

STAR Bonds



Illinois
Department of Commerce
& Economic Opportunity

Sales Tax and Revenue (STAR) bonds support economic growth by financing the development and revitalization of major tourism, entertainment, retail, and destination-based projects in STAR bond districts.

The Statewide Innovation Development and Economy Act was recently expanded to extend the availability of STAR bonds to support municipalities in every region of the state by empowering them with additional financing options to meaningfully invest in capital projects that will attract visitors and spur additional revenues in local economies.

STAR Bond Projects

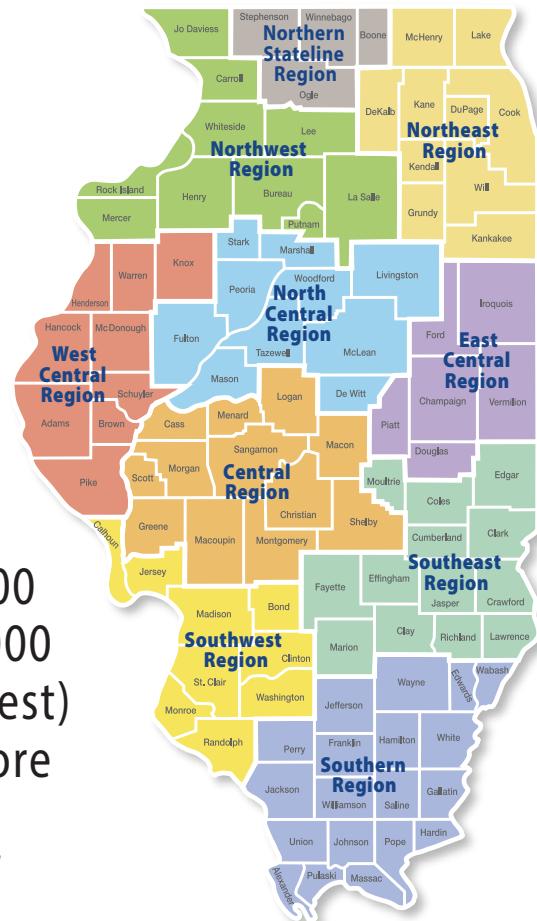
- Create new jobs
- Stimulate capital investment
- Promote the general and economic welfare of Illinois communities

STAR Bond Districts

Projects are limited based on population

- 1 project: population of less than 600,000
- 3 projects: population of between 600,000 and 999,999 (North Central and Southwest)
- 4 projects: population of 1 million or more (Northeast)

*Projects may not be located either entirely or partially inside of a municipality with more than 2 million residents



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STAR BONDS FAQ

What are STAR bonds?

Under the Statewide Innovation Development and Economy Act, units of local government may issue Sales Tax and Revenue (STAR) bonds to assist with the development of approved projects that will have positive economic outcomes and generate new jobs within eligible areas of the state.

What is a STAR bond district?

Units of local government must first establish, via resolution, a STAR bond district. These districts must be located in a contiguous area with at least 10,000 residents within a 5-mile radius that is located no more than 15 miles from either a state highway or federal interstate. At least 50% of this area must be located within an underserved area at the time the district plan is submitted.

What is a STAR bond project?

After a STAR bond district is approved, units of local government may submit a STAR bond project. Projects are intended to bolster significant economic activity and job creation, while promoting major tourism, entertainment, and retail. The Act excludes projects related to professional sports stadiums.

What is the difference between a project in a STAR district and a project in a NOVA district?

The establishment of a STAR bond district and a New Opportunities for Vacation and Adventure (NOVA) district follow the same process listed above. However, a project in a standard STAR bond district requires a developer to make a minimum capital investment of \$30 million on the project, have \$60 million in projected annual gross sales, and be projected to create 300 new full-time jobs.

A project in a NOVA district requires a developer to make a minimum capital investment of \$500 million, have \$300 million in projected annual gross sales, and be projected to create 1,500 new full-time jobs.

Are there any limitations on bonding for projects?

Yes, the Act sets limitations on bonding for a project. These limits are dependent on which type of district these projects will be located in:

- Projects located in STAR bond districts are limited to 50% of total development costs or \$75 million, whichever is less.
- Projects located in NOVA districts are limited to the lesser of 50% of the total development costs or \$800 million, whichever is less.

Are there limitations on the number of STAR bond projects?

There are limitations on the number of projects that may be located in each of the State's 10 economic development regions. These limitations are based upon population:

- Regions with a population of less than 600,000: 1 project per region
- Regions with a population of between 600,000 and 999,999: 3 projects per region
- Regions with a population of 1 million or more: 4 projects per region

Neither a STAR bond nor a NOVA district may be located, either entirely or partially, inside of a municipality with more than 2 million residents.

What are considered eligible project costs?

Only project costs incurred after the establishment of a STAR bond district may be eligible. These generally include:

- Pre-construction and design costs
- Land acquisition/demolition, clearing, and grading of land
- Improvements to public infrastructure
- Some employee training costs
- Other limited costs reasonably necessary for the success of the project

Project costs **do not** include:

- Construction costs on public buildings leased to project participants
- Moving expenses
- Property taxes
- General overhead/administrative costs

What are the deadlines for participation?

Interested municipalities and counties must meet the following deadlines:

- **June 1, 2026:** Notification of intent to establish STAR bond district submitted to the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Department of Revenue (IDOR).
- **January 1, 2027:** STAR bond district plan proposals and related required support documentation must be submitted to DCEO, IDOR and the Governor's Office of Management and Budget (GOMB).
- **June 1, 2028:** Proposed STAR bond project plans and related required support documentation must be submitted to DCEO, IDOR and GOMB. Work must commence within three years of State approval.