



Rep. Jay C. Hoffman

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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 areas of the State that already have an
4 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 400 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 political
20 subdivision from the Local Government Tax Fund arising from
21 sales by retailers and servicemen within a STAR bond district,
22 and any local taxes received by a political subdivision arising
23 from sales by retailers and servicemen within a STAR bond
24 district. "Local sales taxes" does not include taxes levied,
25 paid to, or received by the Metro-East Mass Transit District,
26 the Metro-East Park and Recreation District, the Metro-East

1 Sanitary District, or the county.

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

6 "Master developer" means a developer cooperating with a
7 political subdivision to plan, develop, and implement a STAR
8 bond project plan for a STAR bond district. The master
9 developer may work with and transfer certain development rights
10 to other developers for the purpose of implementing STAR bond
11 project plans and achieving the purposes of this Act. A master
12 developer for a STAR bond district shall be appointed by a
13 political subdivision in the resolution establishing the STAR
14 bond district and the master developer must, at the time of
15 appointment, own or have control of, through purchase
16 agreements, option contracts, or other means, 100% of the
17 acreage within the STAR bond district.

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

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

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

26 "Political subdivision" means a municipality which

1 undertakes to establish a STAR bond district pursuant to the
2 provisions of this Act.

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

8 "Project costs" means "redevelopment project costs", as
9 defined in Section 11-74.4-3 of the Tax Increment Allocation
10 Redevelopment Act, as they relate to STAR bond district plans
11 or STAR bond project plans, or both. Project costs shall not
12 include:

13 (a) costs incurred in connection with the construction
14 of buildings or other vertical improvements that are owned
15 or leased by a developer;

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

18 (c) property taxes for property located within the STAR
19 bond district; and

20 (d) lobbying costs.

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

24 "Relocation Assistance Plan" means the relocation
25 assistance plan adopted by the political subdivision as
26 provided in Section 50.

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.

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

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

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

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

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

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

17 "State sales tax" means taxes paid by retailers and
18 servicemen on transactions at places of business located within
19 a STAR bond district pursuant to the Retailers' Occupation Tax
20 Act, the Use Tax Act, the Service Use Tax Act, the Service
21 Occupation Tax Act, and any other sales or use taxes imposed by
22 the State within a STAR bond district.

23 "State sales tax increment" means that portion of the
24 revenue derived from State sales taxes collected from taxpayers
25 doing business within that portion of a STAR bond district
26 occupied by a STAR bond project that is in excess of the amount

1 of base year revenue determined by the Department of Revenue.

2 "Substantial change" means a change wherein the proposed
3 STAR bond project plan differs substantially in size, scope, or
4 use from the approved STAR bond district plan or STAR bond
5 project plan.

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

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

12 Section 15. Establishment of STAR bond district. The
13 governing body of a municipality may establish a STAR bond
14 district within an eligible area within the municipality or
15 partially outside the boundaries of the municipality in an
16 unincorporated area of the county. A STAR bond district which
17 is partially outside the boundaries of the municipality must
18 also be approved by the governing body of the county by the
19 passage of a resolution.

20 (a) When a political subdivision proposes to establish a
21 STAR bond district, the political subdivision shall adopt a
22 resolution stating that the political subdivision is
23 considering the establishment of a STAR bond district. The
24 resolution shall:

25 (1) Give notice that a public hearing will be held to

1 consider the establishment of a STAR bond district and fix
2 the date, hour, and place of the public hearing provided
3 that notice of the hearing shall be provided as set forth
4 in item (2) of subsection (e) of Section 20;

5 (2) describe the proposed general boundaries of the
6 STAR bond district;

7 (3) describe the STAR bond district plan;

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

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

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

16 (b) Upon the conclusion of the public hearing, the
17 governing body of the political subdivision shall consider a
18 resolution to establish the STAR bond district.

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

21 (A) Make findings that the proposed STAR bond
22 district is to be developed with one or more STAR bond
23 projects;

24 (B) make findings that the STAR bond district is an
25 eligible area;

26 (C) contain a STAR bond district plan that

1 identifies in a general manner the buildings and
2 facilities that are proposed to be constructed or
3 improved in subsequent STAR bond projects;

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

6 (E) appoint the master developer for the STAR bond
7 district; and

8 (F) establish the STAR bond district, contingent
9 upon approval of the Director as set forth in
10 subsection (d).

11 (2) If the resolution is not adopted by the political
12 subdivision within 60 days from the conclusion of the
13 public hearing, then the STAR bond district shall not be
14 established.

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

25 (d) Upon adoption of the resolution to establish a STAR
26 bond district, the political subdivision shall submit the

1 proposed STAR bond district to the Director for approval. The
2 Director shall approve or deny the establishment of the STAR
3 bond district after finding that (i) the proposed STAR bond
4 district is an eligible area, (ii) no portion of the proposed
5 STAR bond district is located in an enterprise zone, a tax
6 increment financing district, or a business district, (iii) the
7 STAR bond district plan includes a projected capital investment
8 of at least \$100,000,000, (iv) the STAR bond district plan is
9 reasonably projected to produce at least \$100,000,000 of annual
10 gross sales revenues and 1,000 new jobs, (v) the creation of
11 the STAR bond district plan is not contrary to the purpose of
12 this Act or the public interest, and (vi) the STAR bond
13 district or the STAR bond district plan meets any other
14 requirement the Director determines is appropriate.

15 Section 20. Approval of STAR bond projects. The governing
16 body of a political subdivision may establish one or more STAR
17 bond projects in any STAR bond district, subject to approval by
18 the Director. A STAR bond project which is partially outside
19 the boundaries of a municipality must also be approved by the
20 governing body of the county by resolution and by the Director.

21 (a) After the establishment of a STAR bond district, the
22 master developer may propose one or more STAR bond projects to
23 a political subdivision and the master developer shall, in
24 cooperation with the political subdivision, prepare a STAR bond
25 project plan in consultation with the planning commission of

1 the political subdivision, if any. The STAR bond project plan
2 may be implemented in separate development stages.

3 (b) Any political subdivision considering a STAR bond
4 project within a STAR bond district shall cause to be prepared
5 an independent feasibility study by an accredited feasibility
6 consultant. The feasibility study shall include the following:

7 (1) the estimated amount of pledged STAR revenues
8 expected to be collected in each year through the maturity
9 date of the proposed STAR bonds;

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

13 (3) visitation expectations;

14 (4) the unique quality of the project;

15 (5) economic impact study;

16 (6) market study;

17 (7) integration and collaboration with other resources
18 or businesses;

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

22 (9) project accountability, measured according to best
23 industry practices;

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

26 (11) an anticipated principal and interest payment

1 schedule on the STAR bonds.

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

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

8 (1) A summary of the feasibility study;

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

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

14 (4) the relocation assistance plan;

15 (5) a description of the buildings and facilities
16 proposed to be constructed or improved in the STAR bond
17 project area; and

18 (6) any other information the governing body of the
19 political subdivision deems reasonable and necessary to
20 advise the public of the intent of the STAR bond project
21 plan.

22 (c-5) After the political subdivision has completed a STAR
23 bond project plan, the Department of Commerce and Economic
24 Opportunity shall cause to be prepared an impact study on the
25 proposed STAR bond project plan. The Master developer shall
26 reimburse the Department of Commerce and Economic Opportunity

1 for the expenses of preparing the impact study. The impact
2 study may be prepared by the Department, the
3 federally-designated metropolitan planning organization for
4 the region, or any other organization that the Department deems
5 as being qualified. The impact study shall determine the impact
6 of the STAR bond project plan on local governments located
7 outside the political subdivision and within 120 miles of the
8 proposed STAR bond project area. If the impact study finds that
9 the proposed STAR bond project will adversely affect any of the
10 surrounding local governments, then the Department shall not
11 approve and the governing body of the political subdivision
12 shall not establish the STAR bond project plan. For the
13 purposes of this subsection (c-5), "adversely affect" includes
14 but is not limited to the establishment of duplicative
15 businesses, the loss of local tax revenue, and the loss of
16 businesses outside the district.

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

25 (1) Give notice that a public hearing will be held to
26 consider the adoption of the STAR bond project plan and fix

1 the date, hour, and place of the public hearing;

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

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

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

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

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

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

21 (2) A copy of the municipality's resolution providing
22 for the public hearing shall be sent by certified mail,
23 return receipt requested, to the governing body of the
24 county. A copy of the political subdivision's resolution
25 providing for the public hearing shall be sent by certified
26 mail, return receipt requested, to each person or persons

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

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

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

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

1 (h) Within 60 days after the adoption by the political
2 subdivision of a STAR bond project plan, the clerk of the
3 political subdivision shall transmit a copy of the legal
4 description of the land within the STAR bond district, a copy
5 of the resolution adopting the STAR bond project plan, and a
6 map or plat indicating the boundaries of the STAR bond district
7 to the clerk, treasurer, and governing body of the county.

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

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

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

1 (1) The maximum maturity of STAR bonds issued to finance a
2 STAR bond project shall not exceed 23 years from the date of
3 the approval of the STAR bond district.

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 22. Project labor agreements.

10 (a) Each contractor working within a STAR bond district
11 must enter into a project labor agreement. The project labor
12 agreement must include provisions establishing (i) the minimum
13 hourly wage for each class of labor organization employee, (ii)
14 the benefits and other compensation for each class of labor
15 organization employee, (iii) that no strike or disputes will be
16 engaged in by the labor organization employees, and (iv) that
17 no lockout or disputes will be engaged in by the contractor.
18 The contractor and the labor organizations shall have the
19 authority to include other terms and conditions as they deem
20 necessary.

21 (b) Each project labor agreement shall be filed with the
22 Director in accordance with the procedures established by the
23 Department. At a minimum, the project labor agreement must
24 provide the names, addresses, and occupations of the contractor
25 working within the STAR bond district and the individuals

1 representing the labor organization employees participating in
2 the project labor agreement. The agreement must also specify
3 the terms and conditions required in subsection (a) of this
4 Section.

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

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

15 (b) A master developer may enter into one or more
16 agreements with a co-developer or sub-developer in connection
17 with a STAR bond project, and the master developer may request
18 that the political subdivision become a party to the project
19 development agreement, or the master developer may request that
20 the political subdivision amend its master development
21 agreement to provide for certain terms and conditions that may
22 be related to the co-developer or sub-developer and the STAR
23 bond project. For any project development agreement which the
24 political subdivision would be a party or for any amendments to
25 the master development agreement, the terms and conditions must

1 be acceptable to both the master developer and the political
2 subdivision.

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

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

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

19 (2) available private funds and contributions, grants,
20 tax credits, or other financial assistance from the State
21 or federal government;

22 (3) all of the local sales taxes of a municipality;

23 (4) any special service area taxes collected within the
24 STAR bond district under the Special Service Area Act may
25 be used for the purposes of funding project costs or paying

1 debt service on STAR bonds in addition to the purposes
2 contained in the special service area plan;

3 (5) all of the State sales tax increment;

4 (6) any other revenues appropriated by the political
5 subdivision; and

6 (7) any combination of these methods.

7 (b) The political subdivision may pledge the pledged STAR
8 revenues to the repayment of STAR bonds prior to,
9 simultaneously with, or subsequent to the issuance of the STAR
10 bonds.

11 (c) Local sales taxes and State sales taxes shall, for the
12 purposes of this Act, be deemed to accrue and shall be
13 collected at the point of sale for all sales transactions
14 within a STAR bond district, regardless of whether goods or
15 services sold are subsequently delivered to customers at a
16 location outside of the STAR bond district.

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

23 (e) For each STAR bond project financed with STAR bonds
24 payable from the pledged STAR revenues, the political
25 subdivision shall prepare and submit to the Director by June 1
26 of each year, a report describing the status of the STAR bond

1 project, any expenditures of the proceeds of STAR bonds that
2 have occurred for the preceding calendar year, and any
3 expenditures of the proceeds of the bonds expected to occur in
4 the future, including the amount of pledged STAR revenue, the
5 amount of revenue that has been spent, the projected amount of
6 the revenue, and the anticipated use of the revenue.

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

10 Section 35. Alternate bonds and general obligation bonds. A
11 political subdivision shall have the power to issue alternate
12 revenue and other general obligation bonds to finance the
13 undertaking, establishment, or redevelopment of any STAR bond
14 project as provided and pursuant to the procedures set forth in
15 the Local Government Debt Reform Act. A political subdivision
16 shall have the power to issue general obligation bonds to
17 finance the undertaking, establishment, or redevelopment of
18 any STAR bond project on approval by the voters of the
19 political subdivision of a proposition authorizing the
20 issuance of such bonds.

21 The full faith and credit of the State, any department,
22 authority, public corporation or quasi-public corporation of
23 the State, any State college or university, or any other public
24 agency created by the State shall not be pledged for any
25 payment under any obligation authorized by this Act.

1 Section 40. Amendments to STAR bond district. Any addition
2 of real property to a STAR bond district or any substantial
3 change to a STAR bond district plan shall be subject to the
4 same procedure for public notice, hearing, and approval as is
5 required for the establishment of the STAR bond district
6 pursuant to this Act.

7 (a) The addition or removal of land to or from a STAR bond
8 district shall require the consent of the master developer of
9 the STAR bond district and the Director.

10 (b) Any land which is outside of, but is contiguous to an
11 established STAR bond district and is subsequently owned,
12 leased, or controlled by the master developer shall be added to
13 a STAR bond district at the request of the master developer to
14 the political subdivision and subject to approval by the
15 Director, provided that the land becomes a part of a STAR bond
16 project area.

17 (c) If a political subdivision has undertaken a STAR bond
18 project within a STAR bond district, and the political
19 subdivision desires to subsequently remove more than a de
20 minimus amount of real property from the STAR bond district,
21 then prior to any removal of property the political subdivision
22 must provide a revised feasibility study showing that the
23 pledged STAR revenues from the resulting STAR bond district
24 within which the STAR bond project is located are estimated to
25 be sufficient to pay the project costs. If the revenue from the

1 resulting STAR bond district is insufficient to pay the project
2 costs, then the property may not be removed from the STAR bond
3 district. Any removal of real property from a STAR bond
4 district shall be approved by a resolution of the governing
5 body of the political subdivision and by the Director.

6 Section 45. Restrictions. No STAR bond district shall be
7 created, in whole or in part, in (i) a business district
8 created pursuant to the Business District Development and
9 Redevelopment Act, (ii) a redevelopment project area created
10 pursuant to the Tax Increment Allocation Redevelopment Act, or
11 (iii) an enterprise zone created pursuant to the Illinois
12 Enterprise Zone Act or any other Act. After a STAR bond
13 district has been established, no business district,
14 redevelopment project area, or enterprise zone shall be
15 created, in whole or in part, within the STAR bond district.

16 Section 50. Relocation assistance. Before any property
17 shall be acquired for a STAR bond project pursuant to eminent
18 domain, a relocation assistance plan shall be approved by the
19 governing body of the political subdivision proposing to
20 undertake the condemnation. The relocation plan shall be
21 substantially similar to provisions of the Uniform Relocation
22 Assistance and Real Property Acquisition Act and regulations
23 promulgated thereunder.

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

13 (a) The bond trustee, escrow agent, or paying agent shall
14 keep the retailers' sales and use tax returns and the
15 information contained therein confidential, but may use the
16 information for purposes of allocating and depositing the sales
17 and use tax revenues in connection with the bonds used to
18 finance project costs in the STAR bond district. Except as
19 otherwise provided herein, the sales and use tax returns
20 received by the bond trustee, escrow agent, or paying agent
21 shall be subject to the provisions of Chapter 35 of the
22 Illinois Compiled Statutes, including Section 3 of the
23 Retailers' Occupation Tax Act and Section 9 of the Use Tax Act.

24 (b) The Department of Revenue shall determine when the
25 amount of sales tax and other revenues that have been collected
26 and distributed to the bond debt service or reserve fund is

1 sufficient to satisfy all principal and interest costs to the
2 maturity date or dates of any STAR bonds issued by a political
3 subdivision to finance a STAR bond project. Thereafter, all
4 sales tax and other revenues shall be collected and distributed
5 in accordance with applicable law.

6 Section 60. Severability. If any provision of this Act or
7 the application thereof to any persons or circumstances is held
8 invalid, such invalidity shall not affect other provisions or
9 application of the Act which can be given effect without the
10 invalid provisions or application and to this end the
11 provisions of this Act are declared to be severable.

12 Section 65. Open meetings. The public hearing records,
13 feasibility study, and other documents that do not otherwise
14 meet a confidentiality exemption shall be subject to the Open
15 Meetings Act.

16 Section 70. Powers of political subdivisions. The
17 provisions of this Act are intended to be supplemental and in
18 addition to all other power or authority granted to political
19 subdivisions, shall be construed liberally and shall not be
20 construed as a limitation of any power or authority otherwise
21 granted. In addition to the powers a political subdivision may
22 have under other provisions of law, a political subdivision
23 shall have the following powers in connection with a STAR bond

1 district:

2 (a) To make and enter into all contracts necessary or
3 incidental to the implementation and furtherance of a STAR
4 bond district plan.

5 (b) Within a STAR bond district, to acquire by
6 purchase, donation, or lease, and to own, convey, lease,
7 mortgage, or dispose of land and other real or personal
8 property or rights or interests in property and to grant or
9 acquire licenses, easements, and options with respect to
10 property, all in the manner and at a price the political
11 subdivision determines is reasonably necessary to achieve
12 the objectives of the STAR bond project.

13 (c) To clear any area within a STAR bond district by
14 demolition or removal of any existing buildings,
15 structures, fixtures, utilities, or improvements and to
16 clear and grade land.

17 (d) To install, repair, construct, reconstruct, extend
18 or relocate public streets, public utilities, and other
19 public site improvements located both within and outside
20 the boundaries of a STAR bond district that are essential
21 to the preparation of a STAR bond district for use in
22 accordance with a STAR bond district plan.

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

26 (f) To install or construct any public buildings,

1 structures, works, streets, improvements, utilities, or
2 fixtures within a STAR bond district.

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

4 (h) To fix, charge, and collect fees, rents, and
5 charges for the use of any building, facility, or property
6 or any portion of a building, facility, or property owned
7 or leased by the political subdivision in furtherance of a
8 STAR bond project under this Act within a STAR bond
9 district.

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

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

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

25 Section 75. The Illinois Municipal Code is amended by

1 changing Section 8-4-1 as follows:

2 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

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

20 Notice of any such election shall contain the amount of the
21 bond issue, purpose for which issued, and maximum rate of
22 interest.

23 However, without the submission of the question of issuing
24 bonds to the electors, the corporate authorities of any
25 municipality may authorize the issuance of any of the following

1 bonds:

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

3 (2) Bonds to fund or refund any existing judgment
4 indebtedness;

5 (3) In any municipality of less than 500,000 population,
6 bonds to anticipate the collection of installments of special
7 assessments and special taxes against property owned by the
8 municipality and to anticipate the collection of the amount
9 apportioned to the municipality as public benefits under
10 Article 9;

11 (4) Bonds issued by any municipality under Sections 8-4-15
12 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
13 11-26-6, 11-71-1 through 11-71-10, 11-74.4-1 through
14 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through
15 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through
16 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through
17 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through
18 11-133-4, 11-139-1 through 11-139-12, 11-141-1 through
19 11-141-18 of this Code or 10-801 through 10-808 of the Illinois
20 Highway Code, as amended;

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

24 (6) Bonds issued by any municipality under the provisions
25 of Division 6 of this Article 8; and by any municipality under
26 the provisions of Division 7 of this Article 8; or under the

1 provisions of Sections 11-121-4 and 11-121-5;

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

5 (8) Bonds issued by any municipality under Sections 15 and
6 46 of the "Environmental Protection Act", approved June 29,
7 1970;

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

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

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

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

19 (13) Bonds to finance the cost of the acquisition,
20 construction or improvement of water or wastewater treatment
21 facilities mandated by an enforceable compliance schedule
22 developed in connection with the federal Clean Water Act or a
23 compliance order issued by the United States Environmental
24 Protection Agency or the Illinois Pollution Control Board;
25 provided that such bonds are authorized by an ordinance adopted
26 by a three-fifths majority of the corporate authorities of the

1 municipality issuing the bonds which ordinance shall specify
2 that the construction or improvement of such facilities is
3 necessary to alleviate an emergency condition in such
4 municipality;

5 (14) Bonds issued by any municipality pursuant to Section
6 11-113.1-1;

7 (15) Bonds issued under Sections 11-74.6-1 through
8 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

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

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

13 Section 80. The Prevailing Wage Act is amended by changing
14 Section 2 as follows:

15 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

16 Sec. 2. This Act applies to the wages of laborers,
17 mechanics and other workers employed in any public works, as
18 hereinafter defined, by any public body and to anyone under
19 contracts for public works. This includes any maintenance,
20 repair, assembly, or disassembly work performed on equipment
21 whether owned, leased, or rented.

22 As used in this Act, unless the context indicates
23 otherwise:

24 "Public works" means all fixed works constructed by any

1 public body, other than work done directly by any public
2 utility company, whether or not done under public supervision
3 or direction, or paid for wholly or in part out of public
4 funds. "Public works" as defined herein includes all projects
5 financed in whole or in part with bonds issued under the
6 Industrial Project Revenue Bond Act (Article 11, Division 74 of
7 the Illinois Municipal Code), the Industrial Building Revenue
8 Bond Act, the Illinois Finance Authority Act, the Illinois
9 Sports Facilities Authority Act, or the Build Illinois Bond
10 Act, and all projects financed in whole or in part with loans
11 or other funds made available pursuant to the Build Illinois
12 Act. "Public works" also includes all projects financed in
13 whole or in part with funds from the Fund for Illinois' Future
14 under Section 6z-47 of the State Finance Act, funds for school
15 construction under Section 5 of the General Obligation Bond
16 Act, funds authorized under Section 3 of the School
17 Construction Bond Act, funds for school infrastructure under
18 Section 6z-45 of the State Finance Act, and funds for
19 transportation purposes under Section 4 of the General
20 Obligation Bond Act. "Public works" also includes all projects
21 financed in whole or in part with funds from the Department of
22 Commerce and Economic Opportunity under the Illinois Renewable
23 Fuels Development Program Act for which there is no project
24 labor agreement. "Public works" also includes all projects at
25 leased facility property used for airport purposes under
26 Section 35 of the Local Government Facility Lease Act. "Public

1 works" also includes all projects located within a STAR bond
2 district as defined in Section 10 of the STAR Bonds Financing
3 Act.

4 "Construction" means all work on public works involving
5 laborers, workers or mechanics. This includes any maintenance,
6 repair, assembly, or disassembly work performed on equipment
7 whether owned, leased, or rented.

8 "Locality" means the county where the physical work upon
9 public works is performed, except (1) that if there is not
10 available in the county a sufficient number of competent
11 skilled laborers, workers and mechanics to construct the public
12 works efficiently and properly, "locality" includes any other
13 county nearest the one in which the work or construction is to
14 be performed and from which such persons may be obtained in
15 sufficient numbers to perform the work and (2) that, with
16 respect to contracts for highway work with the Department of
17 Transportation of this State, "locality" may at the discretion
18 of the Secretary of the Department of Transportation be
19 construed to include two or more adjacent counties from which
20 workers may be accessible for work on such construction.

21 "Public body" means the State or any officer, board or
22 commission of the State or any political subdivision or
23 department thereof, or any institution supported in whole or in
24 part by public funds, and includes every county, city, town,
25 village, township, school district, irrigation, utility,
26 reclamation improvement or other district and every other

1 political subdivision, district or municipality of the state
2 whether such political subdivision, municipality or district
3 operates under a special charter or not.

4 The terms "general prevailing rate of hourly wages",
5 "general prevailing rate of wages" or "prevailing rate of
6 wages" when used in this Act mean the hourly cash wages plus
7 fringe benefits for training and apprenticeship programs
8 approved by the U.S. Department of Labor, Bureau of
9 Apprenticeship and Training, health and welfare, insurance,
10 vacations and pensions paid generally, in the locality in which
11 the work is being performed, to employees engaged in work of a
12 similar character on public works.

13 (Source: P.A. 94-750, eff. 5-9-06; 95-341, eff. 8-21-07.)

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