

"Walk-On"
BFA



LAW DEPARTMENT

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TO: Council Member Scott Benson

THRU: Council Member Mary Sheffield, Council President

FROM: Bruce Goldman, Chief Assistant Corporation Counsel; Veronica Farley, Senior Assistant Corporation Counsel

DATE: November 14, 2024

RE: Response to Request Concerning Potential Extension Under P.A. 147 of 1992

In response to Councilmember Benson’s request dated November 11, 2024, the Law Department has reviewed the Neighborhood Enterprise Zone Act, Public Act of 147 of 1992, as amended (“the NEZ Act”), and has determined that a portion of section 11(2) of the NEZ Act includes the following with respect to the NEZ Act’s requirement that an NEZ certificate expire if certain filing requirements are not completed within certain deadlines described in the NEZ Act:

“On request of the governing body of the local governmental unit, the qualified assessing authority shall extend the certificate if the new facility has not been occupied.”

We understand that the City Council on May 19, 2020 approved the applications by Brush 8 LLC for the issuance of Neighborhood Enterprise Zone (“NEZ”) certificates for eight new facilities located in a new building assigned addresses between 3101 and 3129 Brush, Detroit, Michigan, pursuant to the NEZ Act. We also understand that the Michigan State Tax Commission issued to Brush 8 LLC NEZ certificates N2020-172 to N2020-179 and approved the extension of the deadline to satisfy the filing requirements with respect to such NEZ certificates included in section 11(2) of the NEZ Act to December 15, 2024.

We also understand that, due to conditions beyond the control of Brush 8 LLC, the filing requirements with respect to NEZ certificates N2020-176 and N2020-178, applicable to 3117 Brush and 3125 Brush, respectively, have not been satisfied and are not expected to be satisfied by the December 15, 2024 deadline, and also that the applicable new facilities are not occupied.

As section 11(2) of the NEZ Act provides that the Michigan State Tax Commission shall grant an extension of the deadline to satisfy the filing requirements for an NEZ certificate included in section 11(2) of the NEZ Act upon the request of the governing body of a local governmental unit if the new facility is not occupied, it is within the discretion of the City Council to adopt the attached resolution to request the extension of the deadline to satisfy such filing requirements.

Rec'd @ the table 11-19-24.

By Council Member _____

WHEREAS, this City Council on May 19, 2020, approved the applications by Brush 8 LLC for the issuance of Neighborhood Enterprise Zone (“NEZ”) certificates for eight new facilities located in a new building assigned addresses between 3101 and 3129 Brush, Detroit, Michigan, pursuant to Public Act 147 of 1992, as amended (the “Act”); and

WHEREAS, the Michigan State Tax Commission issued to Brush 8 LLC NEZ certificates N2020-172 to N2020-179; and

WHEREAS, the Michigan State Tax Commission approved the extension of the deadline to satisfy the filing requirements with respect to such NEZ certificates included in section 11(2) of the Act to December 15, 2024; and

WHEREAS, due to conditions beyond the control of Brush 8 LLC, the filing requirements with respect to NEZ certificates N2020-176 and N2020-178, applicable to 3117 Brush and 3125 Brush, respectively, have not been satisfied and are not expected to be satisfied by December 15, 2024, and the applicable new facilities are not occupied; and

WHEREAS, section 11(2) of Act 147 provides that the Michigan State Tax Commission shall grant an extension of the deadline to satisfy the filing requirements for an NEZ certificate included in section 11(2) of the Act upon the request of the governing body of a local governmental unit if the new facility is not occupied; and

WHEREAS, this City Council, as the governing body of the City of Detroit, desires that Brush 8, LLC be allowed one additional year, until December 15, 2025, to satisfy the filing requirements of section 11(2) of the Act with respect to NEZ certificates N2020-176 and N2020-178.

NOW THEREFORE BE IT

RESOLVED, this City Council requests that the Michigan State Tax Commission approve and issue a one-year extension to December 15, 2025, of the deadline to satisfy the filing requirements under section 11(2) of the Act with respect to NEZ certificates N2020-176 and N2020-178.

Adopted on _____, 2024