



Sen. James F. Clayborne Jr.

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LRB096 11215 RLJ 24155 a

1 AMENDMENT TO SENATE BILL 1909

2 AMENDMENT NO. _____. Amend Senate Bill 1909 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the STAR
5 Bonds Financing Act.

6 Section 5. Purpose. It is hereby found and declared that
7 the purpose of this Act is to promote, stimulate, and develop
8 the general and economic welfare of the State of Illinois and
9 its communities and to assist in the development and
10 redevelopment of major tourism, entertainment, retail, and
11 related destination projects within eligible areas of the
12 State, thereby creating new jobs, stimulating significant
13 capital investment, and promoting the general welfare of the
14 citizens of this State, by authorizing municipalities and
15 counties to issue sales tax and revenue (STAR) bonds for the
16 financing of STAR bond projects as defined in Section 10, and

1 to otherwise exercise the powers and authorities granted to
2 municipalities. It is further found and declared to be the
3 policy of the State, in the interest of promoting the health,
4 safety, morals, and general welfare of all the people of the
5 State, to provide incentives to create new job opportunities
6 and to promote major tourism, entertainment, retail, and
7 related destination projects within the State. It is further
8 found and declared:

9 (a) that as a result of the costs of land assemblage,
10 financing, infrastructure, and other project costs, the
11 private sector, without the assistance contemplated in
12 this Act, is unable to develop major tourism,
13 entertainment, retail, and related destination projects in
14 the State;

15 (b) that the projects for which this Act is intended
16 must be of a certain size, scope and acreage and have
17 direct access to major highways, and must be developed in a
18 cohesive and comprehensive manner;

19 (c) that the eligible tracts of land, significant
20 portions of which are vacant and located in the 100 year
21 flood plain, present unique development obstacles and are
22 more likely to remain underutilized and undeveloped, or
23 developed in a piecemeal manner resulting in inefficient
24 and poorly planned developments that do not maximize job
25 creation, job retention, tourism, and tax revenue
26 generation within the State;

1 (d) that there are multiple eligible areas in the State
2 that could benefit from this Act;

3 (e) that municipalities of the State that already have
4 an enterprise zone in place have a sufficient tool to
5 encourage development and to preserve and enhance their
6 local tax bases and job opportunities, and otherwise
7 achieve the purposes set forth in this Act;

8 (f) that investment in major tourism, entertainment,
9 retail, and related destination projects within the State
10 would stimulate economic activity in the State, including
11 the creation and maintenance of jobs, the creation of new
12 and lasting infrastructure and other improvements, and the
13 attraction of interstate tourists and entertainment events
14 which generate significant economic activity;

15 (g) that the continual encouragement, development,
16 growth, and expansion of major tourism, entertainment,
17 retail, and related destination projects within the State
18 requires a cooperative and continuous partnership between
19 government and the public sector;

20 (h) that the State has a responsibility to help create
21 a favorable climate for new and improved job opportunities
22 for its citizens and to increase the tax base of the State
23 and its political subdivisions by encouraging development
24 by the private sector of major tourism, entertainment,
25 retail, and related destination projects within the State;

26 (i) that the stagnation of local tax bases and the loss

1 of job opportunities within the State has persisted despite
2 efforts of State and local authorities and private
3 organizations to create major tourism, entertainment,
4 retail, and related destination projects within the State;

5 (j) that the stagnation of local tax bases and the
6 persistent loss of job opportunities in the State may
7 continue and worsen if the State and its political
8 subdivisions are not able to provide additional incentives
9 to developers of major tourism, entertainment, retail, and
10 related destination projects;

11 (k) that the provision of additional incentives by the
12 State and its political subdivisions will relieve
13 conditions of unemployment, maintain existing levels of
14 employment, create new job opportunities, retain jobs
15 within the State, increase tourism and commerce within the
16 State, and increase the tax base of the State and its
17 political subdivisions;

18 (l) that the powers conferred by this Act promote and
19 protect the health, safety, morals, and welfare of the
20 State, and are for a public purpose and public use for
21 which public money and resources may be expended; and

22 (m) that the necessity in the public interest for the
23 provisions of this Act is hereby declared as a matter of
24 legislative determination.

25 Section 10. Definitions. As used in this Act, the following

1 words and phrases shall have the following meanings unless a
2 different meaning clearly appears from the context:

3 "Base Year" means the calendar year immediately prior to
4 the calendar year in which the STAR bond district is
5 established.

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

15 "County" means the county in which a proposed STAR bond
16 district is located.

17 "De minimus" means an amount less than 15% of the land area
18 within a STAR bond district.

19 "Department of Revenue" means the Department of Revenue of
20 the State of Illinois.

21 "Developer" means any individual, corporation, trust,
22 estate, partnership, limited liability partnership, limited
23 liability company, or other entity. The term does not include a
24 not-for-profit entity, political subdivision, or other agency
25 or instrumentality of the State.

26 "Director" means the Director of Commerce and Economic

1 Opportunity.

2 "Economic impact study" means a study to project the
3 financial benefit of the proposed STAR bond project to the
4 local, regional, and State economies.

5 "Eligible area" means any improved or vacant area that is
6 contiguous and is not, in the aggregate, less than 600 acres
7 which must include only parcels of real property directly and
8 substantially benefited by the proposed STAR bond district
9 plan, which is located adjacent to the intersection of at least
10 2 highways, one of which is an interstate highway, which area
11 must be comprised of land which is at least 90% vacant, and at
12 least 30% of which is located in the 100 year flood plain. The
13 area may be bisected by streets, highways, roads, alleys,
14 railways, bike paths, streams, rivers, and other water ways and
15 still be deemed contiguous. In addition, in order to constitute
16 an eligible area one of the following requirements must be
17 satisfied:

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

22 (b) the governing body of the political subdivision
23 shall have determined that the area is of a blighted area
24 as determined under the Business District Development and
25 Redevelopment Act;

26 (c) the governing body of the political subdivision

1 shall have made findings with respect to the property, the
2 proposed STAR bond project, and the proposed master
3 developer that would be required to enter into an economic
4 incentive agreement pursuant to the provisions of Section
5 8-11-20 of the Illinois Municipal Code; or

6 (d) the governing body of the political subdivision
7 shall make the following findings:

8 (i) That the vacant portions of the area have
9 remained vacant for at least one year, or that any
10 building located on a vacant portion of the property
11 was demolished within the last year and that the
12 building would have qualified under item (ii) of this
13 subsection;

14 (ii) If portions of the area are currently
15 developed, that the use, condition, and character of
16 the buildings on the property are not consistent with
17 the purposes set forth in Section 5;

18 (iii) That the STAR bond district is expected to
19 create or retain job opportunities within the
20 political subdivision;

21 (iv) That the STAR bond district will serve to
22 further the development of adjacent areas;

23 (v) That without the availability of STAR bonds,
24 the projects described in the STAR bond district plan
25 would not be possible;

26 (vi) That the master developer meets high

1 standards of creditworthiness and financial strength
2 as demonstrated by one or more of the following: (i)
3 corporate debenture ratings of BBB or higher by
4 Standard & Poor's Corporation or Baa or higher by
5 Moody's Investors Service, Inc.; (ii) a letter from a
6 financial institution with assets of \$10,000,000 or
7 more attesting to the financial strength of the master
8 developer; or (iii) specific evidence of equity
9 financing for not less than 10% of the estimated total
10 STAR bond project costs;

11 (vii) That the STAR bond district will strengthen
12 the commercial sector of the political subdivision;

13 (viii) That the STAR bond district will enhance the
14 tax base of the political subdivision; and

15 (ix) That the formation of a STAR bond district is
16 in the best interest of the political subdivision.

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

19 "Local sales taxes" means taxes paid to a municipality,
20 county, or other local governmental entity from the Local
21 Government Tax Fund arising from sales by retailers and
22 servicemen within a STAR bond district, and any local taxes
23 received by a local governmental entity arising from sales by
24 retailers and servicemen within a STAR bond district, including
25 transient guest taxes, sales taxes on goods, services, and
26 utilities, business district sales taxes, the Metro-East Mass

1 Transit District Tax, and the Metro-East Park and Recreation
2 District Tax.

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

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

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

4 "Project development agreement" means any one or more
5 agreements, including any amendments thereto, between a master
6 developer and any co-developer or sub-developer in connection
7 with a STAR bond project, which project development agreement
8 may include the political subdivision as a party.

9 "Project costs" means those costs, whether incurred prior
10 to, on, or following the date of establishment of a STAR bond
11 district, which are necessary to implement a STAR bond district
12 plan or a STAR bond project plan, or both, including costs
13 incurred for:

14 (a) acquisition of real property within the STAR bond
15 project area;

16 (b) payment of relocation assistance pursuant to a
17 relocation assistance plan;

18 (c) site preparation costs, including but not limited
19 to: clearance of any area within a STAR bond district by
20 demolition or removal of any existing buildings,
21 structures, fixtures, utilities, and improvements;
22 clearing and grading; importing additional soil and fill
23 materials or removal of soil and fill materials from the
24 site; and installation, repair, construction,
25 reconstruction, extension or relocation of public streets,
26 public utilities, and other public site improvements

1 located both within and outside the boundaries of a STAR
2 bond district that are essential to the preparation of the
3 STAR bond district;

4 (d) sanitary and storm sewers and lift stations located
5 within or outside the boundaries of a STAR bond district
6 that are essential to the preparation of the STAR bond
7 district;

8 (e) drainage conduits, channels, levees, canals, and
9 storm water detention and retention facilities located
10 within or outside the boundaries of a STAR bond district
11 that are essential to the preparation of the STAR bond
12 district;

13 (f) street grading, paving, graveling, macadamizing,
14 curbing, guttering, and surfacing within or outside the
15 boundaries of a STAR bond district that are essential to
16 the preparation of the STAR bond district;

17 (g) street light fixtures, parking facility lighting,
18 connections, and facilities located within or outside the
19 boundaries of a STAR bond district that are essential to
20 the preparation of the STAR bond district;

21 (h) underground gas, water, heating, and electrical
22 services and connections located within the public
23 right-of-way located within or outside the boundaries of a
24 STAR bond district that are essential to the preparation of
25 the STAR bond district;

26 (i) sidewalks and pedestrian underpasses or

1 overpasses, including bike trails and walking trails,
2 bridges for pedestrian or vehicular traffic located within
3 or outside the boundaries of a STAR bond district that are
4 essential to the preparation of the STAR bond district;

5 (j) drives and driveway approaches located within the
6 public right-of-way located within or outside the
7 boundaries of a STAR bond district that are essential to
8 the preparation of the STAR bond district;

9 (k) water mains and extensions located within or
10 outside the boundaries of a STAR bond district that are
11 essential to the preparation of the STAR bond district;

12 (l) plazas, malls, arcades, and other common areas;

13 (m) parking lots and other parking facilities,
14 including multi-level parking structures;

15 (n) landscaping and plantings, man-made lakes and
16 ponds, fountains, waterfalls, water features, shelters,
17 benches, sculptures, lighting, public art, decorations,
18 and similar amenities;

19 (o) mounted building signs, site monument and pylon
20 signs, traffic and directional signs and signals located
21 within or outside the boundaries of a STAR bond district
22 that are essential to the preparation of the STAR bond
23 district;

24 (p) public restrooms and rest areas, convention
25 centers, community centers, sports arenas and complexes,
26 museums and aquariums;

1 (q) bridge, overpass, interchange, intersection, bus
2 and train stop stations and shelters, lake or river ports,
3 rest areas, railroad and other mass transit improvements,
4 and infrastructure improvements located within or outside
5 the boundaries of a STAR bond district that are essential
6 to the preparation of the STAR bond district;

7 (r) retaining walls and fences located within or
8 outside the boundaries of a STAR bond district that are
9 essential to the preparation of the STAR bond district;

10 (s) personal property that is a unique amenity to the
11 STAR bond project, including memorabilia, artifacts,
12 museum exhibits, and other similar attractions;

13 (t) buildings or other vertical improvements that are
14 owned by a not-for-profit entity, a political subdivision,
15 or other public entity, including without limitation,
16 police and fire stations, stadiums and arenas, and public
17 educational facilities;

18 (u) reasonable costs of a market study, feasibility
19 study, economic impact study, and legal, architectural
20 surveying, title examination and insurance policy,
21 accounting, engineering and other consulting fees, program
22 management, development management, bond and underwriting
23 fees incurred in connection with a STAR bond project; and
24 any other related expenses to redevelop and finance the
25 STAR bond project;

26 (v) fees and commissions which are considered

1 reasonable and customary in commercial real estate
2 development and paid to developers, real estate brokers,
3 salespersons, and other agents, financial advisors or any
4 other consultants who represent the developers or any other
5 businesses located in a STAR bond district, provided
6 however that project costs shall not include secondary
7 commissions or fees paid for leases or sales to users after
8 original acquisition of the site and the original STAR bond
9 project between master developer and a developer;

10 (w) if included in the STAR bond district plan and
11 approved by the Director, salaries or a portion of salaries
12 for local government employees to the extent the same are
13 directly attributable to the work of the employees on the
14 establishment, management, and promotion of a STAR bond
15 district and STAR bond projects; and

16 (x) financing costs, including but not limited to all
17 necessary and incidental expenses related to the issuance
18 of obligations, payment of any interest on any obligations
19 issued under this Act that accrue during the estimated
20 period of construction of any STAR bond project for which
21 the obligations are issued and for not more than 36 months
22 after that period, and any reasonable reserves related to
23 the issuance of the obligations.

24 (y) except as specified in subsections (a) through (x),
25 project costs shall not include:

26 (i) costs incurred in connection with the

1 construction of buildings or other vertical
2 improvements that are owned or leased by a developer;

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

5 (iii) property taxes for property located within
6 the STAR bond district; and

7 (iv) lobbying costs.

8 "Projected market area" means any area within the State in
9 which a STAR bond district or STAR bond project is projected to
10 have a significant fiscal or market impact.

11 "Relocation Assistance Plan" means the relocation
12 assistance plan adopted by the political subdivision as
13 provided in Section 50.

14 "Resolution" means a resolution, order, ordinance, or
15 other appropriate form of legislative action of a political
16 subdivision or other applicable public entity approved by a
17 vote of a majority of a quorum at a meeting of the governing
18 body of the political subdivision or applicable public entity.

19 "STAR bond" means a sales tax and revenue bond, note, or
20 other obligation payable from pledged STAR revenues.

21 "STAR bond district" means the specific area declared to be
22 an eligible area as determined by the political subdivision,
23 and approved by the Director, in which the political
24 subdivision may develop one or more STAR bond projects.

25 "STAR bond district plan" means the preliminary or
26 conceptual plan that generally identifies the proposed STAR

1 bond project areas and identifies in a general manner the
2 buildings, facilities, and improvements to be constructed or
3 improved in each STAR bond project area.

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

6 "STAR bond project area" means the geographic area within a
7 STAR bond district in which there may be one or more STAR bond
8 projects.

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

1 description or an estimate of the type, class, and number of
2 employees to be employed in the operation of the STAR bond
3 project.

4 "State sales tax" means taxes paid by retailers and
5 servicemen on transactions at places of business located within
6 a STAR bond district pursuant to the Retailers' Occupation Tax
7 Act, the Use Tax Act, the Service Use Tax Act, and the Service
8 Occupation Tax Act, electric and gas tax charges imposed on
9 owners and tenants, other than residential customers, of
10 properties located within the STAR bond district under Section
11 9-222 of the Public Utilities Act, the Hotel Operators'
12 Occupation Tax, and any other sales or use taxes imposed by the
13 State within a STAR bond district.

14 "State sales tax increment" means that portion of the
15 revenue derived from State sales taxes collected from taxpayers
16 doing business within that portion of a STAR bond district
17 occupied by a STAR bond project that is in excess of the amount
18 of base year revenue determined by the Department of Revenue.

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

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

26 "Vacant" means that portion of the land in a proposed STAR

1 bond district which is not occupied by a building, facility, or
2 other vertical improvement.

3 Section 15. Establishment of STAR bond district. The
4 governing body of a municipality may establish a STAR bond
5 district within an eligible area within the municipality or
6 partially outside the boundaries of the municipality in an
7 unincorporated area of the county. A STAR bond district which
8 is partially outside the boundaries of the municipality must
9 also be approved by the governing body of the county by the
10 passage of a resolution. The governing body of a county may
11 establish a STAR bond district in an eligible area in any
12 unincorporated area of the county.

13 (a) When a political subdivision proposes to establish a
14 STAR bond district, the political subdivision shall adopt a
15 resolution stating that the political subdivision is
16 considering the establishment of a STAR bond district. The
17 resolution shall:

18 (1) Give notice that a public hearing will be held to
19 consider the establishment of a STAR bond district and fix
20 the date, hour, and place of the public hearing provided
21 that notice of the hearing shall be provided as set forth
22 in item (2) of subsection (e) of Section 20;

23 (2) describe the proposed general boundaries of the
24 STAR bond district;

25 (3) describe the STAR bond district plan;

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

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

6 (6) require that the governing body will consider
7 findings necessary for the establishment of a STAR bond
8 district.

9 (b) Upon (i) the conclusion of the public hearing and (ii)
10 the filing of the proposed master developer's written approval
11 with the clerk of the political subdivision, the governing body
12 of the political subdivision shall consider a resolution to
13 establish the STAR bond district.

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

16 (A) Make findings that the proposed STAR bond
17 district is to be developed with one or more STAR bond
18 projects;

19 (B) make findings that the STAR bond district is an
20 eligible area;

21 (C) contain a STAR bond district plan that
22 identifies in a general manner the buildings and
23 facilities that are proposed to be constructed or
24 improved in subsequent STAR bond projects;

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

1 (E) appoint the master developer for the STAR bond
2 district; and

3 (F) establish the STAR bond district, contingent
4 upon approval of the Director as set forth in
5 subsection (d).

6 (2) If the resolution is not adopted by the political
7 subdivision within 60 days from the conclusion of the
8 public hearing, then the STAR bond district shall not be
9 established.

10 (c) Upon the establishment of a STAR bond district, the
11 STAR bond district and any STAR bond projects shall be governed
12 by a master development agreement between the political
13 subdivision and the master developer. A STAR bond district
14 which is partially outside the boundaries of a municipality
15 shall only require one master development agreement, the
16 agreement shall be between the municipality and the master
17 developer. In no event shall there be more than one master
18 development agreement governing the terms and conditions of a
19 STAR bond district.

20 (d) Upon adoption of the resolution to establish a STAR
21 bond district, the political subdivision shall submit the
22 proposed STAR bond district to the Director for approval which
23 shall include a finding by the Director that (i) the proposed
24 STAR bond district is an eligible area, (ii) no portion of the
25 proposed STAR bond district is located in a municipality that
26 has an enterprise zone created pursuant to the Illinois

1 Promotion Act, (iii) the STAR bond district plan includes a
2 projected capital investment of at least \$300,000,000, and (iv)
3 the STAR bond district plan is reasonably projected to produce
4 at least \$300,000,000 of annual gross sales revenues and 1,000
5 new jobs. The Director may only approve one STAR bond district
6 within any projected market area.

7 Section 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 bond
17 project plan in consultation with the planning commission of
18 the political subdivision, if any. The STAR bond project plan
19 may be implemented in separate development stages.

20 (b) Any political subdivision considering a STAR bond
21 project within a STAR bond district, shall cause to be prepared
22 an independent feasibility study by an accredited feasibility
23 consultant. The feasibility study shall include the following:

24 (1) the estimated amount of pledged STAR revenues
25 expected to be collected in each year through the maturity

1 date of the proposed STAR bonds;

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

5 (3) visitation expectations;

6 (4) the unique quality of the project;

7 (5) economic impact study;

8 (6) market study;

9 (7) integration and collaboration with other resources
10 or businesses;

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

14 (9) project accountability, measured according to best
15 industry practices;

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

18 (11) an anticipated principal and interest payment
19 schedule on the STAR bonds.

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

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

26 (1) A summary of the feasibility study;

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

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

6 (4) the relocation assistance plan;

7 (5) a description of the buildings and facilities
8 proposed to be constructed or improved in the STAR bond
9 project area; and

10 (6) any other information the governing body of the
11 political subdivision deems reasonable and necessary to
12 advise the public of the intent of the STAR bond project
13 plan.

14 (d) Upon a finding by the planning and zoning commission of
15 the political subdivision that the STAR bond project plan is
16 consistent with the intent of the comprehensive plan for the
17 development of the political subdivision, the governing body of
18 the political subdivision shall adopt a resolution stating that
19 the political subdivision is considering the adoption of the
20 STAR bond project plan. The resolution shall:

21 (1) Give notice that a public hearing will be held to
22 consider the adoption of the STAR bond project plan and fix
23 the date, hour, and place of the public hearing;

24 (2) describe the general boundaries of the STAR bond
25 district within which the STAR bond project will be located
26 and the date of establishment of the STAR bond district;

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

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

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

10 (e) A public hearing shall be conducted to consider the
11 adoption of any STAR bond project plan.

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

17 (2) A copy of the municipality's resolution providing
18 for the public hearing shall be sent by certified mail,
19 return receipt requested, to the governing body of the
20 county. A copy of the political subdivision's resolution
21 providing for the public hearing shall be sent by certified
22 mail, return receipt requested, to each person or persons
23 in whose name the general taxes for the last preceding year
24 were paid on each parcel of land lying within the proposed
25 STAR bond project area within 10 days following the date of
26 the adoption of the resolution. The resolution shall be

1 published once in a newspaper of general circulation in the
2 political subdivision not less than one week nor more than
3 3 weeks preceding the date fixed for the public hearing. A
4 map or aerial photo clearly delineating the area of land
5 proposed to be included within the STAR bond project area
6 shall be published with the resolution.

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

13 (f) Upon conclusion of the public hearing, the governing
14 body of the political subdivision may adopt the STAR bond
15 project plan by a resolution approving the STAR bond project
16 plan.

17 (g) After the adoption by the corporate authorities of the
18 political subdivision of a STAR bond project plan, the
19 political subdivision may enter into a project development
20 agreement, if the master developer has requested the political
21 subdivision to be a party to the project development agreement
22 pursuant to subsection (b) of Section 25.

23 (h) Within 60 days after the adoption by the political
24 subdivision of a STAR bond project plan, the clerk of the
25 political subdivision shall transmit a copy of the legal
26 description of the land within the STAR bond district, a copy

1 of the resolution adopting the STAR bond project plan, and a
2 map or plat indicating the boundaries of the STAR bond district
3 to the clerk, treasurer, and governing body of the county.

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

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

18 (k) After the adoption by the corporate authorities of the
19 political subdivision of a STAR bond project plan, the
20 political subdivision may authorize the issuance of the STAR
21 bonds in one or more series to finance the STAR bond project in
22 accordance with the provisions of this Act.

23 (l) 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 the STAR bond
26 project to the political subdivision, unless the political

1 subdivision extends such maturity by resolution up to a maximum
2 of 35 years from the date of the first distribution. Any
3 extension shall require the approval of the Director.

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

9 Section 25. Co-Developers and sub-developers. Upon
10 approval of a STAR bond project by the political subdivision,
11 the master developer may, in its discretion, develop the STAR
12 bond project on its own or it may develop the STAR bond project
13 with another developer.

14 (a) A master developer may sell, lease, or otherwise convey
15 its property interest in the STAR bond project area to a
16 co-developer or sub-developer and a master developer may also
17 assign or transfer its development rights in the STAR bond
18 project to a co-developer or sub-developer.

19 (b) A master developer may enter into one or more
20 agreements with a co-developer or sub-developer in connection
21 with a STAR bond project, and the master developer may request
22 that the political subdivision become a party to the project
23 development agreement, or the master developer may request that
24 the political subdivision amend its master development
25 agreement to provide for certain terms and conditions that may

1 be related to the co-developer or sub-developer and the STAR
2 bond project. For any project development agreement which the
3 political subdivision would be a party or for any amendments to
4 the master development agreement, the terms and conditions must
5 be acceptable to both the master developer and the political
6 subdivision.

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

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

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

23 (2) available private funds and contributions, grants,
24 tax credits, or other financial assistance from the State
25 or federal government;

1 (3) all of the local sales taxes of a municipality and
2 county;

3 (4) any tax increment financing revenues collected
4 within the STAR bond district under the Tax Increment
5 Allocation Act, and any special service area taxes
6 collected within the STAR bond district under the Special
7 Service Area Act, may be used for the purposes of funding
8 project costs or paying debt service on STAR bonds in
9 addition to the purposes contained in the tax increment
10 financing plan or special service area plan;

11 (5) all of the State sales tax increment; the
12 Director's approval of a STAR bond district shall be deemed
13 an irrevocable pledge of the State sales tax increment;

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

16 (7) 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) Local sales taxes and State sales taxes shall, for the
22 purposes of this Act, be deemed to accrue and shall be
23 collected at the point of sale for all sales transactions
24 within a STAR bond district, regardless of whether goods or
25 services sold are subsequently delivered to customers at a
26 location outside of the STAR bond district.

1 (d) Bonds issued as revenue bonds shall not be general
2 obligations of the political subdivision, nor in any event
3 shall they give rise to a charge against its general credit or
4 taxing powers, or be payable out of any funds or properties
5 other than those set forth in subsection (a) and the bonds
6 shall so state on their face.

7 (e) For each STAR bond project financed with STAR bonds
8 payable from the pledged STAR revenues, the political
9 subdivision shall prepare and submit to the Director by June 1
10 of each year, a report describing the status of the STAR bond
11 project, any expenditures of the proceeds of STAR bonds that
12 have occurred for the preceding calendar year, and any
13 expenditures of the proceeds of the bonds expected to occur in
14 the future, including the amount of pledged STAR revenue, the
15 amount of revenue that has been spent, the projected amount of
16 the revenue, and the anticipated use of the revenue.

17 (f) The Department of Revenue shall distribute State sales
18 tax revenues received from STAR bond projects to the political
19 subdivision on a monthly basis.

20 Section 35. Alternate bonds and general obligation bonds. A
21 political subdivision shall have the power to issue alternate
22 revenue and other general obligation bonds to finance the
23 undertaking, establishment, or redevelopment of any STAR bond
24 project as provided and pursuant to the procedures set forth in
25 the Local Government Debt Reform Act. A political subdivision

1 shall have the power to issue general obligation bonds to
2 finance the undertaking, establishment, or redevelopment of
3 any STAR bond project on approval by the voters of the
4 political subdivision of a proposition authorizing the
5 issuance of such bonds.

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

11 Section 40. Amendments to STAR bond district. Any addition
12 of real property to a STAR bond district or any substantial
13 change to a STAR bond district plan shall be subject to the
14 same procedure for public notice, hearing, and approval as is
15 required for the establishment of the STAR bond district
16 pursuant to this Act.

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

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

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

15 Section 45. Other incentives. Nothing contained in this Act
16 shall be deemed to preclude the use of grants, tax abatements
17 and exemptions, tax increment financing, income and tax
18 credits, incentive agreements, special service area taxes, or
19 other types of bonds or other public incentives in connection
20 with STAR bond projects.

21 Section 50. Relocation assistance. Before any property
22 shall be acquired for a STAR bond project pursuant to eminent
23 domain, a relocation assistance plan shall be approved by the
24 governing body of the political subdivision proposing to

1 undertake the condemnation. The relocation plan shall be
2 substantially similar to provisions of the Uniform Relocation
3 Assistance and Real Property Acquisition Act and regulations
4 promulgated thereunder.

5 Section 55. Reporting taxes. Notwithstanding any other
6 provisions of law to the contrary, copies of all retailers'
7 sales, use, and transient guest tax returns filed with the
8 Department of Revenue in connection with a STAR bond project
9 area or STAR bond project, for which sales, use, and transient
10 guest tax revenues are pledged or otherwise intended to be used
11 in whole or in part for the payment of STAR bonds issued to
12 finance project costs in the STAR bond project area, shall be
13 provided by the Department of Revenue to the bond trustee,
14 escrow agent, or paying agent for the bonds upon the written
15 request of the political subdivision within 15 days of receipt
16 by the Director of the Department of Revenue.

17 (a) The bond trustee, escrow agent, or paying agent shall
18 keep the retailers' sales, use, and transient guest tax returns
19 and the information contained therein confidential, but may use
20 the information for purposes of allocating and depositing the
21 sales, use, and transient guest tax revenues in connection with
22 the bonds used to finance project costs in the STAR bond
23 district. Except as otherwise provided herein, the sales, use,
24 and transient guest tax returns received by the bond trustee,
25 escrow agent, or paying agent shall be subject to the

1 provisions of Chapter 35 of the Illinois Compiled Statutes,
2 including Section 3 of the Retailer's Occupation Tax Act,
3 Section 6 of the Hotel Operator's Occupation Tax Act, and
4 Section 9 of the Use Tax Act.

5 (b) The Department of Revenue shall determine when the
6 amount of sales tax and other revenues that have been collected
7 and distributed to the bond debt service or reserve fund is
8 sufficient to satisfy all principal and interest costs to the
9 maturity date or dates of any STAR bonds issued by a political
10 subdivision to finance a STAR bond project. Thereafter, all
11 sales tax and other revenues shall be collected and distributed
12 in accordance with applicable law.

13 Section 60. Severability. If any provision of this Act or
14 the application thereof to any persons or circumstances is held
15 invalid, such invalidity shall not affect other provisions or
16 application of the Act which can be given effect without the
17 invalid provisions or application and to this end the
18 provisions of this Act are declared to be severable.

19 Section 65. Open meetings. The public hearing records,
20 feasibility study, and other documents that do not otherwise
21 meet a confidentiality exemption shall be subject to the Open
22 Meetings Act.

23 Section 70. Powers of political subdivisions. The

1 provisions of this Act are intended to be supplemental and in
2 addition to all other power or authority granted to political
3 subdivisions, shall be construed liberally and shall not be
4 construed as a limitation of any power or authority otherwise
5 granted. In addition to the powers a political subdivision may
6 have under other provisions of law, a political subdivision
7 shall have the following powers in connection with a STAR bond
8 district:

9 (a) To make and enter into all contracts necessary or
10 incidental to the implementation and furtherance of a STAR
11 bond district plan.

12 (b) Within a STAR bond district, to acquire by
13 purchase, donation, or lease, and to own, convey, lease,
14 mortgage, or dispose of land and other real or personal
15 property or rights or interests in property and to grant or
16 acquire licenses, easements, and options with respect to
17 property, all in the manner and at a price the political
18 subdivision determines is reasonably necessary to achieve
19 the objectives of the STAR bond project.

20 (c) To clear any area within a STAR bond district by
21 demolition or removal of any existing buildings,
22 structures, fixtures, utilities, or improvements and to
23 clear and grade land.

24 (d) To install, repair, construct, reconstruct, extend
25 or relocate public streets, public utilities, and other
26 public site improvements located both within and outside

1 the boundaries of a STAR bond district that are essential
2 to the preparation of a STAR bond district for use in
3 accordance with a STAR bond district plan.

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

7 (f) To install or construct any public buildings,
8 structures, works, streets, improvements, utilities, or
9 fixtures within a STAR bond district.

10 (g) To issue STAR bonds as provided in this Act.

11 (h) To fix, charge, and collect fees, rents, and
12 charges for the use of any building, facility, or property
13 or any portion of a building, facility, or property owned
14 or leased by the political subdivision in furtherance of a
15 STAR bond project under this Act within a STAR bond
16 district.

17 (i) To accept grants, guarantees, donations of
18 property or labor, or any other thing of value for use in
19 connection with a STAR bond project.

20 (j) To pay or cause to be paid STAR bond project costs,
21 including, specifically, to reimburse any developer or
22 nongovernmental person for STAR bond project costs
23 incurred by that person. A political subdivision is not
24 required to obtain any right, title, or interest in any
25 real or personal property in order to pay STAR bond project
26 costs associated with the property. The political

1 subdivision shall adopt accounting procedures necessary to
2 determine that the STAR bond project costs are properly
3 paid.

4 (k) To exercise any and all other powers necessary to
5 effectuate the purposes of this Act.

6 Section 75. The Illinois Municipal Code is amended by
7 changing Section 8-4-1 as follows:

8 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

9 Sec. 8-4-1. No bonds shall be issued by the corporate
10 authorities of any municipality until the question of
11 authorizing such bonds has been submitted to the electors of
12 that municipality provided that notice of the bond referendum,
13 if held before July 1, 1999, has been given in accordance with
14 the provisions of Section 12-5 of the Election Code in effect
15 at the time of the bond referendum, at least 10 and not more
16 than 45 days before the date of the election, notwithstanding
17 the time for publication otherwise imposed by Section 12-5, and
18 approved by a majority of the electors voting upon that
19 question. Notices required in connection with the submission of
20 public questions on or after July 1, 1999 shall be as set forth
21 in Section 12-5 of the Election Code. The clerk shall certify
22 the proposition of the corporate authorities to the proper
23 election authority who shall submit the question at an election
24 in accordance with the general election law, subject to the

1 notice provisions set forth in this Section.

2 Notice of any such election shall contain the amount of the
3 bond issue, purpose for which issued, and maximum rate of
4 interest.

5 However, without the submission of the question of issuing
6 bonds to the electors, the corporate authorities of any
7 municipality may authorize the issuance of any of the following
8 bonds:

9 (1) Bonds to refund any existing bonded indebtedness;

10 (2) Bonds to fund or refund any existing judgment
11 indebtedness;

12 (3) In any municipality of less than 500,000 population,
13 bonds to anticipate the collection of installments of special
14 assessments and special taxes against property owned by the
15 municipality and to anticipate the collection of the amount
16 apportioned to the municipality as public benefits under
17 Article 9;

18 (4) Bonds issued by any municipality under Sections 8-4-15
19 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
20 11-26-6, 11-71-1 through 11-71-10, 11 74.3 1 through 11-74.3-7,
21 11-74.4-1 through 11-74.4-11, 11-74.5-1 through 11-74.5-15,
22 11-94-1 through 11-94-7, 11-102-1 through 11-102-10, 11-103-11
23 through 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through
24 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through
25 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through
26 11-141-18 of this Code or 10-801 through 10-808 of the Illinois

1 Highway Code, as amended;

2 (5) Bonds issued by the board of education of any school
3 district under the provisions of Sections 34-30 through 34-36
4 of The School Code, as amended;

5 (6) Bonds issued by any municipality under the provisions
6 of Division 6 of this Article 8; and by any municipality under
7 the provisions of Division 7 of this Article 8; or under the
8 provisions of Sections 11-121-4 and 11-121-5;

9 (7) Bonds to pay for the purchase of voting machines by any
10 municipality that has adopted Article 24 of The Election Code,
11 approved May 11, 1943, as amended;

12 (8) Bonds issued by any municipality under Sections 15 and
13 46 of the "Environmental Protection Act", approved June 29,
14 1970;

15 (9) Bonds issued by the corporate authorities of any
16 municipality under the provisions of Section 8-4-25 of this
17 Article 8;

18 (10) Bonds issued under Section 8-4-26 of this Article 8 by
19 any municipality having a board of election commissioners;

20 (11) Bonds issued under the provisions of "An Act to
21 provide the manner of levying or imposing taxes for the
22 provision of special services to areas within the boundaries of
23 home rule units and nonhome rule municipalities and counties",
24 approved September 21, 1973;

25 (12) Bonds issued under Section 8-5-16 of this Code;

26 (13) Bonds to finance the cost of the acquisition,

1 construction or improvement of water or wastewater treatment
2 facilities mandated by an enforceable compliance schedule
3 developed in connection with the federal Clean Water Act or a
4 compliance order issued by the United States Environmental
5 Protection Agency or the Illinois Pollution Control Board;
6 provided that such bonds are authorized by an ordinance adopted
7 by a three-fifths majority of the corporate authorities of the
8 municipality issuing the bonds which ordinance shall specify
9 that the construction or improvement of such facilities is
10 necessary to alleviate an emergency condition in such
11 municipality;

12 (14) Bonds issued by any municipality pursuant to Section
13 11-113.1-1;

14 (15) Bonds issued under Sections 11-74.6-1 through
15 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

16 (16) Bonds issued under the STAR Bond Financing Act, except
17 as may be required by Section 35 of that Act.

18 (Source: P.A. 90-706, eff. 8-7-98; 90-812, eff. 1-26-99; 91-57,
19 eff. 6-30-99.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."