

# STAR Bonds Update

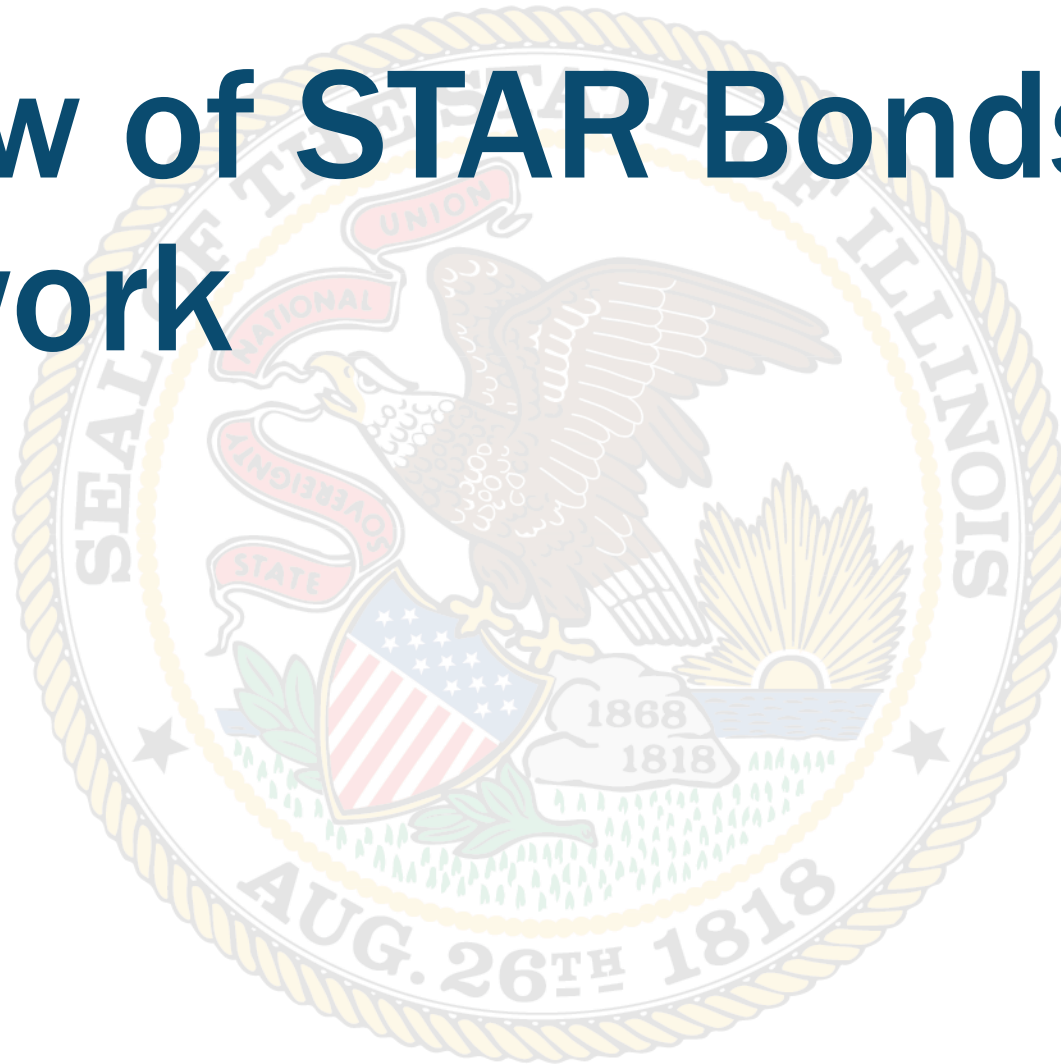
May 2026



**Illinois**  
**Department of Commerce**  
& Economic Opportunity

JB Pritzker, Governor

# Overview of STAR Bonds Framework



# Statewide Innovation Development and Economy Act

- Enables political subdivisions (municipalities and counties) to issue State Tax and Revenue (STAR) bonds to support capital investment in major projects that could not otherwise occur
- The STAR bonds are backed by the State and local sales tax increments generated within the STAR bond district
- Promotes development of destination tourism, entertainment, retail & related projects
- Fosters job creation and investment across the state



# How STAR Bonds Work

- Political subdivisions are authorized to issue bonds to support development of approved STAR Bond projects within approved STAR Bond Districts
- Sales tax increment (in excess of base year) is used to pay debt service on bonds
- Calculation of available funds overseen by IDOR
- District and Project plans subject to final approval by the Governor



# Sequencing

1 - Political subdivision establishes STAR Bonds districts

- Provide notice of intent by June 1, 2026
- Submit proposals by January 1, 2027
- Subject to State approval
- No limit to number of Districts

2 - Obtain approval for selected STAR Bonds project within approved districts

- Submit plans by June 1, 2028
- Subject to State approval
- Number of projects is limited by EDR

3 - Execute approved STAR Bonds projects

- Must commence within 3 years of approval



# Establishment of STAR Bond Districts



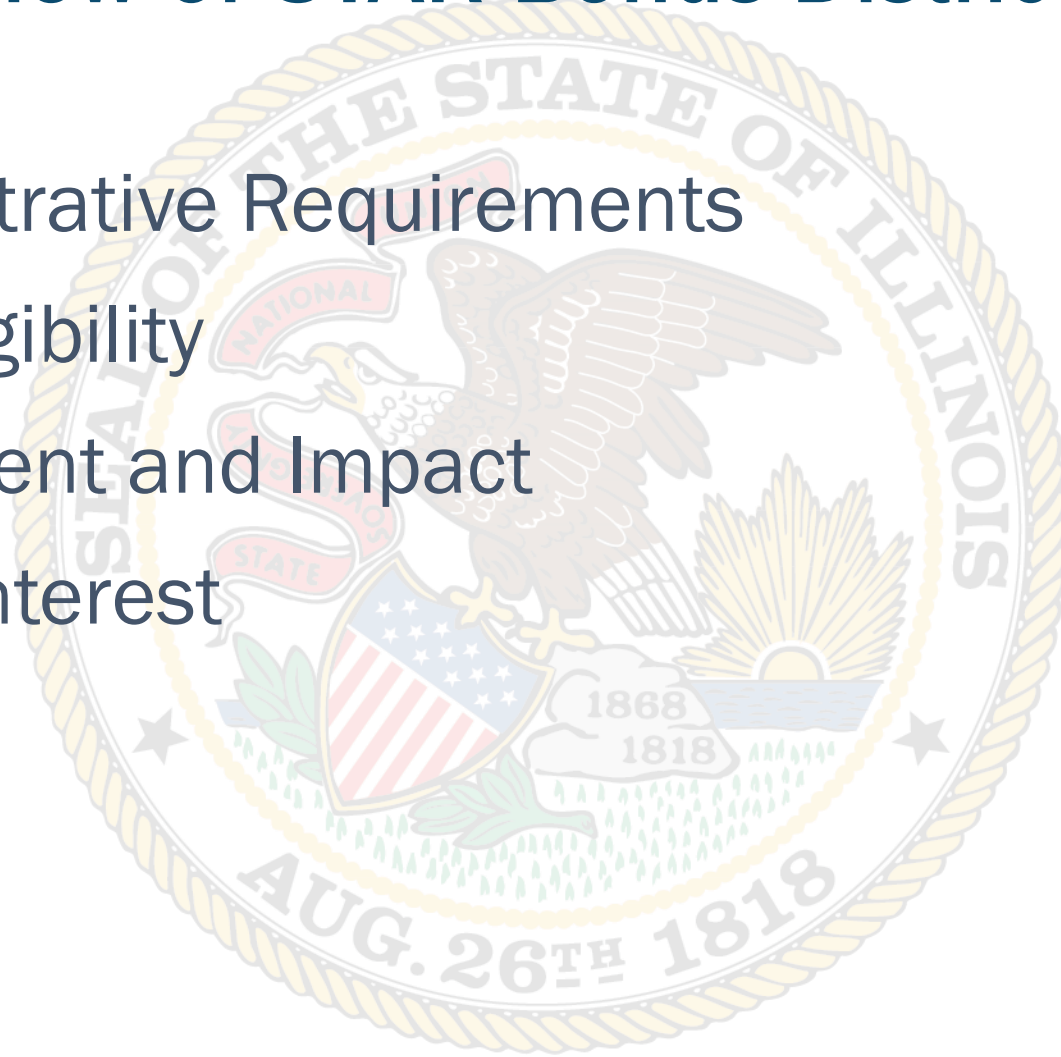
# STAR Bonds District Plan Deadlines

- 1. June 1, 2026:** Notice of Intent to establish District due
  - Submit to Department of Commerce & Economic Opportunity (DCEO) and Department of Revenue (IDOR) at [CEO.STARbonds@illinois.gov](mailto:CEO.STARbonds@illinois.gov)
  - Can satisfy with simple email from appropriate representative stating intent to form a STAR Bonds district and providing contact information.
  - Recommend submitting NOI even if future submission is uncertain
- 2. January 1, 2027:** District plan proposals and supporting documentation due
  - Submit to DCEO, IDOR and the Governor's Office of Management and Budget (GOMB) at [CEO.STARbonds@illinois.gov](mailto:CEO.STARbonds@illinois.gov)
  - Agencies will review applications as received and provide recommendations to the Governor
  - Timing of review/feedback will depend on volume and timing of applications



# Agency Review of STAR Bonds District Application

- Administrative Requirements
- Area Eligibility
- Investment and Impact
- Public Interest



# STAR Bonds District Application – Administrative Requirements

- NOI Submitted by 6/1/2026
- Submitted Resolution #1: Intent to establish a STAR bond district from *all local units of government with jurisdiction over district property*
- Submitted Resolution #2: Proposing adoption of the district from *all local units of government with jurisdiction over district property*



# STAR Bonds District Application – Administrative Requirements

## Resolution #1 Requirements -- Sec. 5-20(b)

- Gives notice of hearing
- Describes general boundaries of STAR bond district
- Describes the STAR bond district plan
- Requires that a description and map are available for inspection
- Identifies the master developer
- Requires that the corporate authorities consider the findings required to establish a STAR bond district



# STAR Bonds District Application – Administrative Requirements

## Resolution #2 Requirements -- Sec. 5-20(c)

- Finds that the STAR bond district is to be developed with a STAR bond project
- Finds that the STAR bond district is in an eligible area
- Contains STAR bond district plan with general description and includes plans for at least one development user
- Contains legal description of STAR bond district
- Appoints qualified master developer. Documents qualifications of master developer and provides copy of the signed master development agreement.
- For a NOVA district, finds that the plan demonstrates reasonable expectation that it will meet acreage, capital investment, sales, and job creation thresholds
- Establishes the district subject to state approval



# STAR Bonds District Application – Area Eligibility (Sec. 5-20(e))

- Parcels are contiguous
- (NOVA only) District includes  $\geq 500$  contiguous acres
- Applicant provided analysis of how district properties benefit from proposed project
- Benefits appear reasonable and directly tied to the plan
- $\geq 50\%$  of land area is in an underserved area
- District is within 15 miles of a state or federal highway
- Verify governing body made all seven required findings under the definition of “eligible area”



# STAR Bonds District Application – Expected Investment and Impact

- Project is a major tourism, entertainment, retail, or related project
- Project is NOT a facility for professional sports contests, or within 1 mile of a professional sports stadium
- No auto sales
- Retail limited to 900,000 square feet
- Meets minimum capital investment thresholds (\$30 million for STAR/\$500 million for NOVA)
- Meets minimum gross sales (\$60 million STAR/\$300 million for NOVA)
- Meets minimum job creation (300 STAR/1,500 NOVA)
- Sales tax increment reimbursement capped at lesser of 50% of development costs or \$75 million (Non-NOVA only)
- Applicant identifies at least one eligible user
- Applicant explains overall development plans



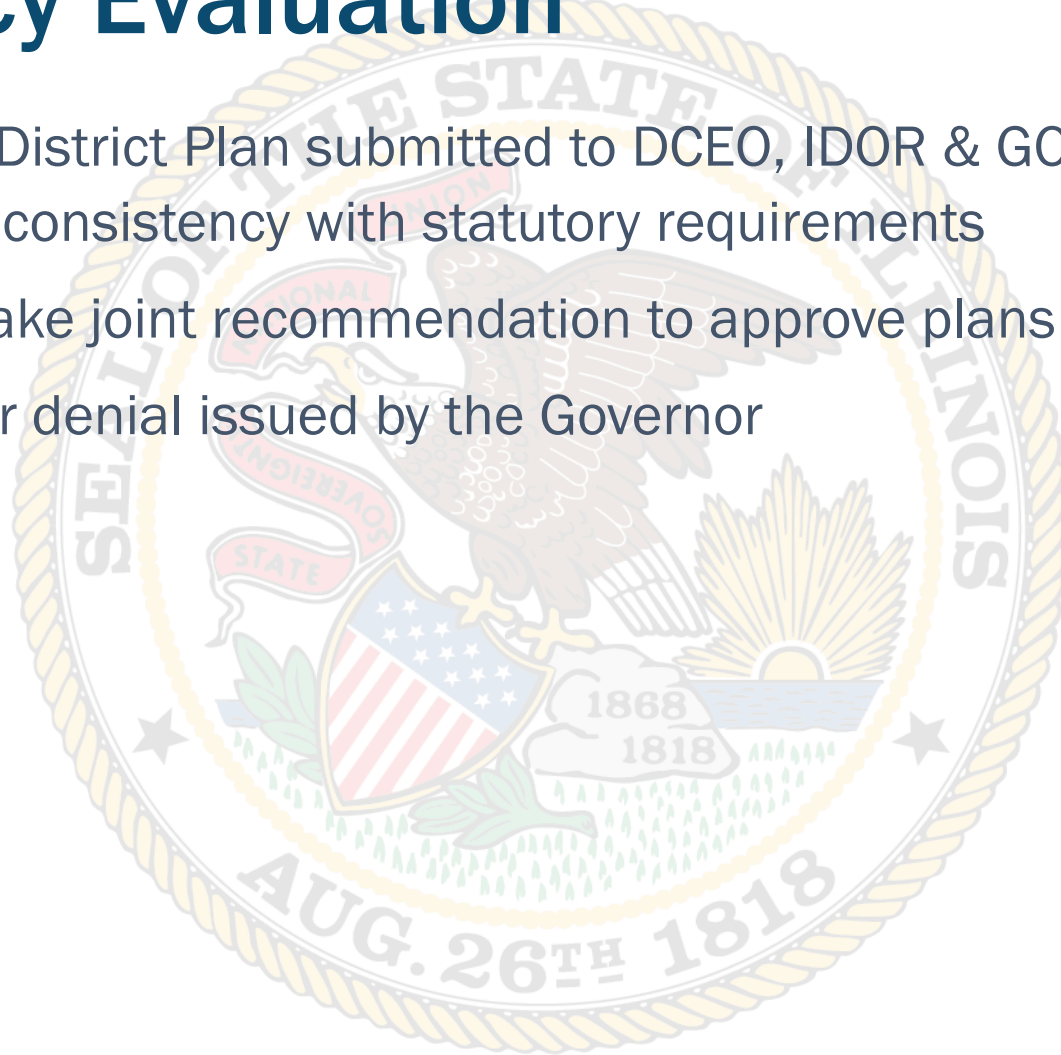
# STAR Bonds District Application – Consistency with SIDEA and Public Interest

- Development would promote major destination location
- Proposed project would stimulate significant capital investment
- District likely to remain underdeveloped without STAR bond financing
- Sales tax increment does not exceed 50% of development costs (non-NOVA)
- No compelling public-interest concerns (health, safety, morals, welfare)
- Overall public interest



# State Agency Evaluation

- Resolution and District Plan submitted to DCEO, IDOR & GOMB evaluate STAR District applications for consistency with statutory requirements
- Agencies will make joint recommendation to approve plans meeting review criteria
- Final approval or denial issued by the Governor



# Additional Resources and Contact Information

- DCEO Web Site: <https://dceo.illinois.gov/star-bonds.html>
- Statute: <https://ilga.gov/Documents/Legislation/PublicActs/104/PDF/104-0453.pdf>
- Dedicated Star Bonds Program Email: [CEO.STARbonds@illinois.gov](mailto:CEO.STARbonds@illinois.gov)

