

(50 ILCS 330/3) (from Ch. 85, par. 803)

Sec. 3. The governing body of each municipality of this State, coming within the provisions of this Act, shall, within or before the first quarter of each fiscal year, adopt a combined annual budget and appropriation ordinance, by which ordinance the governing body may appropriate such sum or sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such municipality, and in such annual budget and appropriation ordinance shall specify the objects and purposes for which such appropriations are made, and the amount appropriated for each object or purpose. The municipality may pass a continuing annual budget ordinance. The municipality may expend funds during the first quarter of the fiscal year before the municipality has adopted the combined annual budget and appropriation ordinance.

The budget included in such ordinance shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the municipality during such fiscal year, estimated from the experience of the municipality in prior years and with due regard for other circumstances that may substantially affect such receipts. Provided, however, that nothing in this Act shall be construed as requiring any municipality to change or preventing any municipality from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any municipality to change or preventing any municipality from changing its system of accounting.

The governing body of each municipality shall fix a fiscal year therefor. If the beginning of the fiscal year of a municipality is subsequent to the time that the tax levy for such fiscal year shall be made, then such annual budget and appropriation ordinance shall be adopted prior to the time such tax levy shall be made.

Such budget and appropriation ordinance shall be prepared in tentative form by some person or persons designated by the governing body, and in such tentative form shall be made conveniently available to public inspection for at least thirty days prior to final action thereon. Provided, that in townships such tentative ordinance for purposes other than the road and bridge fund shall be prepared by the board of town trustees. ***At least one public hearing shall be held as to such budget and appropriation ordinance prior to final action thereon, notice of which shall be given by publication in an English language newspaper published in such municipality, at least 30 days prior to the time of such hearing.*** If there is no newspaper published in such municipality, then notice of such public hearing shall be given by publication in an English language newspaper published in the county in which such municipality is located and having general circulation within such municipality. If there is no such newspaper published in the county, notice of such public hearing shall be given by posting notices thereof in five of the most public places in such municipality. ***Such notice shall state the time and place where copies of the tentative budget and appropriation ordinance are available for public inspection and the time and place of the hearing. It shall be the duty of the clerk, secretary, or other similar officer, of such municipality to make such tentative budget and appropriation ordinance available to public inspection, and to arrange for such public hearing or hearings.*** Except as otherwise provided by law, no further appropriations shall be made at any other time

within such fiscal year, provided that the governing body of such municipality may from time to time make transfers between the various items in any fund in such appropriation ordinance not exceeding in the aggregate ten per cent of the total amount appropriated in such fund by such ordinance, may transfer funds received by the taxing district as the result of an erroneous distribution of property taxes by a county treasurer back to that county treasurer without amending the budget and appropriation ordinance, and may amend such budget and appropriation ordinance from time to time by the same procedure as is herein provided for the original adoption of a budget and appropriation ordinance; provided that nothing in this section shall be construed to permit transfers between funds required by law to be kept separate. (Source: P.A. 89-548, eff. 1-1-97; 90-439, eff. 8-16-97.)