



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2470

Introduced 2/7/2025, by Sen. Elgie R. Sims, Jr.

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Innovation Development and Economy Act. Provides that the corporate authorities of any political subdivision that (i) is not a home-rule unit and (ii) has established a STAR bond district under the Act may, by ordinance or resolution, impose a tourism tax upon all admission and amusement charges from transactions at places of business located within the STAR bond district, at a rate not to exceed 9% of the gross receipts derived from any admission and amusement charge within the STAR bond district, to be imposed only in 0.25% increments. Provides that the tax imposed under the provisions and all civil penalties that may be assessed as an incident of the tax under the provisions shall be collected and enforced by the Department of Revenue. Provides that, for any STAR bond district created on or after January 1, 2025, the Director of Revenue may only approve a STAR bond district if the Director finds that: (i) the proposed STAR bond district is an eligible area; (ii) the STAR bond district plan includes a projected capital investment of at least \$500,000,000; (iii) the STAR bond district plan is reasonably projected to produce at least \$100,000,000 of annual gross sales revenues, 1,500 new jobs, and 5,000 construction jobs; (iv) the STAR bond district plan includes a statement of how the jobs and taxes will contribute significantly to the economic development of the State and region; (v) the STAR bond district plan shows visitation expectations in excess of 1,000,000 visitors annually; (vi) the STAR bond district plan includes potential destination users and a potential entertainment user; (vii) the creation of the STAR bond district and STAR bond district plan are in accordance with the purpose of the Act and the public interest; and (viii) the STAR bond district and STAR bond district plan meet any other requirement the Director deems appropriate. Provides that, for the purposes of the Act, "local sales tax increment" includes, with respect to local sales taxes administered by the Illinois Department of Revenue, all of the local sales tax paid by, among others, amusement park users. Makes other changes.

LRB104 09390 RTM 19449 b

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Innovation Development and Economy Act is  
5 amended by changing Sections 10, 15, 20, 30, 31, 33, and 45 as  
6 follows:

7 (50 ILCS 470/10)

8 Sec. 10. Definitions. As used in this Act, the following  
9 words and phrases shall have the following meanings unless a  
10 different meaning clearly appears from the context:

11 "Amusement park user" means an owner, operator, licensee,  
12 co-developer, subdeveloper, or tenant that operates a business  
13 within a STAR bond district that has a primary use of providing  
14 a venue for entertainment attractions, rides, or other  
15 activities oriented toward the entertainment and amusement of  
16 its patrons, occupies at least 50 acres of land in the STAR  
17 bond district, and makes an initial capital investment,  
18 including project costs and other direct and indirect costs,  
19 of not less than \$150,000,000 for that venue.

20 "Base year" means the calendar year immediately prior to  
21 the calendar year in which the STAR bond district is  
22 established.

23 "Commence work" means the manifest commencement of actual

1 operations on the development site, such as, erecting a  
2 building, general on-site and off-site grading and utility  
3 installations, commencing design and construction  
4 documentation, ordering lead-time materials, excavating the  
5 ground to lay a foundation or a basement, or work of like  
6 description which a reasonable person would recognize as being  
7 done with the intention and purpose to continue work until the  
8 project is completed.

9 "County" means the county in which a proposed STAR bond  
10 district is located.

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

13 "Department of Revenue" means the Department of Revenue of  
14 the State of Illinois.

15 "Destination user" means an owner, operator, licensee,  
16 co-developer, subdeveloper, or tenant (i) that operates a  
17 business within a STAR bond district that is a retail store  
18 having at least 100,000 ~~150,000~~ square feet of sales floor  
19 area; (ii) that at the time of opening does not have another  
20 Illinois location within a 70 mile radius; (iii) that has an  
21 annual average of not less than 30% of customers who travel  
22 from at least 75 miles away or from out-of-state, as  
23 demonstrated by data from a comparable existing store or  
24 stores, or, if there is no comparable existing store, as  
25 demonstrated by an economic analysis that shows that the  
26 proposed retailer will have an annual average of not less than

1 30% of customers who travel from at least 75 miles away or from  
2 out-of-state; and (iv) that makes an initial capital  
3 investment, including project costs and other direct costs, of  
4 not less than \$30,000,000 for such retail store.

5 "Destination hotel" means a hotel (as that term is defined  
6 in Section 2 of the Hotel Operators' Occupation Tax Act)  
7 complex having at least 150 guest rooms and which also  
8 includes a venue for entertainment attractions, rides, or  
9 other activities oriented toward the entertainment and  
10 amusement of its guests and other patrons.

11 "Developer" means any individual, corporation, trust,  
12 estate, partnership, limited liability partnership, limited  
13 liability company, or other entity. The term does not include  
14 a not-for-profit entity, political subdivision, or other  
15 agency or instrumentality of the State.

16 "Director" means the Director of Revenue, who shall  
17 consult with the Director of Commerce and Economic Opportunity  
18 in any approvals or decisions required by the Director under  
19 this Act.

20 "Economic impact study" means a study conducted by an  
21 independent economist to project the financial benefit of the  
22 proposed STAR bond project to the local, regional, and State  
23 economies, consider the proposed adverse impacts on similar  
24 projects and businesses, as well as municipalities within the  
25 projected market area, and draw conclusions about the net  
26 effect of the proposed STAR bond project on the local,

1 regional, and State economies. A copy of the economic impact  
2 study shall be provided to the Director for review.

3 "Eligible area" means:

4 (1) for any STAR bond district created prior to  
5 January 1, 2025, any improved or vacant area that (i) is  
6 contiguous and is not, in the aggregate, less than 250  
7 acres nor more than 500 acres which must include only  
8 parcels of real property directly and substantially  
9 benefited by the proposed STAR bond district plan, (ii) is  
10 adjacent to a federal interstate highway, (iii) is within  
11 one mile of 2 State highways, (iv) is within one mile of an  
12 entertainment user, or a major or minor league sports  
13 stadium or other similar entertainment venue that had an  
14 initial capital investment of at least \$20,000,000, ~~and~~  
15 (v) includes land that was previously surface or strip  
16 mined, and (vi) meets the additional requirements set  
17 forth in Section 3.

18 (2) for any STAR bond district created on or after  
19 January 1, 2025, any improved or vacant area that (i) is  
20 contiguous and is not, in the aggregate, less than 500  
21 acres nor more than 900 acres, which must include only  
22 parcels of real property directly and substantially  
23 benefited by the proposed STAR bond district plan; (ii) is  
24 at least 90% undeveloped; (iii) is within 20 miles of  
25 another state; (iv) is located in a county that has a  
26 population of less than 300,000; (v) has a population base

1 of less than 250,000 within a 10 mile radius and at least  
2 15,000 people unemployed within a 30 min drive time, which  
3 must be demonstrated by using an industry standard  
4 demographic program, such as Environmental Systems  
5 Research Institute (ESRI), Claritas, or other industry  
6 standard program; and (vi) meets the additional  
7 requirements set forth in Section 3.

8 Eligible areas ~~The area~~ may be bisected by streets,  
9 highways, roads, alleys, railways, bike paths, streams,  
10 rivers, and other waterways and still be deemed  
11 contiguous. In addition, in order to constitute an  
12 eligible area one of the following requirements must be  
13 satisfied and all of which are subject to the review and  
14 approval of the Director as provided in subsection (d) or  
15 (d-5) of Section 15:

16 (a) the governing body of the political subdivision  
17 shall have determined that the area meets the requirements  
18 of a "blighted area" as defined under the Tax Increment  
19 Allocation Redevelopment Act; or

20 (b) the governing body of the political subdivision  
21 shall have determined that the area is a blighted area as  
22 determined under the provisions of Section 11-74.3-5 of  
23 the Illinois Municipal Code; or

24 (c) the governing body of the political subdivision  
25 shall make the following findings:

26 (i) that the vacant portions of the area have

1 remained vacant for at least one year, or that any  
2 building located on a vacant portion of the property  
3 was demolished within the last year and that the  
4 building would have qualified under item (ii) of this  
5 subsection;

6 (ii) if portions of the area are currently  
7 developed, that the use, condition, and character of  
8 the buildings on the property are not consistent with  
9 the purposes set forth in Section 5;

10 (iii) that the STAR bond district is expected to  
11 create or retain job opportunities within the  
12 political subdivision;

13 (iv) that the STAR bond district will serve to  
14 further the development of adjacent areas;

15 (v) that without the availability of STAR bonds,  
16 the projects described in the STAR bond district plan  
17 would not be possible;

18 (vi) that the master developer meets high  
19 standards of creditworthiness and financial strength  
20 as demonstrated by one or more of the following: (i)  
21 corporate debenture ratings of BBB or higher by  
22 Standard & Poor's Corporation or Baa or higher by  
23 Moody's Investors Service, Inc.; (ii) a letter from a  
24 financial institution with assets of \$10,000,000 or  
25 more attesting to the financial strength of the master  
26 developer; or (iii) specific evidence of equity

1 financing for not less than 10% of the estimated total  
2 STAR bond project costs;

3 (vii) that the STAR bond district will strengthen  
4 the commercial sector of the political subdivision;

5 (viii) that the STAR bond district will enhance  
6 the tax base of the political subdivision; and

7 (ix) that the formation of a STAR bond district is  
8 in the best interest of the political subdivision.

9 "Entertainment user" means an owner, operator, licensee,  
10 co-developer, subdeveloper, or tenant that operates a business  
11 within a STAR bond district that has a primary use of providing  
12 a venue for entertainment attractions, rides, or other  
13 activities oriented toward the entertainment and amusement of  
14 its patrons, occupies at least 20 acres of land in the STAR  
15 bond district, and makes an initial capital investment,  
16 including project costs and other direct and indirect costs,  
17 of not less than \$25,000,000 for that venue.

18 "Feasibility study" means a feasibility study as defined  
19 in subsection (b) of Section 20.

20 "Infrastructure" means the public improvements and private  
21 improvements that serve the public purposes set forth in  
22 Section 5 of this Act and that benefit the STAR bond district  
23 or any STAR bond projects, including, but not limited to,  
24 streets, drives and driveways, traffic and directional signs  
25 and signals, parking lots and parking facilities,  
26 interchanges, highways, sidewalks, bridges, underpasses and

1 overpasses, bike and walking trails, sanitary storm sewers and  
2 lift stations, drainage conduits, channels, levees, canals,  
3 storm water detention and retention facilities, utilities and  
4 utility connections, water mains and extensions, and street  
5 and parking lot lighting and connections.

6 "Local sales taxes" means any locally-imposed taxes  
7 received by a municipality, county, or other local  
8 governmental entity arising from sales by retailers and  
9 servicemen within a STAR bond district, including business  
10 district sales taxes and STAR bond occupation taxes, and that  
11 portion of the net revenue realized under the Retailers'  
12 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,  
13 and the Service Occupation Tax Act from transactions at places  
14 of business located within a STAR bond district, including  
15 that portion of the net revenue that would have been realized  
16 but for the reduction of the rate to 0% under this amendatory  
17 Act of the 102nd General Assembly, that is deposited or, under  
18 this amendatory Act of the 102nd General Assembly, transferred  
19 into the Local Government Tax Fund and the County and Mass  
20 Transit District Fund. For the purpose of this Act, "local  
21 sales taxes" does not include (i) any taxes authorized  
22 pursuant to the Local Mass Transit District Act or the  
23 Metro-East Park and Recreation District Act for so long as the  
24 applicable taxing district does not impose a tax on real  
25 property, (ii) county school facility and resources occupation  
26 taxes imposed pursuant to Section 5-1006.7 of the Counties

1 Code, or (iii) any taxes authorized under the Flood Prevention  
2 District Act.

3 "Local sales tax increment" means, except as otherwise  
4 provided in this Section, with respect to local sales taxes  
5 administered by the Illinois Department of Revenue, (i) all of  
6 the local sales tax paid (plus all of the local sales tax that  
7 would have been paid but for the reduction of the rate to 0%  
8 under this amendatory Act of the 102nd General Assembly) by  
9 destination users, destination hotels, amusement park users,  
10 and entertainment users that is in excess of the local sales  
11 tax paid (plus all of the local sales tax that would have been  
12 paid but for the reduction of the rate to 0% under this  
13 amendatory Act of the 102nd General Assembly) by destination  
14 users, destination hotels, amusement park users, and  
15 entertainment users for the same month in the base year, as  
16 determined by the Illinois Department of Revenue, (ii) in the  
17 case of a municipality forming a STAR bond district that is  
18 wholly within the corporate boundaries of the municipality and  
19 in the case of a municipality and county forming a STAR bond  
20 district that is only partially within such municipality, that  
21 portion of the local sales tax paid (plus the local sales tax  
22 that would have been paid but for the reduction of the rate to  
23 0% under this amendatory Act of the 102nd General Assembly) by  
24 taxpayers that are not destination users, destination hotels,  
25 amusement park users, or entertainment users that is in excess  
26 of the local sales tax paid (plus the local sales tax that

1 would have been paid but for the reduction of the rate to 0%  
2 under this amendatory Act of the 102nd General Assembly) by  
3 taxpayers that are not destination users, destination hotels,  
4 amusement park users, or entertainment users for the same  
5 month in the base year, as determined by the Illinois  
6 Department of Revenue, and (iii) in the case of a county in  
7 which a STAR bond district is formed that is wholly within a  
8 municipality, that portion of the local sales tax paid by  
9 taxpayers that are not destination users, destination hotels,  
10 amusement park users, or entertainment users that is in excess  
11 of the local sales tax paid by taxpayers that are not  
12 destination users, destination hotels, amusement park users,  
13 or entertainment users for the same month in the base year, as  
14 determined by the Illinois Department of Revenue, but only if  
15 the corporate authorities of the county adopts an ordinance,  
16 and files a copy with the Department within the same time  
17 frames as required for STAR bond occupation taxes under  
18 Section 31, that designates the taxes referenced in this  
19 clause (iii) as part of the local sales tax increment under  
20 this Act. "Local sales tax increment" means, with respect to  
21 local sales taxes administered by a municipality, county, or  
22 other unit of local government, that portion of the local  
23 sales tax that is in excess of the local sales tax for the same  
24 month in the base year, as determined by the respective  
25 municipality, county, or other unit of local government. If  
26 any portion of local sales taxes are, at the time of formation

1 of a STAR bond district, already subject to tax increment  
2 financing under the Tax Increment Allocation Redevelopment  
3 Act, then the local sales tax increment for such portion shall  
4 be frozen at the base year established in accordance with this  
5 Act, and all future incremental increases shall be included in  
6 the "local sales tax increment" under this Act. Any party  
7 otherwise entitled to receipt of incremental local sales tax  
8 revenues through an existing tax increment financing district  
9 shall be entitled to continue to receive such revenues up to  
10 the amount frozen in the base year. Nothing in this Act shall  
11 affect the prior qualification of existing redevelopment  
12 project costs incurred that are eligible for reimbursement  
13 under the Tax Increment Allocation Redevelopment Act. In such  
14 event, prior to approving a STAR bond district, the political  
15 subdivision forming the STAR bond district shall take such  
16 action as is necessary, including amending the existing tax  
17 increment financing district redevelopment plan, to carry out  
18 the provisions of this Act. The Illinois Department of Revenue  
19 shall allocate the local sales tax increment only if the local  
20 sales tax is administered by the Department. "Local sales tax  
21 increment" does not include taxes and penalties collected on  
22 aviation fuel, as defined in Section 3 of the Retailers'  
23 Occupation Tax, sold on or after December 1, 2019 and through  
24 December 31, 2020.

25 "Market study" means a study to determine the ability of  
26 the proposed STAR bond project to gain market share locally

1 and regionally and to remain profitable past the term of  
2 repayment of STAR bonds.

3 "Master developer" means a developer cooperating with a  
4 political subdivision to plan, develop, and implement a STAR  
5 bond project plan for a STAR bond district. Subject to the  
6 limitations of Section 25, the master developer may work with  
7 and transfer certain development rights to other developers  
8 for the purpose of implementing STAR bond project plans and  
9 achieving the purposes of this Act. A master developer for a  
10 STAR bond district shall be appointed by a political  
11 subdivision in the resolution establishing the STAR bond  
12 district, and the master developer must, at the time of  
13 appointment, own or have control of, through purchase  
14 agreements, option contracts, or other means, not less than  
15 50% of the acreage within the STAR bond district and the master  
16 developer or its affiliate must have ownership or control at  
17 the time the STAR bond district plan is submitted to the  
18 Department ~~on June 1, 2010.~~

19 "Master development agreement" means an agreement between  
20 the master developer and the political subdivision to govern a  
21 STAR bond district and any STAR bond projects.

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

24 "Pledged STAR revenues" means those sales tax and revenues  
25 and other sources of funds pledged to pay debt service on STAR  
26 bonds or to pay project costs pursuant to Section 30.

1 Notwithstanding any provision to the contrary, the following  
2 revenues shall not constitute pledged STAR revenues or be  
3 available to pay principal and interest on STAR bonds: any  
4 State sales tax increment or local sales tax increment from a  
5 retail entity initiating operations in a STAR bond district  
6 while terminating operations at another Illinois location  
7 within 25 miles of the STAR bond district. For purposes of this  
8 paragraph, "terminating operations" means a closing of a  
9 retail operation that is directly related to the opening of  
10 the same operation or like retail entity owned or operated by  
11 more than 50% of the original ownership in a STAR bond district  
12 within one year before or after initiating operations in the  
13 STAR bond district, but it does not mean closing an operation  
14 for reasons beyond the control of the retail entity, as  
15 documented by the retail entity, subject to a reasonable  
16 finding by the municipality (or county if such retail  
17 operation is not located within a municipality) in which the  
18 terminated operations were located that the closed location  
19 contained inadequate space, had become economically obsolete,  
20 or was no longer a viable location for the retailer or  
21 serviceman.

22 "Political subdivision" means a municipality or county  
23 which undertakes to establish a STAR bond district pursuant to  
24 the provisions of this Act.

25 "Project costs" means and includes the sum total of all  
26 costs incurred or estimated to be incurred on or following the

1 date of establishment of a STAR bond district that are  
2 reasonable or necessary to implement a STAR bond district plan  
3 or any STAR bond project plans, or both, including costs  
4 incurred for public improvements and private improvements that  
5 serve the public purposes set forth in Section 5 of this Act.  
6 Such costs include without limitation the following:

7 (a) costs of studies, surveys, development of plans  
8 and specifications, formation, implementation, and  
9 administration of a STAR bond district, STAR bond district  
10 plan, any STAR bond projects, or any STAR bond project  
11 plans, including, but not limited to, staff and  
12 professional service costs for architectural, engineering,  
13 legal, financial, planning, or other services, provided  
14 however that no charges for professional services may be  
15 based on a percentage of the tax increment collected and  
16 no contracts for professional services, excluding  
17 architectural and engineering services, may be entered  
18 into if the terms of the contract extend beyond a period of  
19 3 years;

20 (b) property assembly costs, including, but not  
21 limited to, acquisition of land and other real property or  
22 rights or interests therein, located within the boundaries  
23 of a STAR bond district, demolition of buildings, site  
24 preparation, site improvements that serve as an engineered  
25 barrier addressing ground level or below ground  
26 environmental contamination, including, but not limited

1 to, parking lots and other concrete or asphalt barriers,  
2 the clearing and grading of land, and importing additional  
3 soil and fill materials, or removal of soil and fill  
4 materials from the site;

5 (c) subject to paragraph (d), costs of buildings and  
6 other vertical improvements that are located within the  
7 boundaries of a STAR bond district and owned by a  
8 political subdivision or other public entity, including  
9 without limitation police and fire stations, educational  
10 facilities, and public restrooms and rest areas;

11 (c-1) costs of buildings and other vertical  
12 improvements that are located within the boundaries of a  
13 STAR bond district; ~~and owned by a destination user or~~  
14 ~~destination hotel; except that only 2 destination users in~~  
15 ~~a STAR bond district and one destination hotel are~~  
16 ~~eligible to include the cost of those vertical~~  
17 ~~improvements as project costs;~~

18 (c-5) costs of buildings; rides and attractions, which  
19 include carousels, slides, roller coasters, displays,  
20 models, towers, works of art, any mechanical or electrical  
21 device that carries or conveys passengers along, around,  
22 or over a fixed or restricted route or course, go-kart  
23 tracks and equipment, zip lines, and similar theme and  
24 amusement park type improvements; and other vertical  
25 improvements that are located within the boundaries of a  
26 STAR bond district ~~and owned by an entertainment user;~~

1 ~~except that only one entertainment user in a STAR bond~~  
2 ~~district is eligible to include the cost of those vertical~~  
3 ~~improvements as project costs;~~

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

23 (e) costs of the design and construction of the  
24 following improvements located outside the boundaries of a  
25 STAR bond district, provided that the costs are essential  
26 to further the purpose and development of a STAR bond

1 district plan and either (i) part of and connected to  
2 sewer, water, or utility service lines that physically  
3 connect to the STAR bond district or (ii) significant  
4 improvements for adjacent offsite highways, streets,  
5 roadways, and interchanges that are approved by the  
6 Illinois Department of Transportation. No other cost of  
7 infrastructure and public works improvements located  
8 outside the boundaries of a STAR bond district may be  
9 deemed project costs;

10 (f) costs of job training and retraining projects,  
11 including the cost of "welfare to work" programs  
12 implemented by businesses located within a STAR bond  
13 district;

14 (g) financing costs, including, but not limited to,  
15 all necessary and incidental expenses related to the  
16 issuance of obligations and which may include payment of  
17 interest on any obligations issued hereunder including  
18 interest accruing during the estimated period of  
19 construction of any improvements in a STAR bond district  
20 or any STAR bond projects for which such obligations are  
21 issued and for not exceeding 36 months thereafter and  
22 including reasonable reserves related thereto;

23 (h) to the extent the political subdivision by written  
24 agreement accepts and approves the same, all or a portion  
25 of a taxing district's capital costs resulting from a STAR  
26 bond district or STAR bond projects necessarily incurred

1 or to be incurred within a taxing district in furtherance  
2 of the objectives of a STAR bond district plan or STAR bond  
3 project plans;

4 (i) interest cost incurred by a developer for project  
5 costs related to the acquisition, formation,  
6 implementation, development, construction, and  
7 administration of a STAR bond district, STAR bond district  
8 plan, STAR bond projects, or any STAR bond project plans  
9 provided that:

10 (i) payment of such costs in any one year may not  
11 exceed 30% of the annual interest costs incurred by  
12 the developer with regard to the STAR bond district or  
13 any STAR bond projects during that year; and

14 (ii) the total of such interest payments paid  
15 pursuant to this Act may not exceed 30% of the total  
16 cost paid or incurred by the developer for a STAR bond  
17 district or STAR bond projects, plus project costs,  
18 excluding any property assembly costs incurred by a  
19 political subdivision pursuant to this Act;

20 (j) costs of common areas located within the  
21 boundaries of a STAR bond district;

22 (k) costs of landscaping and plantings, retaining  
23 walls and fences, man-made lakes and ponds, shelters,  
24 benches, lighting, and similar amenities located within  
25 the boundaries of a STAR bond district;

26 (l) costs of mounted building signs, site monument,

1 and pylon signs located within the boundaries of a STAR  
2 bond district; or

3 (m) if included in the STAR bond district plan and  
4 approved in writing by the Director, salaries or a portion  
5 of salaries for local government employees to the extent  
6 the same are directly attributable to the work of such  
7 employees on the establishment and management of a STAR  
8 bond district or any STAR bond projects.

9 Except as specified in items (a) through (m), "project  
10 costs" shall not include:

11 (i) (blank) ~~the cost of construction of buildings that~~  
12 ~~are privately owned or owned by a municipality and leased~~  
13 ~~to a developer or retail user for non-entertainment retail~~  
14 ~~uses;~~

15 (ii) moving expenses for employees of the businesses  
16 locating within the STAR bond district;

17 (iii) property taxes for property located in the STAR  
18 bond district;

19 (iv) lobbying costs; and

20 (v) general overhead or administrative costs of the  
21 political subdivision that would still have been incurred  
22 by the political subdivision if the political subdivision  
23 had not established a STAR bond district.

24 "Project development agreement" means any one or more  
25 agreements, including any amendments thereto, between a master  
26 developer and any co-developer or subdeveloper in connection

1 with a STAR bond project, which project development agreement  
2 may include the political subdivision as a party.

3 "Projected market area" means any area within the State in  
4 which a STAR bond district or STAR bond project is projected to  
5 have a significant fiscal or market impact as determined by  
6 the Director.

7 "Resolution" means a resolution, order, ordinance, or  
8 other appropriate form of legislative action of a political  
9 subdivision or other applicable public entity approved by a  
10 vote of a majority of a quorum at a meeting of the governing  
11 body of the political subdivision or applicable public entity.

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

16 "STAR bond district" means the specific area declared to  
17 be an eligible area as determined by the political  
18 subdivision, and approved by the Director, in which the  
19 political subdivision may develop one or more STAR bond  
20 projects.

21 "STAR bond district plan" means the preliminary or  
22 conceptual plan that generally identifies the proposed STAR  
23 bond project areas and identifies in a general manner the  
24 buildings, facilities, and improvements to be constructed or  
25 improved in each STAR bond project area.

26 "STAR bond project" means a project within a STAR bond

1 district which is approved pursuant to Section 20.

2 "STAR bond project area" means the geographic area within  
3 a STAR bond district in which there may be one or more STAR  
4 bond projects.

5 "STAR bond project plan" means the written plan adopted by  
6 a political subdivision for the development of a STAR bond  
7 project in a STAR bond district; the plan may include, but is  
8 not limited to, (i) project costs incurred prior to the date of  
9 the STAR bond project plan and estimated future STAR bond  
10 project costs, (ii) proposed sources of funds to pay those  
11 costs, (iii) the nature and estimated term of any obligations  
12 to be issued by the political subdivision to pay those costs,  
13 (iv) the most recent equalized assessed valuation of the STAR  
14 bond project area, (v) an estimate of the equalized assessed  
15 valuation of the STAR bond district or applicable project area  
16 after completion of a STAR bond project, (vi) a general  
17 description of the types of any known or proposed developers,  
18 users, or tenants of the STAR bond project or projects  
19 included in the plan, (vii) a general description of the type,  
20 structure, and character of the property or facilities to be  
21 developed or improved, (viii) a description of the general  
22 land uses to apply to the STAR bond project, and (ix) a general  
23 description or an estimate of the type, class, and number of  
24 employees to be employed in the operation of the STAR bond  
25 project.

26 "State sales tax" means all of the net revenue realized

1 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
2 Service Use Tax Act, and the Service Occupation Tax Act from  
3 transactions at places of business located within a STAR bond  
4 district, excluding that portion of the net revenue realized  
5 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
6 Service Use Tax Act, and the Service Occupation Tax Act from  
7 transactions at places of business located within a STAR bond  
8 district that is deposited into the Local Government Tax Fund  
9 and the County and Mass Transit District Fund.

10 "State sales tax increment" means (i) 100% of that portion  
11 of the State sales tax that is in excess of the State sales tax  
12 for the same month in the base year, as determined by the  
13 Department of Revenue, from transactions at ~~up to 2~~  
14 destination users, one destination hotel, ~~and~~ one  
15 entertainment user, and one amusement park user located within  
16 a STAR bond district, which destination users, destination  
17 hotel, ~~and~~ entertainment user, and amusement park user shall  
18 be designated by the master developer and approved by the  
19 political subdivision and the Director in conjunction with the  
20 applicable STAR bond project approval, and (ii) 90% ~~25%~~ of  
21 that portion of the State sales tax that is in excess of the  
22 State sales tax for the same month in the base year, as  
23 determined by the Department of Revenue, from all other  
24 transactions within a STAR bond district. If any portion of  
25 State sales taxes are, at the time of formation of a STAR bond  
26 district, already subject to tax increment financing under the

1 Tax Increment Allocation Redevelopment Act, then the State  
2 sales tax increment for such portion shall be frozen at the  
3 base year established in accordance with this Act, and all  
4 future incremental increases shall be included in the State  
5 sales tax increment under this Act. Any party otherwise  
6 entitled to receipt of incremental State sales tax revenues  
7 through an existing tax increment financing district shall be  
8 entitled to continue to receive such revenues up to the amount  
9 frozen in the base year. Nothing in this Act shall affect the  
10 prior qualification of existing redevelopment project costs  
11 incurred that are eligible for reimbursement under the Tax  
12 Increment Allocation Redevelopment Act. In such event, prior  
13 to approving a STAR bond district, the political subdivision  
14 forming the STAR bond district shall take such action as is  
15 necessary, including amending the existing tax increment  
16 financing district redevelopment plan, to carry out the  
17 provisions of this Act.

18 "Substantial change" means a change wherein the proposed  
19 STAR bond project plan differs substantially in size, scope,  
20 or use from the approved STAR bond district plan or STAR bond  
21 project plan.

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

25 "Total development costs" means the aggregate public and  
26 private investment in a STAR bond district, including project

1 costs and other direct and indirect costs related to the  
2 development of the STAR bond district.

3 "Traditional retail use" means the operation of a business  
4 that derives at least 90% of its annual gross revenue from  
5 sales at retail, as that phrase is defined by Section 1 of the  
6 Retailers' Occupation Tax Act, but does not include the  
7 operations of destination users, entertainment users,  
8 restaurants, hotels, retail uses within hotels, or any other  
9 non-retail uses.

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

13 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;  
14 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

15 (50 ILCS 470/15)

16 Sec. 15. Establishment of STAR bond district. The  
17 governing body of a municipality may establish a STAR bond  
18 district within an eligible area within the municipality or  
19 partially outside the boundaries of the municipality in an  
20 unincorporated area of the county. A STAR bond district which  
21 is partially outside the boundaries of the municipality must  
22 also be approved by the governing body of the county by the  
23 passage of a resolution. The governing body of a county may  
24 establish a STAR bond district in an eligible area in any  
25 unincorporated area of the county.

1           (a) When a political subdivision proposes to establish a  
2 STAR bond district, the political subdivision shall adopt a  
3 resolution stating that the political subdivision is  
4 considering the establishment of a STAR bond district. The  
5 resolution shall:

6           (1) give notice, in the same manner as set forth in  
7 item (2) of subsection (e) of Section 20, that a public  
8 hearing will be held to consider the establishment of a  
9 STAR bond district and fix the date, hour, and place of the  
10 public hearing, which shall be at a location that is  
11 within 20 miles of the STAR bond district, in a facility  
12 that can accommodate a large crowd, and in a facility that  
13 is accessible to persons with disabilities;

14           (2) describe the proposed general boundaries of the  
15 STAR bond district;

16           (3) describe the STAR bond district plan;

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

20           (5) identify the master developer for the STAR bond  
21 district; and

22           (6) require that the governing body consider findings  
23 necessary for the establishment of a STAR bond district.

24           (b) Upon the conclusion of the public hearing the  
25 governing body of the political subdivision may consider a  
26 resolution to establish the STAR bond district.

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

3           (A) make findings that the proposed STAR bond  
4 district is to be developed with one or more STAR bond  
5 projects;

6           (B) make findings that the STAR bond district is  
7 an eligible area;

8           (C) contain a STAR bond district plan that  
9 identifies in a general manner the buildings and  
10 facilities that are proposed to be constructed or  
11 improved in subsequent STAR bond projects and that  
12 includes plans for at least one destination user;

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

15           (E) appoint the master developer for the STAR bond  
16 district; and

17           (F) establish the STAR bonds district, contingent  
18 upon approval of the Director as set forth in  
19 subsection (d) or (d-5).

20           (2) If the resolution is not adopted by the political  
21 subdivision within 60 days from the conclusion of the  
22 public hearing, then the STAR bond district shall not be  
23 established.

24           (3) Upon adoption of a resolution establishing a STAR  
25 bond district, the political subdivision shall send a  
26 certified copy of such resolution to the Department of

1 Revenue.

2 (c) Upon the establishment of a STAR bond district, the  
3 STAR bond district and any STAR bond projects shall be  
4 governed by a master development agreement between the  
5 political subdivision and the master developer. A STAR bond  
6 district that is partially outside the boundaries of a  
7 municipality shall only require one master development  
8 agreement; the agreement shall be between the municipality and  
9 the master developer. In no event shall there be more than one  
10 master development agreement governing the terms and  
11 conditions of a STAR bond district. The master development  
12 agreement shall require the master developer to ensure  
13 compliance with the following requirements to reduce the  
14 ecological impact of the STAR bond district development: (i)  
15 inclusion of pollution prevention, erosion, and sedimentation  
16 control plans during construction; (ii) protection of  
17 endangered species' habitat and wetlands mitigation; (iii)  
18 preservation of at least 20% of the STAR bond district as green  
19 space, including lawns, parks, landscaped areas, paths, lakes,  
20 ponds, and other water features; (iv) promotion of the use of  
21 renewable energy to the extent commercially feasible; (v)  
22 promotion of access to mass transit and bicycle  
23 transportation; (vi) implementation of recycling programs  
24 during construction and at completed STAR bond projects; (vii)  
25 preservation of water quality and promotion of water  
26 conservation through the use of techniques such as reusing

1 storm water and landscaping with native and low-maintenance  
2 vegetation to reduce the need for irrigation and  
3 fertilization; (viii) inclusion of comprehensive lighting  
4 programs that reduce light pollution within the STAR bond  
5 district; and (ix) promotion of shared parking between  
6 different users to reduce the impact on project sites.

7 (d) For any STAR bond district created prior to January 1,  
8 2025, upon ~~Upon~~ adoption of the resolution to establish a STAR  
9 bond district, the political subdivision shall submit the  
10 proposed STAR bond district to the Director for consideration.  
11 The Director may only approve a STAR bond district if the  
12 Director finds that: (i) the proposed STAR bond district is an  
13 eligible area, (ii) the STAR bond district plan includes a  
14 projected capital investment of at least \$100,000,000, (iii)  
15 the STAR bond district plan is reasonably projected to produce  
16 at least \$100,000,000 of annual gross sales revenues and 500  
17 new jobs, (iv) the STAR bond district plan includes potential  
18 destination users and a potential entertainment user, (v) the  
19 creation of the STAR bond district and STAR bond district plan  
20 are in accordance with the purpose of this Act and the public  
21 interest, and (vi) the STAR bond district and STAR bond  
22 district plan meet any other requirement that the Director  
23 deems appropriate. If a proposed STAR bond district meets all  
24 of the foregoing criteria, the Director shall not unreasonably  
25 withhold its approval of the proposed STAR bond district. The  
26 Director may only approve one STAR bond district within any

1 projected market area. However, the Director may approve  
2 additional STAR bond districts in a single projected market  
3 area provided that the Director finds that the additional STAR  
4 bond district will not thwart the purposes of this Act. The  
5 Director shall promptly send a copy of its written findings  
6 and approval or denial of a STAR bond district to the  
7 requesting political subdivision.

8 (d-5) For any STAR bond district created on or after  
9 January 1, 2025, upon adoption of the resolution to establish  
10 a STAR bond district, the political subdivision shall submit  
11 the proposed STAR bond district to the Director for  
12 consideration. The Director may only approve a STAR bond  
13 district if the Director finds that: (i) the proposed STAR  
14 bond district is an eligible area; (ii) the STAR bond district  
15 plan includes a projected capital investment of at least  
16 \$500,000,000; (iii) the STAR bond district plan is reasonably  
17 projected to produce at least \$100,000,000 of annual gross  
18 sales revenues, 1,500 new jobs, and 5,000 construction jobs;  
19 (iv) the STAR bond district plan includes a statement of how  
20 the jobs and taxes will contribute significantly to the  
21 economic development of the State and region; (v) the STAR  
22 bond district plan shows visitation expectations in excess of  
23 1,000,000 visitors annually; (vi) the STAR bond district plan  
24 includes potential destination users and a potential  
25 entertainment user; (vii) the creation of the STAR bond  
26 district and STAR bond district plan are in accordance with

1 the purpose of this Act and the public interest; and (viii) the  
2 STAR bond district and STAR bond district plan meet any other  
3 requirement the Director deems appropriate. If a proposed STAR  
4 bond district meets all of the criteria required under this  
5 subsection, then the Director shall not unreasonably withhold  
6 its approval of the proposed STAR bond district. The Director  
7 may only approve one STAR bond district within any projected  
8 market area. However, the Director may approve additional STAR  
9 bond districts in a single projected market area provided that  
10 the Director finds that the additional STAR bond district will  
11 not thwart the purposes of this Act. The Director shall  
12 promptly send a copy of its written findings and approval or  
13 denial of a STAR bond district to the requesting political  
14 subdivision.

15 (e) Starting on the fifth anniversary of the first date of  
16 distribution of State sales tax revenues from the first STAR  
17 bond project in the STAR bond district and continuing each  
18 anniversary thereafter, the Director shall, in consultation  
19 with the political subdivision and the master developer,  
20 determine the total number of new jobs created within the STAR  
21 bond district, the total development cost to date, and the  
22 master developer's compliance with its obligations under any  
23 written agreements with the State. If, on the fifth  
24 anniversary of the first date of distribution of State sales  
25 tax revenues from the first STAR bond project in the STAR bond  
26 district, the Director determines that the total development

1 cost to date is not equal to or greater than \$100,000,000, or  
2 that the master developer is in breach of any written  
3 agreement with the State, then no new STAR bonds may be issued  
4 in the STAR bond district until the total development cost  
5 exceeds \$100,000,000 or the breach of agreement is cured, or  
6 both. If, on the fifth anniversary of the first date of  
7 distribution of State sales tax revenues from the first STAR  
8 bond project in the STAR bond district, there are not at least  
9 500 jobs existing in the STAR bond district, the State may  
10 require the master developer to pay the State a penalty of  
11 \$1,500 per job under 500 each year until the earlier of (i) the  
12 twenty-third anniversary of the first date of distribution of  
13 State sales tax revenues from the first STAR bond project in  
14 the STAR bond district, (ii) the date that all STAR bonds  
15 issued in the STAR bond district have been paid off, or (iii)  
16 the date that at least 500 jobs have been created in the STAR  
17 bond district. Upon creation of 500 jobs in the STAR bond  
18 district, there shall not be an ongoing obligation to maintain  
19 those jobs after the fifth anniversary of the first date of  
20 distribution of State sales tax revenues from the first STAR  
21 bond project in the STAR bond district, and the master  
22 developer shall be relieved of any liability with respect to  
23 job creation under this subsection. Notwithstanding anything  
24 to the contrary in this subsection, the master developer shall  
25 not be liable for the penalties set forth under this  
26 subsection if the breach of agreement, failure to reach at

1 least \$100,000,000 in total development costs, or failure to  
2 create 500 jobs is due to delays caused by force majeure, as  
3 that term shall be defined in the master development  
4 agreement.

5 (Source: P.A. 96-939, eff. 6-24-10.)

6 (50 ILCS 470/20)

7 Sec. 20. Approval of STAR bond projects. The governing  
8 body of a political subdivision may establish one or more STAR  
9 bond projects in any STAR bond district. A STAR bond project  
10 which is partially outside the boundaries of a municipality  
11 must also be approved by the governing body of the county by  
12 resolution.

13 (a) After the establishment of a STAR bond district, the  
14 master developer may propose one or more STAR bond projects to  
15 a political subdivision and the master developer shall, in  
16 cooperation with the political subdivision, prepare a STAR  
17 bond project plan in consultation with the planning commission  
18 of the political subdivision, if any. The STAR bond project  
19 plan may be implemented in separate development stages.

20 (b) Any political subdivision considering a STAR bond  
21 project within a STAR bond district shall notify the  
22 Department, which shall cause to be prepared an independent  
23 feasibility study by a feasibility consultant with certified  
24 copies provided to the political subdivision, the Director,  
25 and the Department of Commerce and Economic Opportunity. The

1 feasibility study shall include the following:

2 (1) the estimated amount of pledged STAR revenues  
3 expected to be collected in each year through the maturity  
4 date of the proposed STAR bonds;

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

8 (3) visitation expectations;

9 (4) the unique quality of the project;

10 (5) an economic impact study;

11 (6) a market study;

12 (7) integration and collaboration with other resources  
13 or businesses;

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

17 (9) project accountability, measured according to best  
18 industry practices;

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

21 (11) an anticipated principal and interest payment  
22 schedule on the STAR bonds.

23 The feasibility consultant, along with the independent  
24 economist and any other consultants commissioned to perform  
25 the studies and other analysis required by the feasibility  
26 study, shall be selected by the political subdivision, and

1 approved by the Director ~~with the approval of the political~~  
2 ~~subdivision.~~ The consultants shall be retained by the  
3 political subdivision and the cost of the consultants shall be  
4 paid ~~Director and the Department shall be reimbursed by the~~  
5 master developer ~~for the costs to retain the consultants.~~

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

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

12 (1) a summary of the feasibility study;

13 (2) a reference to the STAR bond district plan that  
14 identifies the STAR bond project area that is set forth in  
15 the STAR bond project plan that is being considered;

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

18 (4) a description of the buildings and facilities  
19 proposed to be constructed or improved in such STAR bond  
20 project area, including at least one of the following (i)  
21 a destination user, (ii) an amusement park user, (iii) a  
22 destination hotel, or (iv) users ~~and~~ an entertainment  
23 user, as applicable;

24 (5) a copy of letters of intent to locate within the  
25 STAR bond district signed by both the master developer and  
26 the appropriate corporate officer of at least one

1 destination user, one amusement park user, one destination  
2 hotel, or one entertainment user for the first STAR bond  
3 project proposed within the district; and

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

8 (d) Before a political subdivision may hold a public  
9 hearing to consider a STAR bond project plan, the political  
10 subdivision must apply to the Department for approval of the  
11 STAR bond project plan. An application for approval of a STAR  
12 bond project plan must not be approved unless all of the  
13 components of the feasibility study set forth in items (1)  
14 through (11) of subsection (b) have been completed and  
15 submitted to the Department for review. In addition to  
16 reviewing all of the other elements of the STAR bond project  
17 plan required under subsection (c), which must be included in  
18 the application (which plan must include a letter or letters  
19 of intent as required under subdivision (c)(5) in order to  
20 receive Director approval), the Director must review the  
21 feasibility study and consider all of the components of the  
22 feasibility study set forth in items (1) through (11) of  
23 subsection (b) of Section 20, including without limitation the  
24 economic impact study and the financial benefit of the  
25 proposed STAR bond project to the local, regional, and State  
26 economies, the proposed adverse impacts on similar businesses

1 and projects as well as municipalities within the market area,  
2 and the net effect of the proposed STAR bond project on the  
3 local, regional, and State economies. In addition to the  
4 economic impact study, the political subdivision must also  
5 submit to the Department, as part of its application, the  
6 financial and other information that substantiates the basis  
7 for the conclusion of the economic impact study, in the form  
8 and manner as required by the Department, so that the  
9 Department can verify the results of the study. In addition to  
10 any other criteria in this subsection, to approve the first  
11 STAR bond project plan, the Director must be satisfied that  
12 the proposed destination user, amusement park user,  
13 destination hotel, or entertainment user is in fact a true  
14 destination user, amusement park user, destination hotel, or  
15 entertainment user and also find that the STAR bond project  
16 plan is in accordance with the purpose of this Act and the  
17 public interest. The Director shall either approve or deny the  
18 STAR bond project plan based on the criteria in this  
19 subsection. In granting its approval, the Department may  
20 require the political subdivision to execute a binding  
21 agreement or memorandum of understanding with the State. The  
22 terms of the agreement or memorandum may include, among other  
23 things, the political subdivision's repayment of the State  
24 sales tax increment distributed to it should any violation of  
25 the agreement or memorandum or this Act occur.

26 (e) Upon a finding by the planning and zoning commission

1 of the political subdivision that the STAR bond project plan  
2 is consistent with the intent of the comprehensive plan for  
3 the development of the political subdivision and upon issuance  
4 of written approval of the STAR bond project plan from the  
5 Director pursuant to subsection (d) of Section 20, the  
6 governing body of the political subdivision shall adopt a  
7 resolution stating that the political subdivision is  
8 considering the adoption of the STAR bond project plan. The  
9 resolution shall:

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

13 (2) describe the general boundaries of the STAR bond  
14 district within which the STAR bond project will be  
15 located and the date of establishment of the STAR bond  
16 district;

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

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

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

26 (f) A public hearing shall be conducted to consider the

1 adoption of any STAR bond project plan.

2 (1) The date fixed for the public hearing to consider  
3 the adoption of the STAR bond project plan shall be not  
4 less than 20 nor more than 90 days following the date of  
5 the adoption of the resolution fixing the date of the  
6 hearing.

7 (2) A copy of the political subdivision's resolution  
8 providing for the public hearing shall be sent by  
9 certified mail, return receipt requested, to the governing  
10 body of the county. A copy of the political subdivision's  
11 resolution providing for the public hearing shall be sent  
12 by certified mail, return receipt requested, to each  
13 person or persons in whose name the general taxes for the  
14 last preceding year were paid on each parcel of land lying  
15 within the proposed STAR bond project area within 10 days  
16 following the date of the adoption of the resolution. The  
17 resolution shall be published once in a newspaper of  
18 general circulation in the political subdivision not less  
19 than one week nor more than 3 weeks preceding the date  
20 fixed for the public hearing. A map or aerial photo  
21 clearly delineating the area of land proposed to be  
22 included within the STAR bond project area shall be  
23 published with the resolution.

24 (3) The hearing shall be held at a location that is  
25 within 20 miles of the STAR bond district, in a facility  
26 that can accommodate a large crowd, and in a facility that

1 is accessible to persons with disabilities.

2 (4) At the public hearing, a representative of the  
3 political subdivision or master developer shall present  
4 the STAR bond project plan. Following the presentation of  
5 the STAR bond project plan, all interested persons shall  
6 be given an opportunity to be heard. The governing body  
7 may continue the date and time of the public hearing.

8 (g) Upon conclusion of the public hearing, the governing  
9 body of the political subdivision may adopt the STAR bond  
10 project plan by a resolution approving the STAR bond project  
11 plan.

12 (h) After the adoption by the corporate authorities of the  
13 political subdivision of a STAR bond project plan, the  
14 political subdivision may enter into a project development  
15 agreement if the master developer has requested the political  
16 subdivision to be a party to the project development agreement  
17 pursuant to subsection (b) of Section 25.

18 (i) Within 30 days after the adoption by the political  
19 subdivision of a STAR bond project plan, the clerk of the  
20 political subdivision shall transmit a copy of the legal  
21 description of the land and a list of all new and existing  
22 mailing addresses within the STAR bond district, a copy of the  
23 resolution adopting the STAR bond project plan, and a map or  
24 plat indicating the boundaries of the STAR bond project area  
25 to the clerk, treasurer, and governing body of the county and  
26 to the Department of Revenue. Within 30 days of creation of any

1 new mailing addresses within a STAR bond district, the clerk  
2 of the political subdivision shall provide written notice of  
3 such new addresses to the Department of Revenue.

4 If a certified copy of the resolution adopting the STAR  
5 bond project plan is filed with the Department on or before the  
6 first day of April, the Department, if all other requirements  
7 of this subsection are met, shall proceed to collect and  
8 allocate any local sales tax increment and any State sales tax  
9 increment in accordance with the provisions of this Act as of  
10 the first day of July next following the adoption and filing.  
11 If a certified copy of the resolution adopting the STAR bond  
12 project plan is filed with the Department after April 1 but on  
13 or before the first day of October, the Department, if all  
14 other requirements of this subsection are met, shall proceed  
15 to collect and allocate any local sales tax increment and any  
16 State sales tax increment in accordance with the provisions of  
17 this Act as of the first day of January next following the  
18 adoption and filing.

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

24 The Department of Revenue shall not collect or allocate  
25 any local sales tax increment or State sales tax increment  
26 until the political subdivision also provides, in the manner

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

1 provided by the political subdivision.

2 (j) Any STAR bond project must be approved by the  
3 political subdivision prior to that date which is 23 years  
4 from the date of the approval of the STAR bond district,  
5 provided however that any amendments to such STAR bond project  
6 may occur following such date.

7 (k) Any developer of a STAR bond project shall commence  
8 work on the STAR bond project within 3 years from the date of  
9 adoption of the STAR bond project plan. If the developer fails  
10 to commence work on the STAR bond project within the 3-year  
11 period, funding for the project shall cease and the developer  
12 of the project or complex shall have one year to appeal to the  
13 political subdivision for reapproval of the project and  
14 funding. If the project is reapproved, the 3-year period for  
15 commencement shall begin again on the date of the reapproval.

16 (l) After the adoption by the corporate authorities of the  
17 political subdivision of a STAR bond project plan and approval  
18 of the Director pursuant to subsection (d) of Section 20, the  
19 political subdivision may authorize the issuance of the STAR  
20 bonds in one or more series to finance the STAR bond project,  
21 or pay or reimburse any eligible project cost within the STAR  
22 bond district, in accordance with the provisions of this Act.

23 (m) The maximum maturity of STAR bonds issued to finance a  
24 STAR bond project shall not exceed 23 years from the first date  
25 of distribution of State sales tax revenues from such STAR  
26 bond project to the political subdivision unless the political

1 subdivision extends such maturity by resolution up to a  
2 maximum of 35 years from such first distribution date. Any  
3 such extension shall require the approval of the Director. In  
4 no event shall the maximum maturity date for any STAR bonds  
5 exceed that date which is 35 years from the first distribution  
6 date of the first STAR bonds issued in a STAR bond district.

7 (Source: P.A. 103-8, eff. 6-7-23.)

8 (50 ILCS 470/30)

9 Sec. 30. STAR bonds; source of payment. Any political  
10 subdivision shall have the power to issue STAR bonds in one or  
11 more series to finance the undertaking of any STAR bond  
12 project in accordance with the provisions of this Act and the  
13 Omnibus Bond Acts. STAR bonds may be issued as revenue bonds,  
14 alternate bonds, or general obligation bonds as defined in and  
15 subject to the procedures provided in the Local Government  
16 Debt Reform Act.

17 (a) STAR bonds may be made payable, both as to principal  
18 and interest, from the following revenues, which to the extent  
19 pledged by each respective political subdivision or other  
20 public entity for such purpose shall constitute pledged STAR  
21 revenues:

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

25 (2) available private funds and contributions, grants,

1 tax credits, or other financial assistance from the State  
2 or federal government;

3 (3) any ~~STAR bond occupation~~ taxes created pursuant to  
4 Section 31 and designated as pledged STAR revenues by the  
5 political subdivision;

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

8 (5) any special service area taxes collected within  
9 the STAR bond district under the Special Service Area Tax  
10 Act, may be used for the purposes of funding project costs  
11 or paying debt service on STAR bonds in addition to the  
12 purposes contained in the special service area plan;

13 (6) all of the State sales tax increment;

14 (7) any other revenues appropriated by the political  
15 subdivision; and

16 (8) any combination of these methods.

17 (b) The political subdivision may pledge the pledged STAR  
18 revenues to the repayment of STAR bonds prior to,  
19 simultaneously with, or subsequent to the issuance of the STAR  
20 bonds.

21 (c) Bonds issued as revenue bonds shall not be general  
22 obligations of the political subdivision, nor in any event  
23 shall they give rise to a charge against its general credit or  
24 taxing powers, or be payable out of any funds or properties  
25 other than those set forth in subsection (a) and the bonds  
26 shall so state on their face.

1           (d) For each STAR bond project financed with STAR bonds  
2 payable from the pledged STAR revenues, the political  
3 subdivision shall prepare and submit to the Department of  
4 Revenue by June 1 of each year a report describing the status  
5 of the STAR bond project, any expenditures of the proceeds of  
6 STAR bonds that have occurred for the preceding calendar year,  
7 and any expenditures of the proceeds of the bonds expected to  
8 occur in the future, including the amount of pledged STAR  
9 revenue, the amount of revenue that has been spent, the  
10 projected amount of the revenue, and the anticipated use of  
11 the revenue. Each annual report shall be accompanied by an  
12 affidavit of the master developer certifying the contents of  
13 the report as true to the best of the master developer's  
14 knowledge. The Department of Revenue shall have the right, but  
15 not the obligation, to request the Illinois Auditor General to  
16 review the annual report and the political subdivision's  
17 records containing the source information for the report for  
18 the purpose of verifying the report's contents. If the  
19 Illinois Auditor General declines the request for review, the  
20 Department of Revenue shall have the right to select an  
21 independent third-party auditor to conduct an audit of the  
22 annual report and the political subdivision's records  
23 containing the source information for the report. The  
24 reasonable cost of the audit shall be paid by the master  
25 developer. The master development agreement shall grant the  
26 Department of Revenue and the Illinois Auditor General the

1 right to review the records of the political subdivision  
2 containing the source information for the report.

3 (e) There is created in the State treasury a special fund  
4 to be known as the STAR Bonds Revenue Fund. As soon as possible  
5 after the first day of each month, beginning January 1, 2011,  
6 upon certification of the Department of Revenue, the  
7 Comptroller shall order transferred, and the Treasurer shall  
8 transfer, from the General Revenue Fund to the STAR Bonds  
9 Revenue Fund the State sales tax increment for the second  
10 preceding month, less 3% of that amount, which shall be  
11 transferred into the Tax Compliance and Administration Fund  
12 and shall be used by the Department, subject to appropriation,  
13 to cover the costs of the Department in administering the  
14 Innovation Development and Economy Act. As soon as possible  
15 after the first day of each month, beginning January 1, 2011,  
16 upon certification of the Department of Revenue, the  
17 Comptroller shall order transferred, and the Treasurer shall  
18 transfer, from the Local Government Tax Fund to the STAR Bonds  
19 Revenue Fund the local sales tax increment for the second  
20 preceding month, as provided in Section 6z-18 of the State  
21 Finance Act and from the County and Mass Transit District Fund  
22 to the STAR Bonds Revenue Fund the local sales tax increment  
23 for the second preceding month, as provided in Section 6z-20  
24 of the State Finance Act.

25 On or before the 25th day of each calendar month,  
26 beginning on January 1, 2011, the Department shall prepare and

1 certify to the Comptroller the disbursement of stated sums of  
2 money out of the STAR Bonds Revenue Fund to named  
3 municipalities and counties, the municipalities and counties  
4 to be those entitled to distribution of taxes or penalties  
5 paid to the Department during the second preceding calendar  
6 month. The amount to be paid to each municipality or county  
7 shall be the amount of the State sales tax increment and the  
8 local sales tax increment (not including credit memoranda or  
9 the amount transferred into the Tax Compliance and  
10 Administration Fund) collected during the second preceding  
11 calendar month by the Department from retailers and servicemen  
12 on transactions at places of business located within a STAR  
13 bond district in that municipality or county, plus an amount  
14 the Department determines is necessary to offset any amounts  
15 which were erroneously paid to a different taxing body, and  
16 not including an amount equal to the amount of refunds made  
17 during the second preceding calendar month by the Department,  
18 and not including any amount which the Department determines  
19 is necessary to offset any amounts which are payable to a  
20 different taxing body but were erroneously paid to the  
21 municipality or county. Within 10 days after receipt, by the  
22 Comptroller, of the disbursement certification to the  
23 municipalities and counties, provided for in this Section to  
24 be given to the Comptroller by the Department, the Comptroller  
25 shall cause the orders to be drawn for the respective amounts  
26 in accordance with the directions contained in such

1 certification.

2 When certifying the amount of monthly disbursement to a  
3 municipality or county under this subsection, the Department  
4 shall increase or decrease that amount by an amount necessary  
5 to offset any misallocation of previous disbursements. The  
6 offset amount shall be the amount erroneously disbursed within  
7 the 6 months preceding the time a misallocation is discovered.

8 The corporate authorities of the political subdivision  
9 shall deposit the proceeds for the STAR Bonds Revenue Fund  
10 into a special fund of the political subdivision called the  
11 "(Name of political subdivision) STAR Bond District Revenue  
12 Fund" for the purpose of paying or reimbursing STAR bond  
13 project costs and obligations incurred in the payment of those  
14 costs.

15 If the political subdivision fails to issue STAR bonds  
16 within 180 days after the first distribution to the political  
17 subdivision from the STAR Bonds Revenue Fund, the Department  
18 of Revenue shall cease distribution of the State sales tax  
19 increment to the political subdivision, shall transfer any  
20 State sales tax increment in the STAR Bonds Revenue Fund to the  
21 General Revenue Fund, and shall cease deposits of State sales  
22 tax increment amounts into the STAR Bonds Revenue Fund. The  
23 political subdivision shall repay all of the State sales tax  
24 increment distributed to the political subdivision to date,  
25 which amounts shall be deposited into the General Revenue  
26 Fund. If not repaid within 90 days after notice from the State,

1 the Department of Revenue shall withhold distributions to the  
2 political subdivision from the Local Government Tax Fund until  
3 the excess amount is repaid, which withheld amounts shall be  
4 transferred to the General Revenue Fund. At such time as the  
5 political subdivision notifies the Department of Revenue in  
6 writing that it has issued STAR Bonds in accordance with this  
7 Act and provides the Department with a copy of the political  
8 subdivision's official statement, bond purchase agreements,  
9 indenture, or other evidence of bond sale, the Department of  
10 Revenue shall resume deposits of the State sales tax increment  
11 into the STAR Bonds Revenue Fund and distribution of the State  
12 sales tax increment to the political subdivision in accordance  
13 with this Section.

14 (f) As of the seventh anniversary of the first date of  
15 distribution of State sales tax revenues from the first STAR  
16 bond project in the STAR bond district, and as of every fifth  
17 anniversary thereafter until final maturity of all STAR bonds  
18 issued in a STAR bond district, the portion of the aggregate  
19 proceeds of STAR bonds issued to date that is derived from the  
20 State sales tax increment pledged to pay STAR bonds in any STAR  
21 bond district shall not exceed 50% of the total development  
22 costs in the STAR bond district to date. The Illinois Auditor  
23 General shall make the foregoing determination on said seventh  
24 anniversary and every 5 years thereafter until final maturity  
25 of all STAR bonds issued in a STAR bond district. If at any  
26 time after the seventh anniversary of the first date of

1 distribution of State sales tax revenues from the first STAR  
2 bond project in the STAR bond district the Illinois Auditor  
3 General determines that the portion of the aggregate proceeds  
4 of STAR bonds issued to date that is derived from the State  
5 sales tax increment pledged to pay STAR bonds in any STAR bond  
6 district has exceeded 50% of the total development costs in  
7 the STAR bond district, no additional STAR bonds may be issued  
8 in the STAR bond district until the percentage is reduced to  
9 50% or below. When the percentage has been reduced to 50% or  
10 below, the master developer shall have the right, at its own  
11 cost, to obtain a new audit prepared by an independent  
12 third-party auditor verifying compliance and shall provide  
13 such audit to the Illinois Auditor General for review and  
14 approval. Upon the Illinois Auditor General's determination  
15 from the audit that the percentage has been reduced to 50% or  
16 below, STAR bonds may again be issued in the STAR bond  
17 district.

18 (g) Notwithstanding the provisions of the Tax Increment  
19 Allocation Redevelopment Act, if any portion of property taxes  
20 attributable to the increase in equalized assessed value  
21 within a STAR bond district are, at the time of formation of  
22 the STAR bond district, already subject to tax increment  
23 financing under the Tax Increment Allocation Redevelopment  
24 Act, then the tax increment for such portion shall be frozen at  
25 the base year established in accordance with this Act, and all  
26 future incremental increases over the base year shall not be

1 subject to tax increment financing under the Tax Increment  
2 Allocation Redevelopment Act. Any party otherwise entitled to  
3 receipt of incremental tax revenues through an existing tax  
4 increment financing district shall be entitled to continue to  
5 receive such revenues up to the amount frozen in the base year.  
6 Nothing in this Act shall affect the prior qualification of  
7 existing redevelopment project costs incurred that are  
8 eligible for reimbursement under the Tax Increment Allocation  
9 Redevelopment Act. In such event, prior to approving a STAR  
10 bond district, the political subdivision forming the STAR bond  
11 district shall take such action as is necessary, including  
12 amending the existing tax increment financing district  
13 redevelopment plan, to carry out the provisions of this Act.  
14 (Source: P.A. 103-8, eff. 6-7-23.)

15 (50 ILCS 470/31)

16 Sec. 31. STAR bond occupation taxes.

17 (a) If the corporate authorities of a political  
18 subdivision have established a STAR bond district and have  
19 elected to impose a tax by ordinance pursuant to subsection  
20 (b), ~~or~~ (c), or (d) of this Section, each year after the date  
21 of the adoption of the ordinance and until all STAR bond  
22 project costs and all political subdivision obligations  
23 financing the STAR bond project costs, if any, have been paid  
24 in accordance with the STAR bond project plans, but in no event  
25 longer than the maximum maturity date of the last of the STAR

1 bonds issued for projects in the STAR bond district, all  
2 amounts generated by the retailers' occupation tax, ~~and~~  
3 service occupation tax, and tourism tax shall be collected and  
4 the tax shall be enforced by the Department of Revenue in the  
5 same manner as all retailers' occupation taxes, ~~and~~ service  
6 occupation taxes, and tourism taxes imposed in the political  
7 subdivision imposing the tax. The corporate authorities of the  
8 political subdivision shall deposit the proceeds of the taxes  
9 imposed under subsections (b), ~~and~~ (c), and (d) into either  
10 (i) a special fund held by the corporate authorities of the  
11 political subdivision called the STAR Bonds Tax Allocation  
12 Fund for the purpose of paying STAR bond project costs and  
13 obligations incurred in the payment of those costs if such  
14 taxes are designated as pledged STAR revenues by resolution or  
15 ordinance of the political subdivision or (ii) the political  
16 subdivision's general corporate fund if such taxes are not  
17 designated as pledged STAR revenues by resolution or  
18 ordinance.

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

1 Section on that part of the STAR bond district.

2 (b) The corporate authorities of a political subdivision  
3 that has established a STAR bond district under this Act may,  
4 by ordinance or resolution, impose a STAR Bond Retailers'  
5 Occupation Tax upon all persons engaged in the business of  
6 selling tangible personal property, other than an item of  
7 tangible personal property titled or registered with an agency  
8 of this State's government, at retail in the STAR bond  
9 district, or in any STAR bond project area within a STAR bond  
10 district, at a rate not to exceed 2% ~~1%~~ of the gross receipts  
11 from the sales made in the course of that business, to be  
12 imposed only in 0.25% increments. The tax may not be imposed on  
13 tangible personal property taxed at the 1% rate under the  
14 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
15 this amendatory Act of the 102nd General Assembly). Beginning  
16 December 1, 2019 and through December 31, 2020, this tax is not  
17 imposed on sales of aviation fuel unless the tax revenue is  
18 expended for airport-related purposes. If the District does  
19 not have an airport-related purpose to which aviation fuel tax  
20 revenue is dedicated, then aviation fuel is excluded from the  
21 tax. The municipality must comply with the certification  
22 requirements for airport-related purposes under Section 2-22  
23 of the Retailers' Occupation Tax Act. For purposes of this  
24 Act, "airport-related purposes" has the meaning ascribed in  
25 Section 6z-20.2 of the State Finance Act. Beginning January 1,  
26 2021, this tax is not imposed on sales of aviation fuel for so

1 long as the revenue use requirements of 49 U.S.C. 47107(b) and  
2 49 U.S.C. 47133 are binding on the District or STAR bond  
3 project area.

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

1 through 2h, 3 (except as to the disposition of taxes and  
2 penalties collected, and except that the retailer's discount  
3 is not allowed for taxes paid on aviation fuel that are subject  
4 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,  
6 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
7 Retailers' Occupation Tax Act and all provisions of the  
8 Uniform Penalty and Interest Act, as fully as if those  
9 provisions were set forth herein.

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

12 (c) If a tax has been imposed under subsection (b), a STAR  
13 Bond Service Occupation Tax shall also be imposed upon all  
14 persons engaged, in the STAR bond district or STAR bond  
15 project area within such STAR bond district, in the business  
16 of making sales of service, who, as an incident to making those  
17 sales of service, transfer tangible personal property within  
18 the STAR bond district or STAR bond project area, either in the  
19 form of tangible personal property or in the form of real  
20 estate as an incident to a sale of service. The tax shall be  
21 imposed at the same rate as the tax imposed in subsection (b)  
22 and shall not exceed 1% of the selling price of tangible  
23 personal property so transferred within the STAR bond  
24 district, to be imposed only in 0.25% increments. The tax may  
25 not be imposed on tangible personal property taxed at the 2% ~~1%~~  
26 rate under the Service Occupation Tax Act (or at the 0% rate

1 imposed under this amendatory Act of the 102nd General  
2 Assembly). Beginning December 1, 2019 and through December 31,  
3 2020, this tax is not imposed on sales of aviation fuel unless  
4 the tax revenue is expended for airport-related purposes. If  
5 the District does not have an airport-related purpose to which  
6 aviation fuel tax revenue is dedicated, then aviation fuel is  
7 excluded from the tax. The municipality must comply with the  
8 certification requirements for airport-related purposes under  
9 Section 2-22 of the Retailers' Occupation Tax Act. For  
10 purposes of this Act, "airport-related purposes" has the  
11 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
12 Beginning January 1, 2021, this tax is not imposed on sales of  
13 aviation fuel for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 District or STAR bond project area.

16 The tax imposed under this subsection and all civil  
17 penalties that may be assessed as an incident thereof shall be  
18 collected and enforced by the Department of Revenue. The  
19 certificate of registration that is issued by the Department  
20 to a retailer under the Retailers' Occupation Tax Act or under  
21 the Service Occupation Tax Act shall permit the registrant to  
22 engage in a business that is taxable under any ordinance or  
23 resolution enacted pursuant to this subsection without  
24 registering separately with the Department under that  
25 ordinance or resolution or under this subsection. The  
26 Department of Revenue shall have full power to administer and

1 enforce this subsection, to collect all taxes and penalties  
2 due under this subsection, to dispose of taxes and penalties  
3 so collected in the manner hereinafter provided, and to  
4 determine all rights to credit memoranda arising on account of  
5 the erroneous payment of tax or penalty under this subsection.  
6 In the administration of, and compliance with this subsection,  
7 the Department and persons who are subject to this subsection  
8 shall have the same rights, remedies, privileges, immunities,  
9 powers, and duties, and be subject to the same conditions,  
10 restrictions, limitations, penalties, exclusions, exemptions,  
11 and definitions of terms and employ the same modes of  
12 procedure as are prescribed in Sections 2, 2a through 2d, 3  
13 through 3-50 (in respect to all provisions therein other than  
14 the State rate of tax), 4 (except that the reference to the  
15 State shall be to the STAR bond district), 5, 7, 8 (except that  
16 the jurisdiction to which the tax shall be a debt to the extent  
17 indicated in that Section 8 shall be the political  
18 subdivision), 9 (except as to the disposition of taxes and  
19 penalties collected, and except that the returned merchandise  
20 credit for this tax may not be taken against any State tax, and  
21 except that the retailer's discount is not allowed for taxes  
22 paid on aviation fuel that are subject to the revenue use  
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
24 11, 12 (except the reference therein to Section 2b of the  
25 Retailers' Occupation Tax Act), 13 (except that any reference  
26 to the State shall mean the political subdivision), the first

1 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
2 the Service Occupation Tax Act and all provisions of the  
3 Uniform Penalty and Interest Act, as fully as if those  
4 provisions were set forth herein.

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

7 (c-5) If, on January 1, 2025, a unit of local government  
8 has in effect a tax under this Section, or if, after January 1,  
9 2025, a unit of local government imposes a tax under this  
10 Section, then that tax applies to leases of tangible personal  
11 property in effect, entered into, or renewed on or after that  
12 date in the same manner as the tax under this Section and in  
13 accordance with the changes made by this amendatory Act of the  
14 103rd General Assembly.

15 (c-10) The corporate authorities of any political  
16 subdivision that (i) is not a home-rule unit and (ii) has  
17 established a STAR bond district under this Act may, by  
18 ordinance or resolution, impose a tourism tax upon all  
19 admission and amusement charges from transactions at places of  
20 business located within the STAR bond district, at a rate not  
21 to exceed 9% of the gross receipts derived from any admission  
22 and amusement charge within the STAR bond district, to be  
23 imposed only in 0.25% increments. The tax imposed under this  
24 subsection and all civil penalties that may be assessed as an  
25 incident of the tax under this subsection shall be collected  
26 and enforced by the Department of Revenue. For purposes of

1 this subsection, "admission and amusement charges" shall  
2 include, but shall not be limited to charges for: (i)  
3 admission or rental to any physical space or venue in which  
4 attendees gather for entertainment or amusement, including but  
5 not limited to facilities owned or operated by amusement park  
6 users, entertainment users, destination retailers, destination  
7 hotels, traditional retailers, resorts, golf or pickle ball  
8 type facilities, simulator type facilities, music venues,  
9 water parks, RV parks, surf parks, ice rinks, family  
10 entertainment type facilities, zip line courses, wake boarding  
11 courses, miniature golf courses, go-cart tracks or facilities,  
12 arcades and other venues designed for the playing of video  
13 games, pinball machines, air-hockey, billiards tables or other  
14 games operated by coins or other payment methods, theaters,  
15 trade shows and convention centers, and athletic stadiums or  
16 venues for the hosting of any athletic context and (ii) any  
17 separate charge for admission or rental to or use of  
18 entertainment attractions, rides, or other activities within  
19 the aforementioned venues. Notwithstanding any other provision  
20 of this subsection, the tourism tax contemplated under this  
21 subsection shall not apply to any transactions that are  
22 subject to the Retailers' Occupation Tax Act, the Use Tax Act,  
23 the Service Use Tax Act, or the Service Occupation Tax Act.

24 (d) Persons subject to any tax imposed under this Section  
25 may reimburse themselves for their seller's tax liability  
26 under this Section by separately stating the tax as an

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

5 Whenever the Department determines that a refund should be  
6 made under this Section to a claimant instead of issuing a  
7 credit memorandum, the Department shall notify the State  
8 Comptroller, who shall cause the order to be drawn for the  
9 amount specified and to the person named in the notification  
10 from the Department. The refund shall be paid by the State  
11 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund  
12 or the Local Government Aviation Trust Fund, as appropriate.

13 Except as otherwise provided in this paragraph, the  
14 Department shall immediately pay over to the State Treasurer,  
15 ex officio, as trustee, all taxes, penalties, and interest  
16 collected under this Section for deposit into the STAR Bond  
17 Retailers' Occupation Tax Fund. Taxes and penalties collected  
18 on aviation fuel sold on or after December 1, 2019, shall be  
19 immediately paid over by the Department to the State  
20 Treasurer, ex officio, as trustee, for deposit into the Local  
21 Government Aviation Trust Fund. The Department shall only pay  
22 moneys into the Local Government Aviation Trust Fund under  
23 this Section for so long as the revenue use requirements of 49  
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
25 District. On or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named political  
2 subdivisions from the STAR Bond Retailers' Occupation Tax  
3 Fund, the political subdivisions to be those from which  
4 retailers have paid taxes or penalties under this Section to  
5 the Department during the second preceding calendar month. The  
6 amount to be paid to each political subdivision shall be the  
7 amount (not including credit memoranda and not including taxes  
8 and penalties collected on aviation fuel sold on or after  
9 December 1, 2019) collected under this Section during the  
10 second preceding calendar month by the Department plus an  
11 amount the Department determines is necessary to offset any  
12 amounts that were erroneously paid to a different taxing body,  
13 and not including an amount equal to the amount of refunds made  
14 during the second preceding calendar month by the Department,  
15 less 3% of that amount, which shall be deposited into the Tax  
16 Compliance and Administration Fund and shall be used by the  
17 Department, subject to appropriation, to cover the costs of  
18 the Department in administering and enforcing the provisions  
19 of this Section, on behalf of such political subdivision, and  
20 not including any amount that the Department determines is  
21 necessary to offset any amounts that were payable to a  
22 different taxing body but were erroneously paid to the  
23 political subdivision. Within 10 days after receipt by the  
24 Comptroller of the disbursement certification to the political  
25 subdivisions provided for in this Section to be given to the  
26 Comptroller by the Department, the Comptroller shall cause the

1 orders to be drawn for the respective amounts in accordance  
2 with the directions contained in the certification. The  
3 proceeds of the tax paid to political subdivisions under this  
4 Section shall be deposited into either (i) the STAR Bonds Tax  
5 Allocation Fund by the political subdivision if the political  
6 subdivision has designated them as pledged STAR revenues by  
7 resolution or ordinance or (ii) the political subdivision's  
8 general corporate fund if the political subdivision has not  
9 designated them as pledged STAR revenues.

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

23 The Department of Revenue shall not administer or enforce  
24 an ordinance imposing, discontinuing, or changing the rate of  
25 the tax under this Section until the political subdivision  
26 also provides, in the manner prescribed by the Department, the

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

1 required to collect the tax under this Section, both the  
2 Department of Revenue and the retailer shall be held harmless  
3 if they reasonably relied on information provided by the  
4 political subdivision.

5 A political subdivision that imposes the tax under this  
6 Section must submit to the Department of Revenue any other  
7 information as the Department may require that is necessary  
8 for the administration and enforcement of the tax.

9 When certifying the amount of a monthly disbursement to a  
10 political subdivision under this Section, the Department shall  
11 increase or decrease the amount by an amount necessary to  
12 offset any misallocation of previous disbursements. The offset  
13 amount shall be the amount erroneously disbursed within the  
14 previous 6 months from the time a misallocation is discovered.

15 Nothing in this Section shall be construed to authorize  
16 the political subdivision to impose a tax upon the privilege  
17 of engaging in any business which under the Constitution of  
18 the United States may not be made the subject of taxation by  
19 this State.

20 (e) When STAR bond project costs, including, without  
21 limitation, all political subdivision obligations financing  
22 STAR bond project costs, have been paid, any surplus funds  
23 then remaining in the STAR Bonds Tax Allocation Fund shall be  
24 distributed to the treasurer of the political subdivision for  
25 deposit into the political subdivision's general corporate  
26 fund. Upon payment of all STAR bond project costs and

1 retirement of obligations, but in no event later than the  
2 maximum maturity date of the last of the STAR bonds issued in  
3 the STAR bond district, the political subdivision shall adopt  
4 an ordinance immediately rescinding the taxes imposed pursuant  
5 to this Section and file a certified copy of the ordinance with  
6 the Department in the form and manner as described in this  
7 Section.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)

9 (50 ILCS 470/33)

10 Sec. 33. STAR Bonds School Improvement and Operations  
11 Trust Fund.

12 (a) The STAR Bonds School Improvement and Operations Trust  
13 Fund is created as a trust fund in the State treasury. Deposits  
14 into the Trust Fund shall be made as provided under this  
15 Section. Moneys in the Trust Fund shall be used by the  
16 Department of Revenue only for the purpose of making payments  
17 to school districts in educational service regions that  
18 include or are adjacent to the STAR bond district. Moneys in  
19 the Trust Fund are not subject to appropriation and shall be  
20 used solely as provided in this Section. All deposits into the  
21 Trust Fund shall be held in the Trust Fund by the State  
22 Treasurer as ex officio custodian separate and apart from all  
23 public moneys or funds of this State and shall be administered  
24 by the Department exclusively for the purposes set forth in  
25 this Section. All moneys in the Trust Fund shall be invested

1 and reinvested by the State Treasurer. All interest accruing  
2 from these investments shall be deposited in the Trust Fund.

3 (b) Upon approval of a STAR bond district, the political  
4 subdivision shall immediately transmit to the county clerk of  
5 the county in which the district is located a certified copy of  
6 the ordinance creating the district, a legal description of  
7 the district, a map of the district, identification of the  
8 year that the county clerk shall use for determining the total  
9 initial equalized assessed value of the district consistent  
10 with subsection (c), and a list of the parcel or tax  
11 identification number of each parcel of property included in  
12 the district.

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

1 initial equalized assessed value of the taxable real property  
2 within the STAR bond district.

3 (d) In reference to any STAR bond district created within  
4 any political subdivision, and in respect to which the county  
5 clerk has certified the total initial equalized assessed value  
6 of the property in the area, the political subdivision may  
7 thereafter request the clerk in writing to adjust the initial  
8 equalized value of all taxable real property within the STAR  
9 bond district by deducting therefrom the exemptions under  
10 Article 15 of the Property Tax Code applicable to each lot,  
11 block, tract, or parcel of real property within the STAR bond  
12 district. The county clerk shall immediately, after the  
13 written request to adjust the total initial equalized value is  
14 received, determine the total homestead exemptions in the STAR  
15 bond district as provided under Article 15 of the Property Tax  
16 Code by adding together the homestead exemptions provided by  
17 said Article on each lot, block, tract, or parcel of real  
18 property within the STAR bond district and then shall deduct  
19 the total of said exemptions from the total initial equalized  
20 assessed value. The county clerk shall then promptly certify  
21 that amount as the total initial equalized assessed value as  
22 adjusted of the taxable real property within the STAR bond  
23 district.

24 (e) The county clerk or other person authorized by law  
25 shall compute the tax rates for each taxing district with all  
26 or a portion of its equalized assessed value located in the

1 STAR bond district. The rate per cent of tax determined shall  
2 be extended to the current equalized assessed value of all  
3 property in the district in the same manner as the rate per  
4 cent of tax is extended to all other taxable property in the  
5 taxing district.

6 (f) Beginning with the assessment year in which the first  
7 destination user, first amusement park user, first destination  
8 hotel, or first entertainment user in the first STAR bond  
9 project in a STAR bond district makes its first retail sales  
10 and for each assessment year thereafter until final maturity  
11 of the last STAR bonds issued in the district, the county clerk  
12 or other person authorized by law shall determine the increase  
13 in equalized assessed value of all real property within the  
14 STAR bond district by subtracting the initial equalized  
15 assessed value of all property in the district certified under  
16 subsection (c) from the current equalized assessed value of  
17 all property in the district. Each year, the property taxes  
18 arising from the increase in equalized assessed value in the  
19 STAR bond district shall be determined for each taxing  
20 district and shall be certified to the county collector.

21 (g) Beginning with the year in which taxes are collected  
22 based on the assessment year in which the first destination  
23 user, first amusement park user, or first entertainment user  
24 in the first STAR bond project in a STAR bond district makes  
25 its first retail sales and for each year thereafter until  
26 final maturity of the last STAR bonds issued in the district,

1 the county collector shall, within 30 days after receipt of  
2 property taxes, transmit to the Department to be deposited  
3 into the STAR Bonds School Improvement and Operations Trust  
4 Fund 15% of property taxes attributable to the increase in  
5 equalized assessed value within the STAR bond district from  
6 each taxing district as certified in subsection (f).

7 (h) The Department shall pay to the regional  
8 superintendent of schools whose educational service region  
9 includes Franklin and Williamson Counties or to the local  
10 school superintendent in which the STAR bond district is  
11 primarily located, for each year for which money is remitted  
12 to the Department and paid into the STAR Bonds School  
13 Improvement and Operations Trust Fund, the money in the Fund  
14 as provided in this Section. The amount paid to each school  
15 district within the county, or within the counties if the STAR  
16 bond district is located across multiple counties, shall be  
17 allocated proportionately, based on each qualifying school  
18 district's fall enrollment for the then-current school year,  
19 such that the school district with the largest fall enrollment  
20 receives the largest proportionate share of money paid out of  
21 the Fund or by any other method or formula that the regional  
22 superintendent or local superintendent of schools deems fit,  
23 equitable, and in the public interest. The regional  
24 superintendent or local superintendent may allocate moneys to  
25 school districts that are outside of his or her educational  
26 service region or to other regional superintendents.

1           The Department shall determine the distributions under  
2 this Section using its best judgment and information. The  
3 Department shall be held harmless for the distributions made  
4 under this Section and all distributions shall be final.

5           (i) In any year that an assessment appeal is filed, the  
6 extension of taxes on any assessment so appealed shall not be  
7 delayed. In the case of an assessment that is altered, any  
8 taxes extended upon the unauthorized assessment or part  
9 thereof shall be abated, or, if already paid, shall be  
10 refunded with interest as provided in Section 23-20 of the  
11 Property Tax Code. In the case of an assessment appeal, the  
12 county collector shall notify the Department that an  
13 assessment appeal has been filed and the amount of the tax that  
14 would have been deposited in the STAR Bonds School Improvement  
15 and Operations Trust Fund. The county collector shall hold  
16 that amount in a separate fund until the appeal process is  
17 final. After the appeal process is finalized, the county  
18 collector shall transmit to the Department the amount of tax  
19 that remains, if any, after all required refunds are made. The  
20 Department shall pay any amount deposited into the Trust Fund  
21 under this Section in the same proportion as determined for  
22 payments for that taxable year under subsection (h).

23           (j) In any year that ad valorem taxes are allocated to the  
24 STAR Bonds School Improvement and Operations Trust Fund, that  
25 allocation shall not reduce or otherwise impact the school aid  
26 provided to any school district under the general State school

1 aid formula provided for in Section 18-8.05 of the School Code  
2 or the evidence-based funding formula provided for in Section  
3 18-8.15 of the School Code.

4 (Source: P.A. 100-465, eff. 8-31-17.)

5 (50 ILCS 470/45)

6 Sec. 45. Restrictions. ~~STAR bond districts may lie within~~  
7 ~~an enterprise zone, but no portion of a STAR bond project shall~~  
8 ~~be financed with funds allocated pursuant to the Illinois~~  
9 ~~Enterprise Zone Act.~~ STAR bond districts may overlay and  
10 benefit from ~~existing~~ tax increment financing districts  
11 created pursuant to the Tax Increment Allocation Redevelopment  
12 Act, but no portion of a STAR bond project, except for one  
13 amusement park user, one destination hotel, and an outdoor  
14 turf sports complex and subject to Section 33, shall be  
15 financed with tax increment financing under said Act. During  
16 any period of time that STAR bonds are outstanding for a STAR  
17 bond district, a developer may not use any land located in the  
18 STAR bond district for any (i) retail store whose primary  
19 business is the sale of automobiles, including trucks and  
20 other automotive vehicles with 4 wheels designed for passenger  
21 transportation on public streets and thoroughfares ~~or (ii)~~  
22 ~~multi screen motion picture theater complexes containing more~~  
23 ~~than 12 auditoriums for viewing motion pictures. No STAR bond~~  
24 ~~district may contain more than 900,000 square feet of floor~~  
25 ~~space devoted to traditional retail use.~~

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1 (Source: P.A. 96-939, eff. 6-24-10.)

1 INDEX

2 Statutes amended in order of appearance

3 50 ILCS 470/10

4 50 ILCS 470/15

5 50 ILCS 470/20

6 50 ILCS 470/30

7 50 ILCS 470/31

8 50 ILCS 470/33

9 50 ILCS 470/45