits of State sales
3 tax increment amounts into the STAR Bonds Revenue Fund. The
4 political subdivision shall repay all the State sales tax
5 increment distributed to the political subdivision to date,
6 which amounts shall be deposited into the General Revenue
7 Fund. If not repaid within 90 days after notice from the State,
8 the Department of Revenue shall withhold distributions to the
9 political subdivision from the Local Government Tax Fund until
10 the excess amount is repaid, which withheld amounts shall be
11 transferred to the General Revenue Fund. At such time as the
12 political subdivision notifies the Department of Revenue in
13 writing that it has issued STAR Bonds in accordance with this
14 Act and provides the Department with a copy of the political
15 subdivision's official statement, bond purchase agreements,
16 indenture, or other evidence of bond sale, the Department of
17 Revenue shall resume deposits of the State sales tax increment
18 into the STAR Bonds Revenue Fund and distribution of the State
19 sales tax increment to the political subdivision in accordance
20 with this Section.

21 (g) If at any time after the seventh anniversary of the
22 date of distribution of State sales tax increment from a STAR
23 bond project the Auditor General determines that the
24 percentage of the aggregate proceeds of STAR bonds issued to
25 date that is derived from the State sales tax increment has
26 exceeded 50% of the total development costs of that STAR Bonds

1 project, no additional STAR bonds may be issued for that STAR
2 Bonds project until that percentage is reduced to 50% or
3 below. When the percentage has been reduced to 50% or below,
4 the master developer shall have the right, at its own cost, to
5 obtain a new audit prepared by an independent third-party
6 auditor verifying compliance and shall provide such audit to
7 the Auditor General for review and approval. Upon the Auditor
8 General's determination from the audit that the percentage has
9 been reduced to 50% or below, STAR bonds may again be issued
10 for the STAR bond project.

11 Section 5-50. STAR bond occupation taxes.

12 (a) If the corporate authorities of a political
13 subdivision have established a STAR bond district and have
14 elected to impose a tax by ordinance under subsection (b) or
15 (c) of this Section, each year after the date of the adoption
16 of the ordinance and until all STAR bond project costs and all
17 political subdivision obligations financing the STAR bond
18 project costs, if any, have been paid in accordance with the
19 STAR bond project plans, but in no event longer than the
20 maximum maturity date of the last of the STAR bonds issued for
21 projects in the STAR bond district, all amounts generated by
22 the retailers' occupation tax and service occupation tax shall
23 be collected, and the tax shall be enforced, by the Department
24 of Revenue in the same manner as all retailers' occupation
25 taxes and service occupation taxes imposed in the political

1 subdivision imposing the tax. The corporate authorities of the
2 political subdivision shall deposit the proceeds of the taxes
3 imposed under subsections (b) and (c) into either (i) a
4 special fund held by the corporate authorities of the
5 political subdivision called the STAR Bonds Tax Allocation
6 Fund for the purpose of paying STAR bond project costs and
7 obligations incurred in the payment of those costs if such
8 taxes are designated as pledged STAR revenues by resolution or
9 ordinance of the political subdivision or (ii) the political
10 subdivision's general corporate fund if such taxes are not
11 designated as pledged STAR revenues by resolution or
12 ordinance.

13 The tax imposed under this Section by a municipality may
14 be imposed only on the portion of a STAR bond district that is
15 within the boundaries of the municipality. For any part of a
16 STAR bond district that lies outside the boundaries of that
17 municipality, the municipality in which the other part of the
18 STAR bond district lies (or the county, in cases where a
19 portion of the STAR bond district lies in the unincorporated
20 area of a county) is authorized to impose the tax under this
21 Section on that part of the STAR bond district.

22 (b) The corporate authorities of a political subdivision
23 that has established a STAR bond district under this Act may,
24 by ordinance or resolution, impose a STAR Bond Retailers'
25 Occupation Tax upon all persons engaged in the business of
26 selling tangible personal property, other than an item of

1 tangible personal property titled or registered with an agency
2 of this State's government, at retail in the STAR bond
3 district at a rate not to exceed 1% of the gross receipts from
4 the sales made in the course of that business, to be imposed
5 only in 0.25% increments. The tax may not be imposed on
6 tangible personal property taxed at the 1% rate under the
7 Retailers' Occupation Tax Act. The tax may not be imposed on
8 aviation fuel for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 political subdivision.

11 The tax imposed under this subsection and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the Department of Revenue. The
14 certificate of registration that is issued by the Department
15 of Revenue to a retailer under the Retailers' Occupation Tax
16 Act shall permit the retailer to engage in a business that is
17 taxable under any ordinance or resolution enacted under this
18 subsection without registering separately with the Department
19 of Revenue under such ordinance or resolution or under this
20 subsection. The Department of Revenue shall have full power to
21 administer and enforce this subsection, to collect all taxes
22 and penalties due under this subsection in the manner
23 hereinafter provided, and to determine all rights to credit
24 memoranda arising on account of the erroneous payment of tax
25 or penalty under this subsection. In the administration of,
26 and compliance with, this subsection, the Department of

1 Revenue and persons who are subject to this subsection shall
2 have the same rights, remedies, privileges, immunities,
3 powers, and duties, and be subject to the same conditions,
4 restrictions, limitations, penalties, exclusions, exemptions,
5 and definitions of terms and employ the same modes of
6 procedure, as are prescribed in Sections 1, 1a through 1o, 2
7 through 2-65 (in respect to all provisions therein other than
8 the State rate of tax), 2c through 2h, 3 (except as to the
9 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
10 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,
11 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all
12 provisions of the Uniform Penalty and Interest Act, as fully
13 as if those provisions were set forth herein.

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

16 (c) If a tax has been imposed under subsection (b), a STAR
17 Bond Service Occupation Tax shall also be imposed upon all
18 persons engaged, in the STAR bond district, in the business of
19 making sales of service, who, as an incident to making those
20 sales of service, transfer tangible personal property within
21 the STAR bond district, either in the form of tangible
22 personal property or in the form of real estate as an incident
23 to a sale of service. The service occupation tax shall be
24 imposed upon all persons engaged in the business of making
25 sales of service at the same rate as the tax imposed in
26 subsection (b) of the selling price of tangible personal

1 property transferred within the STAR bond district by such
2 servicemen as an incident to a sale of service and shall not
3 exceed 1% and shall be imposed only in 0.25% increments. The
4 tax may not be imposed on tangible personal property taxed at
5 the 1% rate under the Service Occupation Tax Act. The tax may
6 not be imposed on aviation fuel for so long as the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
8 binding on the political subdivision.

9 The tax imposed under this subsection and all civil
10 penalties that may be assessed as an incident thereof shall be
11 collected and enforced by the Department of Revenue. The
12 certificate of registration that is issued by the Department
13 of Revenue to a retailer under the Retailers' Occupation Tax
14 Act or under the Service Occupation Tax Act shall permit the
15 registrant to engage in a business that is taxable under any
16 ordinance or resolution enacted under this subsection without
17 registering separately with the Department of Revenue under
18 that ordinance or resolution or under this subsection. The
19 Department of Revenue shall have full power to administer and
20 enforce this subsection, to collect all taxes and penalties
21 due under this subsection, to dispose of taxes and penalties
22 so collected in the manner provided in this Act, and to
23 determine all rights to credit memoranda arising on account of
24 the erroneous payment of tax or penalty under this subsection.
25 In the administration of, and compliance with this subsection,
26 the Department of Revenue and persons who are subject to this

1 subsection shall have the same rights, remedies, privileges,
2 immunities, powers, and duties, and be subject to the same
3 conditions, restrictions, limitations, penalties, exclusions,
4 exemptions, and definitions of terms and employ the same modes
5 of procedure as are prescribed in Sections 2, 2a through 2d, 3
6 through 3-50 (in respect to all provisions therein other than
7 the State rate of tax), 4 (except that the reference to the
8 State shall be to the STAR bond district), 5, 7, 8 (except that
9 the jurisdiction to which the tax shall be a debt to the extent
10 indicated in that Section 8 shall be the political
11 subdivision), 9 (except as to the disposition of taxes and
12 penalties collected, and except that the returned merchandise
13 credit for this tax may not be taken against any State tax),
14 10, 11, 12 (except the reference therein to Section 2b of the
15 Retailers' Occupation Tax Act), 13 (except that any reference
16 to the State shall mean the political subdivision), the first
17 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
18 the Service Occupation Tax Act and all provisions of the
19 Uniform Penalty and Interest Act, as fully as if those
20 provisions were set forth herein.

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

23 (d) Persons subject to any tax imposed under this Section
24 may reimburse themselves for their seller's tax liability
25 under this Section by separately stating the tax as an
26 additional charge, which charge may be stated in combination,

1 in a single amount, with State taxes that sellers are required
2 to collect under the Use Tax Act, in accordance with such
3 bracket schedules as the Department may prescribe.

4 Whenever the Department of Revenue determines that a
5 refund should be made under this Section to a claimant the
6 Department of Revenue shall not issue a credit memorandum. The
7 Department of Revenue shall notify the State Comptroller, who
8 shall cause the order to be drawn for the amount specified and
9 to the person named in the notification from the Department of
10 Revenue. The refund shall be paid by the State Treasurer out of
11 the STAR Bond Retailers' Occupation Tax Fund.

12 Except as otherwise provided in this subsection, the
13 Department of Revenue shall immediately pay over to the State
14 Treasurer, *ex officio*, as trustee, all taxes, penalties, and
15 interest collected under this Section for deposit into the
16 STAR Bond Retailers' Occupation Tax Fund. On or before the
17 25th day of each calendar month, the Department of Revenue
18 shall prepare and certify to the Comptroller the disbursement
19 of stated sums of money to named political subdivisions from
20 the STAR Bond Retailers' Occupation Tax Fund, the political
21 subdivisions to be those from which retailers have paid taxes
22 or penalties under this Section to the Department of Revenue
23 during the second preceding calendar month. The amount to be
24 paid to each political subdivision shall be the amount (not
25 including credit memoranda) collected under this Section
26 during the second preceding calendar month by the Department

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

1 revenues.

2 An ordinance or resolution imposing or discontinuing the
3 tax under this Section or effecting a change in the rate
4 thereof shall either (i) be adopted and a certified copy
5 thereof filed with the Department of Revenue on or before the
6 first day of April, whereupon the Department of Revenue, if
7 all other requirements of this Section are met, shall proceed
8 to administer and enforce this Section as of the first day of
9 July next following the adoption and filing; or (ii) be
10 adopted and a certified copy thereof filed with the Department
11 of Revenue on or before the first day of October, whereupon, if
12 all other requirements of this Section are met, the Department
13 of Revenue shall proceed to administer and enforce this
14 Section as of the first day of January next following the
15 adoption and filing.

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

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

25 A political subdivision that imposes the tax under this
26 Section must submit to the Department of Revenue any other

1 information as the Department of Revenue may require that is
2 necessary for the administration and enforcement of the tax.

3 When certifying the amount of a monthly disbursement to a
4 political subdivision under this Section, the Department of
5 Revenue shall increase or decrease the amount by an amount
6 necessary to offset any misallocation of previous
7 disbursements. The offset amount shall be the amount
8 erroneously disbursed within the previous 6 months from the
9 time a misallocation is discovered.

10 Nothing in this Section shall be construed to authorize
11 the political subdivision to impose a tax upon the privilege
12 of engaging in any business which under the Constitution of
13 the United States may not be made the subject of taxation by
14 this State.

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

1 the Department of Revenue in the form and manner as described
2 in this Section.

3 Section 5-55. STAR Bonds School Improvement and Operations
4 Trust Fund.

5 (a) Deposits into the STAR Bonds School Improvement and
6 Operations Trust Fund, established under Section 33 of the
7 Innovation Development and Economy Act, shall be made as
8 provided under this Section. Moneys in the Trust Fund shall be
9 used by the Department of Revenue only for the purpose of
10 making payments to regional superintendents of schools to make
11 distributions to school districts in educational service
12 regions that include the STAR bond district. Moneys in the
13 Trust Fund are not subject to appropriation and shall be used
14 solely as provided in this Section. All deposits into the
15 Trust Fund shall be held in the Trust Fund by the State
16 Treasurer as ex officio custodian separate and apart from all
17 public moneys or funds of this State and shall be distributed
18 by the Department of Revenue exclusively for the purposes set
19 forth in this Section. All moneys in the Trust Fund shall be
20 invested and reinvested by the State Treasurer. All interest
21 accruing from these investments shall be deposited into the
22 Trust Fund.

23 (b) Upon approval of a STAR bond district, the political
24 subdivision shall immediately transmit to the county clerk of
25 the county in which the district is located a certified copy of

1 the ordinance creating the district, a legal description of
2 the district, a map of the district, identification of the
3 year that the county clerk shall use for determining the total
4 initial equalized assessed value of the district consistent
5 with subsection (c), and a list of the parcel or tax
6 identification number of each parcel of property included in
7 the district.

8 (c) Upon approval of a STAR bond district, the county
9 clerk immediately thereafter shall determine (i) the most
10 recently ascertained equalized assessed value of each lot,
11 block, tract, or parcel of real property within the STAR bond
12 district, from which shall be deducted the homestead
13 exemptions under Article 15 of the Property Tax Code, which
14 value shall be the initial equalized assessed value of each
15 such piece of property, and (ii) the total equalized assessed
16 value of all taxable real property within the district by
17 adding together the most recently ascertained equalized
18 assessed value of each taxable lot, block, tract, or parcel of
19 real property within the district, from which shall be
20 deducted the homestead exemptions under Article 15 of the
21 Property Tax Code, and shall certify that amount as the total
22 initial equalized assessed value of the taxable real property
23 within the STAR bond district.

24 (d) In reference to any STAR bond district created within
25 any political subdivision, and in respect to which the county
26 clerk has certified the total initial equalized assessed value

1 of the property in the area, the political subdivision may
2 thereafter request the clerk in writing to adjust the initial
3 equalized value of all taxable real property within the STAR
4 bond district by deducting from it the exemptions under
5 Article 15 of the Property Tax Code applicable to each lot,
6 block, tract, or parcel of real property within the STAR bond
7 district. The county clerk shall immediately, after the
8 written request to adjust the total initial equalized value is
9 received, determine the total homestead exemptions in the STAR
10 bond district as provided under Article 15 of the Property Tax
11 Code by adding together the homestead exemptions provided by
12 Article 15 on each lot, block, tract, or parcel of real
13 property within the STAR bond district and then shall deduct
14 the total of the exemptions from the total initial equalized
15 assessed value. The county clerk shall then promptly certify
16 that amount as the total initial equalized assessed value as
17 adjusted of the taxable real property within the STAR bond
18 district.

19 (e) The county clerk or other person authorized by law
20 shall compute the tax rates for each taxing district with all
21 or a portion of its equalized assessed value located in the
22 STAR bond district. The rate per cent of tax determined shall
23 be extended to the current equalized assessed value of all
24 property in the district in the same manner as the rate per
25 cent of tax is extended to all other taxable property in the
26 taxing district.

(h) The Department of Revenue shall pay to the regional superintendent of schools whose educational service region includes a STAR bond district, for each year for which money is remitted to the Department of Revenue and paid into the STAR Bonds School Improvement and Operations Trust Fund, the money in the Fund as provided in this Section. The amount paid to each school district shall be allocated proportionately by the regional superintendent of schools, based on each qualifying school district's fall enrollment for the then-current school year, such that the school district with the largest fall enrollment receives the largest proportionate share of money paid out of the Fund or by any other method or formula that the regional superintendent of schools deems fit, equitable, and in the public interest. The regional superintendent may allocate moneys to school districts that are outside the regional superintendent's educational service region or to other regional superintendents.

The Department of Revenue shall be held harmless for the distributions made under this Section and all distributions shall be final.

(i) In any year that an assessment appeal is filed, the extension of taxes on any assessment so appealed shall not be delayed. In the case of an assessment that is altered, any taxes extended upon the unauthorized assessment or part thereof shall be abated, or, if already paid, shall be refunded with interest as provided in Section 23-20 of the

1 Property Tax Code. In the case of an assessment appeal, the
2 county collector shall notify the Department of Revenue that
3 an assessment appeal has been filed and the amount of the tax
4 that would have been deposited into the STAR Bonds School
5 Improvement and Operations Trust Fund. The county collector
6 shall hold that amount in a separate fund until the appeal
7 process is final. After the appeal process is finalized, the
8 county collector shall transmit to the Department of Revenue
9 the amount of tax that remains, if any, after all required
10 refunds are made.

11 (j) In any year that ad valorem taxes are allocated to the
12 STAR Bonds School Improvement and Operations Trust Fund, that
13 allocation shall not reduce or otherwise impact the school aid
14 provided to any school district under the general State school
15 aid formula provided for in Section 18-8.05 of the School Code
16 or the evidence-based funding formula provided for in Section
17 18-8.15 of the School Code.

18 Section 5-60. Alternate bonds and general obligation
19 bonds. A political subdivision shall have the power to issue
20 alternate revenue and other general obligation bonds to
21 finance the undertaking, establishment, or redevelopment of
22 any STAR bond project as provided under the procedures set
23 forth in the Local Government Debt Reform Act. A political
24 subdivision shall have the power to issue general obligation
25 bonds to finance the undertaking, establishment, or

1 redevelopment of any STAR bond project on approval by the
2 voters of the political subdivision of a proposition
3 authorizing the issue of such bonds.

4 The full faith and credit of the State, any department,
5 authority, public corporation or quasi-public corporation of
6 the State, any State college or university, or any other
7 public agency created by the State shall not be pledged for any
8 payment under any obligation authorized by this Act.

9 Section 5-65. Amendments to STAR bond district.

10 (a) Any addition of real property to a STAR bond district
11 or any substantial change to a STAR bond district plan shall be
12 subject to the same procedure for public notice, hearing, and
13 approval, including approval by the Department and the Office
14 of the Governor, as is required for the establishment of the
15 STAR bond district under this Act.

16 The addition or removal of land to or from a STAR bond
17 district shall require the consent of the master developer of
18 the STAR bond district.

19 (b) Any land that is outside of and contiguous to an
20 established STAR bond district and is subsequently owned,
21 leased, or controlled by the master developer shall be added
22 to a STAR bond district at the request of the master developer
23 and by approval of the political subdivision if the land
24 becomes a part of a STAR bond project area.

25 (c) If a political subdivision has undertaken a STAR bond

1 project within a STAR bond district, and the political
2 subdivision desires to subsequently remove more than a de
3 minimis amount of real property from the STAR bond district,
4 then prior to any removal of property the political
5 subdivision must provide a revised feasibility study showing
6 that the pledged STAR revenues from the resulting STAR bond
7 district within which the STAR bond project is located are
8 estimated to be sufficient to pay the project costs. If the
9 revenue from the resulting STAR bond district is insufficient
10 to pay the project costs, then the property may not be removed
11 from the STAR bond district. Any removal of real property from
12 a STAR bond district shall be approved by a resolution of the
13 corporate authorities of the political subdivision.

14 Section 5-70. Restrictions. STAR bond districts may lie
15 within an enterprise zone. During any period of time that STAR
16 bonds are outstanding for a STAR bond district, a developer
17 may not use any land located in the STAR bond district for any
18 retail store whose primary business is the sale of
19 automobiles, including trucks and other automotive vehicles
20 with 4 wheels designed for passenger transportation on public
21 streets and thoroughfares. No STAR bond district may contain
22 more than 900,000 square feet of floor space devoted to
23 traditional retail use, which does not include space devoted
24 to entertainment venues, hotels, warehouse space, storage
25 space, or approved development users.

1 Section 5-75. Reporting taxes.

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

12 The bond trustee, escrow agent, or paying agent shall keep
13 such sales and use tax reports and the information contained
14 therein confidential, but may use such information for
15 purposes of allocating and depositing the sales and use tax
16 revenues in connection with the bonds used to finance project
17 costs in such STAR bond district. Except as otherwise provided
18 in this Section, the sales and use tax reports received by the
19 bond trustee, escrow agent, or paying agent shall be subject
20 to the confidentiality provisions of Section 11 of the
21 Retailers' Occupation Tax Act.

22 (b) The political subdivision shall determine when the
23 amount of sales tax and other revenues that have been
24 collected and distributed to the bond debt service or reserve
25 fund is sufficient to satisfy all principal and interest costs

1 to the maturity date or dates of any STAR bond issued by a
2 political subdivision to finance a STAR bond project and shall
3 give the Department of Revenue written notice of such
4 determination. The notice shall include a date certain on
5 which deposits into the STAR Bonds Revenue Fund for that STAR
6 bond project shall terminate and shall be provided to the
7 Department of Revenue at least 60 days prior to that date.
8 Thereafter, all sales tax and other revenues shall be
9 collected and distributed in accordance with applicable law.

10 If the political subdivision fails to give timely notice
11 under this subsection (b), the Department of Revenue, upon
12 discovery of this failure, shall cease distribution of the
13 State sales tax increment to the political subdivision, shall
14 transfer any State sales tax increment in the STAR Bonds
15 Revenue Fund to the General Revenue Fund, and shall cease
16 deposits of State sales tax increment amounts into the STAR
17 Bonds Revenue Fund. Any amount of State sales tax increment
18 distributed to the political subdivision from the STAR Bonds
19 Revenue Fund in excess of the amount sufficient to satisfy all
20 principal and interest costs to the maturity date or dates of
21 any STAR bond issued by the political subdivision to finance a
22 STAR bond project shall be repaid to the Department of Revenue
23 and deposited into the General Revenue Fund. If not repaid
24 within 90 days after notice from the State, the Department of
25 Revenue shall withhold distributions to the political
26 subdivision from the Local Government Tax Fund until the

1 excess amount is repaid, which withheld amounts shall be
2 transferred to the General Revenue Fund.

3 Section 5-80. Review committee. Upon the seventh
4 anniversary of the first date of distribution of State sales
5 tax increment from the first STAR bond project in the State
6 under this Act, a 7-member STAR bonds review committee shall
7 be formed consisting of one appointee of each of the Director,
8 the Director of the Governor's Office of Management and
9 Budget, the Director of Revenue, the President of the Senate,
10 the Senate Minority Leader, the Speaker of the House, and the
11 House Minority Leader. The review committee shall evaluate the
12 success of all STAR bond districts then existing in the State
13 and make a determination of the comprehensive economic
14 benefits and detriments of STAR bonds in the State as a whole.
15 In making its determination, the review committee shall
16 examine available data regarding job creation, sales revenues,
17 and capital investment in STAR bond districts; development
18 that has occurred and is planned in areas adjacent to STAR bond
19 districts that will not be directly financed with STAR bonds;
20 effects of market conditions on STAR bond districts and the
21 likelihood of future successes based on improving or declining
22 market conditions; retail sales migration and cannibalization
23 of retail sales due to STAR bond districts; and other relevant
24 economic factors. The review committee shall provide the
25 Director, the Director of the Governor's Office of Management

1 and Budget, the Director of Revenue, the General Assembly, and
2 the Governor with a written report detailing its findings and
3 shall make a final determination of whether STAR bonds have
4 had, and are likely to continue having, a negative or positive
5 economic impact on the State as a whole. Upon completing and
6 filing its written report, the review committee shall be
7 dissolved.

8 Section 5-85. Severability. If any provision of this Act
9 or the application thereof to any persons or circumstances is
10 held invalid, such invalidity shall not affect other
11 provisions or application of the Act that can be given effect
12 without the invalid provisions or application and to this end
13 the provisions of this Act are declared to be severable.

14 Section 5-90. Rules. The Department and the Department of
15 Revenue shall have the authority to adopt such rules as are
16 reasonable and necessary to implement the provisions of this
17 Act. Notwithstanding the foregoing, the Department and the
18 Department of Revenue shall have the authority, prior to
19 adoption and approval of those rules, to consult on and
20 recommend approval of a STAR bond district in accordance with
21 subsection (d) of Section 5-30 and to otherwise administer the
22 Act while those rules are pending adoption and approval.

23 Section 5-95. Open meetings and freedom of information.

1 All public hearings related to the administration, formation,
2 implementation, development, or construction of a STAR bond
3 district, STAR bond district plan, STAR bond project, or STAR
4 bond project plan, including, but not limited to, the public
5 hearings required by Sections 5-20, 5-30, and 5-65 of this
6 Act, shall be held in compliance with the Open Meetings Act.
7 The public hearing records, feasibility study, and other
8 documents that do not otherwise meet a confidentiality
9 exemption shall be subject to disclosure under the Freedom of
10 Information Act.

11 Section 5-100. Powers of political subdivisions. The
12 provisions of this Act are intended to be supplemental and in
13 addition to all other power or authority granted to political
14 subdivisions, shall be construed liberally, and shall not be
15 construed as a limitation of any power or authority otherwise
16 granted. In addition to the powers a political subdivision may
17 have under other provisions of law, a political subdivision
18 shall have all the following powers in connection with a STAR
19 bond district:

20 (1) To make and enter into all contracts necessary or
21 incidental to the implementation and furtherance of a STAR
22 bond district plan.

23 (2) Within a STAR bond district, to acquire by
24 purchase, donation, or lease, and to own, convey, lease,
25 mortgage, or dispose of land and other real or personal

1 property or rights or interests in property and to grant
2 or acquire licenses, easements, and options with respect
3 to property, all in the manner and at a price the political
4 subdivision determines is reasonably necessary to achieve
5 the objectives of the STAR bond project.

6 (3) To clear any area within a STAR bond district by
7 demolition or removal of any existing buildings,
8 structures, fixtures, utilities, or improvements and to
9 clear and grade land.

10 (4) To install, repair, construct, reconstruct, extend
11 or relocate public streets, public utilities, and other
12 public site improvements located both within and outside
13 the boundaries of a STAR bond district that are essential
14 to the preparation of a STAR bond district for use in
15 accordance with a STAR bond district plan.

16 (5) To renovate, rehabilitate, reconstruct, relocate,
17 repair, or remodel any existing buildings, improvements,
18 and fixtures within a STAR bond district.

19 (6) To install or construct any public buildings,
20 structures, works, streets, improvements, utilities, or
21 fixtures within a STAR bond district.

22 (7) To issue STAR bonds as provided in this Act.

23 (8) Subject to the limitations set forth in the
24 definition of "project costs" in Section 5-10 of this Act,
25 to fix, charge, and collect fees, rents, and charges for
26 the use of any building, facility, or property or any

1 portion of a building, facility, or property owned or
2 leased by the political subdivision in furtherance of a
3 STAR bond project under this Act within a STAR bond
4 district.

5 (9) To accept grants, guarantees, donations of
6 property or labor, or any other thing of value for use in
7 connection with a STAR bond project.

8 (10) To pay or cause to be paid STAR bond project
9 costs, including, specifically, to reimburse any developer
10 or nongovernmental person for STAR bond project costs
11 incurred by that person. A political subdivision is not
12 required to obtain any right, title, or interest in any
13 real or personal property in order to pay STAR bond
14 project costs associated with the property. The political
15 subdivision shall adopt accounting procedures necessary to
16 determine that the STAR bond project costs are properly
17 paid.

18 (11) To exercise any and all other powers necessary to
19 effectuate the purposes of this Act.

20 ARTICLE 10"; and

21 by renumbering Section 5 as Section 10-5; and

22 by renumbering Section 10 as Section 10-10; and

1 by renumbering Section 15 as Section 10-15; and

2 immediately above Section 99, by inserting the following:

3 "ARTICLE 99"; and

4 by renumbering Section 99 as Section 99-99.