

**Illinois Department of Revenue
Regulations**

Title 86 Part 4000 Section 4000.310 Application for Approval of STAR Bond Project

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 4000
STAR BONDS**

Section 4000.310 Application for Approval of STAR Bond Project

Before a political subdivision may hold a public hearing to consider a STAR bond project plan, the political subdivision must apply to the Department for approval of the STAR bond project plan. The Director shall either approve or deny the STAR bond project plan based on the criteria in this Section. [50 ILCS 470/20(d)]

- a) *An application for approval of a STAR bond project plan must not be approved unless all of the components of the feasibility study set forth in Section 4000.301(a) have been completed and submitted to the Department for review. [50 ILCS 470/20(d)]*
- b) *The Director must review all of the elements of the STAR bond project plan required under Section 4000.305, which must be included in the application (the plan must include a letter or letters of intent as required by Section 4000.305(e) in order to receive Director approval). [50 ILCS 470/20(d)]*
- c) *The Director must review the feasibility study and consider all of the components of the feasibility study set forth in Section 4000.301(a), including without limitation the economic impact study and the financial benefit of the proposed STAR bond project to the local, regional and State economies, the proposed adverse impacts on similar businesses and projects as well as municipalities within the market area, and the net effect of the proposed STAR bond project on the local, regional and State economies. [50 ILCS 470/20(d)]*
- d) *In addition to the economic impact study, the political subdivision must also submit to the Department, as part of its application, the financial and other information that substantiates the basis for the conclusion of the economic impact study, in the form and manner required by the Department, so that the Department can verify the results of the study. [50 ILCS 470/20(d)] All documentation submitted as part of or in support of the application must be submitted in electronic format, if applicable.*
- e) *In addition to any other criteria in this Section, to approve the STAR bond project plan, the Director must be satisfied that the proposed destination user is in fact a true destination user. [50 ILCS 470/20(d)]*
- f) *The Director must also find that the STAR bond project plan is in accordance with the purpose of the Act and the public interest. [50 ILCS 470/20(d)] In the interest of full*

disclosure and to ensure protection of the public interest, the applicant must also submit the following as part of the application:

- 1) The corporate name and address of each destination user, destination hotel and entertainment user;
 - 2) The owners of each destination user, destination hotel and entertainment user that hold at least a 5% ownership interest, and the name and address of the officers of each destination user, destination hotel and entertainment user;
 - 3) The corporate name and address of any other proposed tenant in the STAR bond project;
 - 4) Disclosure of any interest held by the master developer or any co-developer or subdeveloper or an affiliate of the master developer or any co-developer or subdeveloper that may create a conflict of interest with respect to contracting for the development; and
 - 5) Explanation of the procedures the applicant has in place to help prevent development costs from exceeding cost estimates, as well as the procedures in place to address any cost overruns that might occur.
- g) The applicant must provide a copy of the rules and procedures it has in place governing the procurement process the master developer or any co-developer or subdeveloper must use to complete the STAR bond project in a cost effective, fair and equitable manner.
- h) The applicant must provide proof that all of the local sales tax increment has been irrevocably committed as pledged STAR revenues as provided in the Act and Section 4000.201(b)(6)(G).
- i) Supplemental Information. If information or documentation is missing or insufficient, the Director shall notify the applicant that the information or documentation must be submitted before an approval or denial will be issued.