§ 181. Annual budget and levy of taxes. 1. The fiscal year of each fire district shall begin on the first day of January and end on the thirty-first day of December.

For each fiscal year, the board of fire commissioners of each fire district shall prepare and adopt an annual budget in accordance with this section.

2. (a) On or before the twenty-first day prior to the public hearing required by subdivision three of this section, the board of fire commissioners shall prepare and adopt a proposed budget for the ensuing fiscal year. Within the limitations specified in this article, the proposed budget shall contain detailed estimates in writing of the amount of revenues to be received and the appropriations required for expenditures to be made during such fiscal year for the purposes of such fire district.

(b) On or before the last date provided by law for the adoption of the proposed budget, the board of fire commissioners shall prepare an estimate of the fund balance which shall be affixed to the proposed budget as an appendix thereto. The estimate of fund balance shall include a breakdown of such fund balance estimated for encumbrances, amounts estimated to be expended for the ensuing fiscal year, amounts reserved for stated purposes pursuant to law, including reserve funds established pursuant to the general municipal law, and the remaining unappropriated unreserved fund balance as that term is defined in section one hundred three of this chapter, provided that the remaining estimated unappropriated unreserved fund balance for each fund shall not exceed a reasonable amount, consistent with prudent budgeting practices, necessary to ensure the orderly operation of the fire district and the continued provision of services, taking into account factors including, but not limited to, the size of the fund, cash flows, the certainty with which the amounts of revenues and expenditures can be estimated, and the fire district's experience in prior fiscal years. For those districts which employ the cash basis of accounting, fund balance means the cash surplus estimated to be on hand at the close of the current fiscal year less claims payable therefrom and amounts reserved pursuant to law for stated purposes, including reserve funds established pursuant to the

general municipal law.

(c) Upon adoption of the proposed budget by the board of fire commissioners, the proposed budget shall be filed in the office of the fire district secretary and maintained as a public document available for inspection and copying. The fire district secretary shall also reproduce a sufficient number of copies of the proposed budget for distribution upon request to the public and at no cost to the public. In addition, if the fire district maintains an internet website, the fire district secretary shall cause the proposed budget to be posted and maintained on the fire district's website until the day after the public hearing on the proposed budget.

3. (a) The board of commissioners of each fire district shall hold a public hearing during the third week of October to discuss the contents of the proposed budget. The hearing shall be conducted and scheduled in a manner that maximizes participation. Notice of such public hearing shall be published at least once in the official newspaper, or if no official newspaper has been designated, in any newspaper having general circulation in the district. At least five days shall elapse between the date of the first publication of the notice and the date specified for the hearing. The notice of hearing shall state the date, time and the place where the public hearing will be held, the purpose thereof and that a copy of the proposed budget is available at the office of the town clerk or clerks and fire district secretary where it may be inspected by any interested person during office hours. In the case of a fire district that maintains an internet website, the notice of hearing shall also state that the proposed budget is posted on the fire district's website. The town clerk or clerks shall cause a copy of the notice to be posted on the signboard of the town or towns, maintained pursuant to subdivision six of section thirty of this chapter, not later than five days before the day designated for such hearing. The notice shall also be posted on the municipal and/or fire district website or websites, if one exists. At such hearing, any person may be heard in favor of or against the proposed budget as compiled, or for or against any item or items therein contained.

(b) After the public hearing, the board of fire commissioners may adopt changes, alterations and revisions to the proposed budget subject

to the requirements of paragraph (a) of subdivision two of this section, except that the board of fire commissioners shall not add or increase an appropriation to a capital reserve fund. On or before the fourth day of November, the board of fire commissioners shall adopt as the annual budget of the fire district either the proposed budget or the proposed budget as changed, altered or revised after the public hearing. In the event that the board of fire commissioners fails to adopt the annual budget by such date, the proposed budget with such changes, alterations and revisions as shall have been adopted by the board of fire commissioners by that date shall constitute the annual budget of the fire district.

(c) Within three days after the adoption of the annual budget of a fire district, the fire district secretary shall prepare and deliver to the town clerk of each town in which the fire district is located two certified copies of the annual budget. Neither the town board, town supervisor, town clerk nor any other officer or employee of the town shall make any change to the annual budget of the fire district.

4. After the annual budget of a fire district has been affixed to the annual budget adopted by the town board and a certified copy presented to the board of supervisors of the county in which the town is situated as required by section one hundred fifteen of this chapter, the board of supervisors shall assess and levy upon the taxable real property within the several fire districts the amounts to be raised by tax for the purposes of the respective districts as specified in such annual fire district budget and shall cause the amount so assessed and levied to be collected, in the same manner and at the same time and by the same officers as town taxes are assessed, levied and collected. When such taxes are collected, the amount thereof shall be paid to the supervisor of the town and by him immediately paid to the treasurer of the respective fire districts. If a fire district includes taxable property located in more than one town, the amount to be assessed, levied and collected upon the property within each of such towns shall be apportioned in accordance with section eight hundred six of the real property tax law.

5. In any case where a parcel of real property separately assessed on

the town assessment roll shall be divided by the line of the fire district or of any zone established therein as provided in subdivision twenty-seven of section one hundred seventy-six of this chapter, it shall be the duty of the town assessors, after the valuation of the whole of such parcel shall have been fixed, to determine what proportion of such valuation is on account of that part of such parcel lying within the limits of the fire district or of such zone or zones, and the assessors shall enter such proportion separately on the assessment roll. The valuation of the real property lying within such fire district or within such zone or zones, as so fixed and determined, shall be the valuation subject to taxation for the purposes of such fire district or of such zone or zones.

6. The treasurer of each fire district shall prepare and file annually in the office of the town clerk of each town in which any part of such fire district shall be located, and in the office of the state comptroller, a financial statement setting forth in detail the receipts and expenditures of such fire district. Such statement shall be filed in such offices within sixty days after the close of the fiscal year of the fire district.