

PURPOSE:

This report deals with automatic rent reductions under Provincial Legislation.

BACKGROUND:

In accordance with the Residential Tenancies Act, 2006, rents are automatically reduced when property taxes experience a year over year decrease of 2.49% or more. Landlords are required to reduce rents via a formula established in Ontario Regulation 516/06.

Since municipalities are responsible for the municipal tax roll each year, the Province of Ontario mandates municipalities to calculate the applicable reductions and send rent reduction notices to both landlords and tenants after the final tax billing.

Although most lawful residential rents are subject to this legislation, municipalities are only required to send notices to buildings containing seven (7) or more units.

Rent reduction notices are first sent to landlords in early fall and then to tenants prior to December 31st.

Landlords or tenants disputing the rent reduction amounts must apply to the Landlord and Tenant Board for a resolution.

The City of Greater Sudbury has complied with this legislation since its inception and has no other obligation other than the sending of notices.

As a result of the Ontario Fair Housing Plan announced by the Ministry of Finance in April of this year, many properties in the multi residential tax class in the City of Greater Sudbury have reductions in property taxes greater than 2.49% for 2017. This will result in a larger volume of notices than normal being mailed to the respective parties and Finance staff will continue to meet its statutory requirements in this regard.

For the information of Council, sample notices to landlords and tenants are appended to this report.