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FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: June 22, 2023

RE: **City Council's Ability to Deny a NEZ Certificate Request (Revised)**

Council member Gabriela Santiago-Romero requested that the Legislative Policy Division (LPD) and the Law Department determine and report to the Budget, Finance and Audit Standing Committee on the City Council's ability to deny a Neighborhood Enterprise Zone (NEZ) Certificate request. This report is a response to this inquiry.

The short answer to the question, does the Council have the authority to deny a valid¹ NEZ certificate request, is no. The basis for this answer is stated clearly in the NEZ statute. Pursuant to MCL 207.775, "Not more than 60 days after receipt by its clerk of an application under section 4, the governing body of the local governmental unit by resolution **shall** approve the application for a neighborhood enterprise zone certificate. The clerk shall forward the application to the qualified assessing authority."

However, the City Council does have the authority to determine the number of years a NEZ certificate may be issued. Pursuant to MCL 207.782, "...a neighborhood enterprise zone certificate ... shall remain in effect for 6 to 15 years from the effective date of the certificate **as determined by the governing body of the local governmental unit.**" In regard to a historic property, "...a rehabilitated facility constituting all or a portion of a qualified historic building shall remain in effect for 11 to 17 years from the effective date of the certificate **as determined by the governing body of the local governmental unit.**"

Given these limitations, at the request of the then Councilmember Mary Sheffield and Council, since 2016, LPD has provided the Planning and Economic Development Standing Committee detailed reports on every NEZ Zone request submitted for approval, given that this is the time that Council may deny a request.

Please contact us if we can be of any further assistance.

¹ A request that meets the requirements of 1992 PA 147, MCL 207.771 to 207.787. [AdministrativeRulesNEZ.pdf \(michigan.gov\)](#)