

General Fund/Special Purpose Millage Difference

Special Purpose Millage Restricted Uses

The purpose of this information is to explain restrictions regarding how different types of public approved millage can be spent according to State law. There are two different types of millage that generate property tax revenue to operate county government services: general fund allocated and special purpose.

Before each of these millage types can be explained, it is first necessary to provide an understanding of a “millage” and a “fund”. A “mill” is \$1 for each \$1,000 of taxable value. For example, on \$40,000 of taxable value 1 “mill” generates \$40 in revenue for operating services. A “fund” is an accounting term which means this source of revenue and the expenses it pays for are accounted for separately. This separation is accomplished by budgeting and auditing for these revenues and expenses in a specific “fund” created for the purpose of carrying out only the defined activity.

The first type of millage is called general fund allocated. This millage provides for part of the cost for operating county government services that are paid for from the general fund of the county. The amount of this millage was set by a vote of the public in 1964. For the 2009 county budget, the Board of Commissioners levied 3.9141 mills. The property tax revenue generated from this millage is deposited into the general fund and pays for part of the cost to operate the courts, jail, County Clerk, County Treasurer, economic development, drainage, care of abused and delinquent children, veterans, and various other county government services.

The second type of millage is called special purpose. This millage requires public approval through an election. These funds can only be used for the specific approved purpose of carrying out the defined activity and nothing else according to Michigan Law. This revenue has to be accounted for in a separate county fund which assures it can only be used for the specified purpose. Tuscola County citizens have approved eight special purpose millages as follows:

- Medical Care Facility Construction – 1 mill
- County Road Commission Primary Roads/Streets - .9657 mills
- Sheriff Road Patrol - .8953 mills
- Mosquito Abatement - .6316 mills
- County Road Bridge - .4807 mills
- Senior Citizen Services - .1989 mills
- Medical Care Facility Operating - .2500 mills
- Recycling - .1500 mills

The Board of Commissioners does not have the legal authority to remove funds from the special purpose millage accounts for any purpose other than what the voters in Tuscola County approved the funds to be spent on. Simply put the Board of Commissioners can not reallocate funds from one account to another.