

DEPARTMENT OF REVENUE

# SOUTHERN ILLINOIS COMMUNITY LEADERS

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August 23, 2010

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The purpose of the STAR bond legislation is to create jobs. The phrase the governor used when he signed it was

**“Jobs for a Lifetime”**

The Department of Revenue has a job to do. We see that job as assuring that the STAR Bonds promise of new jobs for Southern Illinois is fulfilled.

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

The law requires the municipality to come to the director of Revenue for two approvals

- ❑ ***District plan***

to approve the director must determine that “the creation of the STAR bond district and STAR bond district plan are in accordance with the purpose of this Act and the public interest”  
- Sec 15(d)v

- ❑ ***Project plan(s)***

to approve the director must “find that the project plan is in accordance with the purpose of this Act and the public interest.”  
-Sec. 20(d).

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

The Department of Revenue will follow five principles in implementing this law.

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## □ Principle 1

### **Job Creation:**

*The underlying purpose of the Act is job creation.*

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## □ Principle 2

### **Destination development:**

*To create jobs visitors to the development will have to attract visitors from other states.*

Explanation of displacement – A new department store opens in the STAR bonds district and Dillard's closes. The people who used to work at Dillard's get jobs at the new department store.

We have not created “new” jobs.

To create new jobs the project needs more people spending money – *i.e.* visitors coming from other states and spending money in the district.

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## □ Principle 3

### **Expertise:**

*The project must be able to meet its job creation goals. Because STAR bonds are a new concept, the expertise to evaluate job creation related to retail development does not exist in the department, or even in state government. As the Act anticipates, the department will retain consultants who have that expertise.*

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## □ Principle 4

### **Accountability:**

*Assurance that taxpayer funds are properly spent.*

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## □ Principle 5

### **Partnership:**

*This must be a partnership that requires a cooperative effort between state government and Southern Illinois.*

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## 5 Principles

### 1 Job Creation

The underlying purpose of the act is job creation.

### 2 Destination Development

To create jobs the project must attract visitors from outside Illinois with major destination attractions.

### 3 Expertise

We need to know the project can meet its job creation goals – the department will retain the expertise to make sure that it can.

### 4 Accountability

The project needs to be accountable, funds must be properly spent.

### 5 Partnership

The project must be a partnership and cooperative effort between state and Southern Illinois.

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

## Next steps

**Communications**

**Regulations** – *promised by Labor Day*

**District Application**

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

General Question or Comments?

# THE STAR BOND LAW AND THE DEPARTMENT OF REVENUE

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