



Rep. Jay Hoffman

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10300SB2287ham001

LRB103 26971 AWJ 65098 a

1 AMENDMENT TO SENATE BILL 2287

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2287 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Innovation Development and Economy Act is  
5 amended by changing Sections 10 and 20 as follows:

6 (50 ILCS 470/10)

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

10 "Base year" means the calendar year immediately prior to  
11 the calendar year in which the STAR bond district is  
12 established.

13 "Commence work" means the manifest commencement of actual  
14 operations on the development site, such as, erecting a  
15 building, general on-site and off-site grading and utility  
16 installations, commencing design and construction

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

6 "County" means the county in which a proposed STAR bond  
7 district is located.

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

10 "Department of Revenue" means the Department of Revenue of  
11 the State of Illinois.

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

1 \$30,000,000 for such retail store.

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

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

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

17 "Economic impact study" means a study conducted by an  
18 independent economist to project the financial benefit of the  
19 proposed STAR bond project to the local, regional, and State  
20 economies, consider the proposed adverse impacts on similar  
21 projects and businesses, as well as municipalities within the  
22 projected market area, and draw conclusions about the net  
23 effect of the proposed STAR bond project on the local,  
24 regional, and State economies. A copy of the economic impact  
25 study shall be provided to the Director for review.

26 "Eligible area" means any improved or vacant area that (i)

1 is contiguous and is not, in the aggregate, less than 250 acres  
2 nor more than 500 acres which must include only parcels of real  
3 property directly and substantially benefited by the proposed  
4 STAR bond district plan, (ii) is adjacent to a federal  
5 interstate highway, (iii) is within one mile of 2 State  
6 highways, (iv) is within one mile of an entertainment user, or  
7 a major or minor league sports stadium or other similar  
8 entertainment venue that had an initial capital investment of  
9 at least \$20,000,000, and (v) includes land that was  
10 previously surface or strip mined. The area may be bisected by  
11 streets, highways, roads, alleys, railways, bike paths,  
12 streams, rivers, and other waterways and still be deemed  
13 contiguous. In addition, in order to constitute an eligible  
14 area one of the following requirements must be satisfied and  
15 all of which are subject to the review and approval of the  
16 Director as provided in subsection (d) of Section 15:

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

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

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

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

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

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

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

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

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

1 developer; or (iii) specific evidence of equity  
2 financing for not less than 10% of the estimated total  
3 STAR bond project costs;

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

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

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

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

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

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

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

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

1 taxes imposed pursuant to Section 5-1006.7 of the Counties  
2 Code, or (iii) any taxes authorized under the Flood Prevention  
3 District Act.

4 "Local sales tax increment" means, except as otherwise  
5 provided in this Section, with respect to local sales taxes  
6 administered by the Illinois Department of Revenue, (i) all of  
7 the local sales tax paid (plus all of the local sales tax that  
8 would have been paid but for the reduction of the rate to 0%  
9 under this amendatory Act of the 102nd General Assembly) by  
10 destination users, destination hotels, and entertainment users  
11 that is in excess of the local sales tax paid (plus all of the  
12 local sales tax that would have been paid but for the reduction  
13 of the rate to 0% under this amendatory Act of the 102nd  
14 General Assembly) by destination users, destination hotels,  
15 and 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 or entertainment users that is in excess of the local sales tax  
26 paid (plus the local sales tax that would have been paid but



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

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

24 "Market study" means a study to determine the ability of  
25 the proposed STAR bond project to gain market share locally  
26 and regionally and to remain profitable past the term of

1 repayment of STAR bonds.

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

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

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

22 "Pledged STAR revenues" means those sales tax and revenues  
23 and other sources of funds pledged to pay debt service on STAR  
24 bonds or to pay project costs pursuant to Section 30.  
25 Notwithstanding any provision to the contrary, the following  
26 revenues shall not constitute pledged STAR revenues or be

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

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

23 "Project costs" means and includes the sum total of all  
24 costs incurred or estimated to be incurred on or following the  
25 date of establishment of a STAR bond district that are  
26 reasonable or necessary to implement a STAR bond district plan

1 or any STAR bond project plans, or both, including costs  
2 incurred for public improvements and private improvements that  
3 serve the public purposes set forth in Section 5 of this Act.  
4 Such costs include without limitation the following:

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

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

1 soil and fill materials, or removal of soil and fill  
2 materials from the site;

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

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

16 (c-5) costs of buildings; rides and attractions, which  
17 include carousels, slides, roller coasters, displays,  
18 models, towers, works of art, and similar theme and  
19 amusement park improvements; and other vertical  
20 improvements that are located within the boundaries of a  
21 STAR bond district and owned by an entertainment user;  
22 except that only one entertainment user in a STAR bond  
23 district is eligible to include the cost of those vertical  
24 improvements as project costs;

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

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

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

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

5 (f) costs of job training and retraining projects,  
6 including the cost of "welfare to work" programs  
7 implemented by businesses located within a STAR bond  
8 district;

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

18 (h) to the extent the political subdivision by written  
19 agreement accepts and approves the same, all or a portion  
20 of a taxing district's capital costs resulting from a STAR  
21 bond district or STAR bond projects necessarily incurred  
22 or to be incurred within a taxing district in furtherance  
23 of the objectives of a STAR bond district plan or STAR bond  
24 project plans;

25 (i) interest cost incurred by a developer for project  
26 costs related to the acquisition, formation,



1 implementation, development, construction, and  
2 administration of a STAR bond district, STAR bond district  
3 plan, STAR bond projects, or any STAR bond project plans  
4 provided that:

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

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

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

17 (k) costs of landscaping and plantings, retaining  
18 walls and fences, man-made lakes and ponds, shelters,  
19 benches, lighting, and similar amenities located within  
20 the boundaries of a STAR bond district;

21 (l) costs of mounted building signs, site monument,  
22 and pylon signs located within the boundaries of a STAR  
23 bond district; or

24 (m) if included in the STAR bond district plan and  
25 approved in writing by the Director, salaries or a portion  
26 of salaries for local government employees to the extent

1 the same are directly attributable to the work of such  
2 employees on the establishment and management of a STAR  
3 bond district or any STAR bond projects.

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

6 (i) the cost of construction of buildings that are  
7 privately owned or owned by a municipality and leased to a  
8 developer or retail user for non-entertainment retail  
9 uses;

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

12 (iii) property taxes for property located in the STAR  
13 bond district;

14 (iv) lobbying costs; and

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

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

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

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

23 "Projected market area" means any area within the State in  
24 which a STAR bond district or STAR bond project is projected to  
25 have a significant fiscal or market impact as determined by  
26 the Director.

1 "Resolution" means a resolution, order, ordinance, or  
2 other appropriate form of legislative action of a political  
3 subdivision or other applicable public entity approved by a  
4 vote of a majority of a quorum at a meeting of the governing  
5 body of the political subdivision or applicable public entity.

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

10 "STAR bond district" means the specific area declared to  
11 be an eligible area as determined by the political  
12 subdivision, and approved by the Director, in which the  
13 political subdivision may develop one or more STAR bond  
14 projects.

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

20 "STAR bond project" means a project within a STAR bond  
21 district which is approved pursuant to Section 20.

22 "STAR bond project area" means the geographic area within  
23 a STAR bond district in which there may be one or more STAR  
24 bond projects.

25 "STAR bond project plan" means the written plan adopted by  
26 a political subdivision for the development of a STAR bond

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

20 "State sales tax" means all of the net revenue realized  
21 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
22 Service Use Tax Act, and the Service Occupation Tax Act from  
23 transactions at places of business located within a STAR bond  
24 district, excluding that portion of the net revenue realized  
25 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
26 Service Use Tax Act, and the Service Occupation Tax Act from

1 transactions at places of business located within a STAR bond  
2 district that is deposited into the Local Government Tax Fund  
3 and the County and Mass Transit District Fund.

4 "State sales tax increment" means (i) 100% of that portion  
5 of the State sales tax that is in excess of the State sales tax  
6 for the same month in the base year, as determined by the  
7 Department of Revenue, from transactions at up to 2  
8 destination users, one destination hotel, and one  
9 entertainment user located within a STAR bond district, which  
10 destination users, destination hotel, and entertainment user  
11 shall be designated by the master developer and approved by  
12 the political subdivision and the Director in conjunction with  
13 the applicable STAR bond project approval, and (ii) 25% of  
14 that portion of the State sales tax that is in excess of the  
15 State sales tax for the same month in the base year, as  
16 determined by the Department of Revenue, from all other  
17 transactions within a STAR bond district. If any portion of  
18 State sales taxes are, at the time of formation of a STAR bond  
19 district, already subject to tax increment financing under the  
20 Tax Increment Allocation Redevelopment Act, then the State  
21 sales tax increment for such portion shall be frozen at the  
22 base year established in accordance with this Act, and all  
23 future incremental increases shall be included in the State  
24 sales tax increment under this Act. Any party otherwise  
25 entitled to receipt of incremental State sales tax revenues  
26 through an existing tax increment financing district shall be

1 entitled to continue to receive such revenues up to the amount  
2 frozen in the base year. Nothing in this Act shall affect the  
3 prior qualification of existing redevelopment project costs  
4 incurred that are eligible for reimbursement under the Tax  
5 Increment Allocation Redevelopment Act. In such event, prior  
6 to approving a STAR bond district, the political subdivision  
7 forming the STAR bond district shall take such action as is  
8 necessary, including amending the existing tax increment  
9 financing district redevelopment plan, to carry out the  
10 provisions of this Act.

11 "Substantial change" means a change wherein the proposed  
12 STAR bond project plan differs substantially in size, scope,  
13 or use from the approved STAR bond district plan or STAR bond  
14 project plan.

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

18 "Total development costs" means the aggregate public and  
19 private investment in a STAR bond district, including project  
20 costs and other direct and indirect costs related to the  
21 development of the STAR bond district.

22 "Traditional retail use" means the operation of a business  
23 that derives at least 90% of its annual gross revenue from  
24 sales at retail, as that phrase is defined by Section 1 of the  
25 Retailers' Occupation Tax Act, but does not include the  
26 operations of destination users, entertainment users,

1 restaurants, hotels, retail uses within hotels, or any other  
2 non-retail uses.

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

6 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;  
7 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

8 (50 ILCS 470/20)

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

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

22 (b) Any political subdivision considering a STAR bond  
23 project within a STAR bond district shall notify the  
24 Department, which shall cause to be prepared an independent  
25 feasibility study by a feasibility consultant with certified



1 copies provided to the political subdivision, the Director,  
2 and the Department of Commerce and Economic Opportunity. The  
3 feasibility study shall include the following:

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

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

10 (3) visitation expectations;

11 (4) the unique quality of the project;

12 (5) an economic impact study;

13 (6) a market study;

14 (7) integration and collaboration with other resources  
15 or businesses;

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

19 (9) project accountability, measured according to best  
20 industry practices;

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

23 (11) an anticipated principal and interest payment  
24 schedule on the STAR bonds.

25 The feasibility consultant, along with the independent  
26 economist and any other consultants commissioned to perform

1 the studies and other analysis required by the feasibility  
2 study, shall be selected by the Director with the approval of  
3 the political subdivision. The consultants shall be retained  
4 by the 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 destination users and an  
21 entertainment user, as applicable;

22 (5) a copy of letters of intent to locate within the  
23 STAR bond district signed by both the master developer and  
24 the appropriate corporate officer of at least one  
25 destination user for the first STAR bond project proposed  
26 within the district; and

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

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

1 economic impact study, the political subdivision must also  
2 submit to the Department, as part of its application, the  
3 financial and other information that substantiates the basis  
4 for the conclusion of the economic impact study, in the form  
5 and manner as required by the Department, so that the  
6 Department can verify the results of the study. In addition to  
7 any other criteria in this subsection, to approve any STAR  
8 bond project plan submitted on or after the effective date of  
9 this amendatory Act of the 103rd General Assembly, the  
10 political subdivision must also submit to the Department, as  
11 part of its application, a signed project labor agreement. In  
12 addition to any other criteria in this subsection, to approve  
13 the STAR bond project plan, the Director must be satisfied  
14 that the proposed destination user is in fact a true  
15 destination user and also find that the STAR bond project plan  
16 is in accordance with the purpose of this Act and the public  
17 interest. The Director shall either approve or deny the STAR  
18 bond project plan based on the criteria in this subsection. In  
19 granting its approval, the Department may require the  
20 political subdivision to execute a binding agreement or  
21 memorandum of understanding with the State. The terms of the  
22 agreement or memorandum may include, among other things, the  
23 political subdivision's repayment of the State sales tax  
24 increment distributed to it should any violation of the  
25 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. Before commencing work  
10 on a STAR bond project, the developer must enter into a project  
11 labor agreement. If the developer fails to commence work on  
12 the STAR bond project within the 3-year period, funding for  
13 the project shall cease and the developer of the project or  
14 complex shall have one year to appeal to the political  
15 subdivision for reapproval of the project and funding. If the  
16 project is reapproved, the 3-year period for commencement  
17 shall begin again on the date of the reapproval.

18 (l) After the adoption by the corporate authorities of the  
19 political subdivision of a STAR bond project plan and approval  
20 of the Director pursuant to subsection (d) ~~of Section 20~~, the  
21 political subdivision may authorize the issuance of the STAR  
22 bonds in one or more series to finance the STAR bond project in  
23 accordance with the provisions of this Act, except the  
24 corporate authorities of the political subdivision may only  
25 authorize the issuance of STAR bonds if the master developer,  
26 co-developer, or subdeveloper, as applicable, has entered into

1 a project labor agreement.

2 (m) The maximum maturity of STAR bonds issued to finance a  
3 STAR bond project shall not exceed 23 years from the first date  
4 of distribution of State sales tax revenues from such STAR  
5 bond project to the political subdivision unless the political  
6 subdivision extends such maturity by resolution up to a  
7 maximum of 35 years from such first distribution date. Any  
8 such extension shall require the approval of the Director. In  
9 no event shall the maximum maturity date for any STAR bonds  
10 exceed that date which is 35 years from the first distribution  
11 date of the first STAR bonds issued in a STAR bond district.

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

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.".