

Application to Vary the Amount of a Rent Reduction

Form A4

Instructions

Use this form to apply to have the Landlord and Tenant Board vary the amount of the rent reduction set out in a Notice of Rent Reduction.

You can obtain this form at the Landlord and Tenant Board office in your area or from the Board's website at www.LTB.gov.on.ca.

January 31, 2007

A. How to apply...

Who can apply

Under the *Residential Tenancies Act* rents for rental complexes are automatically reduced if the municipal property taxes for the complex decreased by more than 2.49%. Municipalities are required to give Notices of Rent Reduction to landlords and tenants of complexes of 7 or more rental units. Even though municipalities are not required to give landlords and tenants of complexes with 6 or fewer rental units a Notice of Rent Reduction, rents are still automatically reduced if taxes have decreased by more than 2.49%. The rent reduction must be calculated using the same formula that the municipality is required to use.

If the rental complex falls under the multi-residential property tax class as defined under the *Assessment Act*, the municipality uses the following formula to calculate the percentage rent reduction:

$$\text{Percentage rent reduction} = \% \text{ decrease in taxes} \times 20\%.$$

If the rental complex does not fall under the multi-residential property tax class as defined under the *Assessment Act*, the municipality uses the following formula to calculate the percentage rent reduction:

$$\text{Percentage rent reduction} = \% \text{ decrease in taxes} \times 15\%.$$

You can make this application if you are the landlord or the tenant and you want the Board to vary the amount of a rent reduction set out in a Notice of Rent Reduction given by the Municipality. You can also apply to vary the amount of a rent reduction (calculated using the one of the above formulas) for a complex of 6 or fewer rental units as long as either reason 1 or 2 set out in Part 3 of the application applies.

You must apply on or before the later of:

- (i) the 90th day following the day on which the notice of rent reduction was issued
(or 90 days after the tax notice was issued if a notice of rent reduction is not required),
and
- (ii) March 31st of the year following the date the rent reduction took effect.

Step 1: Complete the form

Read the instructions carefully before completing the form.

Step 2: Complete the A4 Payment and Scheduling Information Form

You must complete the Payment and Scheduling Information Form which is attached behind the last page of the application form. Instructions for completing it are found at the end of these instructions.

Step 3: File the Application and the Payment and Scheduling Information Form with the Landlord and Tenant Board

Filing your application and paying the fee

You can:

1. Bring the application to the nearest Board office.

If you file your application in person, you can pay by cash, certified cheque, money order, Visa, American Express or MasterCard. You can also pay by debit card at most locations.

2. Fax your application to the Board Regional Office in your area.

If you fax your application, you must pay by Visa, American Express or MasterCard.

3. Mail your application to the Board Regional office in your area.

If you mail your application, you must pay by certified cheque, money order, Visa, American Express or MasterCard.

Certified cheques and money orders must be made payable to the Minister of Finance.

Important:

Make sure you have provided the necessary information about how you will pay the fee on the Payment and Scheduling Information Form. Your application will not be accepted if you do not pay the application fee at the time you file your application.

If you owe money to the Board as a result of failing to pay a fee, or any fine or costs set out in an order, your application may be refused or discontinued.

It is the applicant's responsibility to ensure that their application is correct and complete. Staff of the Landlord and Tenant Board will check applications for completeness; however, the Board Member who will make a decision on the application will ultimately determine whether or not it meets the requirements of the legislation. Where it does not, the application may be dismissed.

Scheduling the Hearing

Once you have filed the application and paid the application fee, the Board will schedule a hearing and give you a Notice of Hearing. The Board may schedule either a written or an oral hearing.

In an oral hearing, the landlord and the tenant(s) come before an adjudicator to present any evidence and submissions they have about the application. In a written hearing, landlords and tenants file their evidence and submissions about the application in writing to the Board. An adjudicator makes a decision based on these documents without holding a meeting between the parties.

When the Board gives you a copy of the Notice of Hearing, the Board will also give you:

- a copy of the application to keep for yourself,
- a blank Certificate of Service form (see Step 5),
- a copy of the application and the Notice of Hearing for the other party(ies), and,
- instructions for giving the application and the Notice of Hearing to the other party(ies).

This is called the application package.

Step 4: Give a copy of the application and the Notice of Hearing to the other parties to the application

If the Board decides to hold an oral hearing, you must give the other parties to the application a copy of the application and a copy of the Notice of Hearing at least 30 days before the hearing. If the Board decides to hold a written hearing, you must give the other parties to the application a copy of the application and the Notice of Written Hearing by the date set out in the Notice of Written Hearing. There are many ways you can do this. For example, you can:

- hand the copies directly to the other party (or to an adult in a tenant's rental unit),
- hand the copies to an employee of the landlord, like the superintendent or property manager,
- leave the copies in the other party's mailbox or where mail is ordinarily delivered,
- place the copies under the door of the tenant's rental unit or through a mail slot in the door,
- send the copies by fax to a fax machine where the other party carries on business or to a fax machine in their residence,
- send the copies by courier (if you courier them, you must allow one business day for delivery),

- send the copies by mail (if you mail them, you must allow five days for delivery),
- if the other party has a lawyer or an agent, you can give the other party's lawyer or agent the copies by mail, by hand delivery, mail, courier or fax.

Keep a copy of the application and the Notice of Hearing for yourself.

Step 5: File a Certificate of Service with the Board

You must file a Certificate of Service with the Board showing when and how you gave a copy of the application and the Notice of Hearing to the other parties to the application. If the Board scheduled an oral hearing, you should file the certificate as soon as possible after you give the other parties a copy of the application and the Notice of Hearing. The Certificate of Service form is available from the Board.

If the Board scheduled a written hearing, you must file the certificate by the date set out in the Notice of Written Hearing. If you don't file the certificate by this date, the Board could dismiss your application.

Step 6: The Board will process the application, hold a hearing and issue a written decision called an order

If the Board decides to hold an oral hearing, you should come to the hearing prepared to support your application. If there are any documents or other information that you will be relying on, you should file them with the application and bring them to the hearing. You should make extra copies for the Board and the other parties. You should also bring any witnesses you may need to prove your claim. If you need to summon a witness, you can obtain a "Request for the Board to Issue a Summons" form from the Board.

If the Board decides to hold a written hearing, you should file with the application all the documents or other information that support your application. The other parties will be given an opportunity to respond to the information you submit, and you will be given an opportunity to reply to any responses. The deadlines for responding and replying to responses will be set out in the Notice of Written Hearing.

B. How to complete this form...

The information you fill in on the form will be read electronically, therefore it is very important that you follow these instructions carefully. **Print in capital letters and do not touch the edges of the boxes.** If there are more boxes in a line than you need, leave the extra boxes blank. Do not fill in boxes that do not apply to you (for example, if you do not have a fax number, do not fill in boxes in the space marked "Fax Number"). If the instructions tell you to shade a box (for example, boxes marked "Yes" or "No"), shade the box completely. See the following example:

Read the instructions carefully before completing the Form. Print or Type in Uppercase.

Part 1: General Information

Applicant Information

Landlord

Tenant

Male

Female

Company

First Name

J O H N

Last Name (if there is more than 1 applicant, complete a Schedule of Parties form and file it with this application)

B A R T H O L O M E W

Street Address

1 4 2 1 P L E A S A N T M E A D O W R O A D

Unit/Apt./Suite

8 0 3

Municipality (city, town, etc.)

T O R O N T O

Province

O N

Postal Code

M 5 H 3 F 3

Day Phone Number

(4 1 6) 5 5 5 1 2 1 2

Evening Phone Number

(4 1 6) 5 5 5 2 3 2 3

Fax Number

(4 1 6) 5 5 5 3 2 1 0

E-mail Address

Rental Unit, Building or Complex Covered by this Application

Street Number

3 0 2

Street Name

C O O K S T O W N

Street Type (e.g. Street, Avenue, Road)

S T R E E T

Direction (e.g. East)

N O R T H

Unit/Apt./Suite

6

Municipality (city, town, etc.)

M I S S I S S A U G A

Province

O N

Postal Code

L 4 Z 2 T 2

Part 1: General Information

Applicant Information

Shade the appropriate box to identify whether you are the landlord or the tenant.

Fill in your name and mailing address and shade the correct box to show whether you are male or female. Include both daytime and evening telephone numbers, fax number and e-mail address, if you have them. If there is more than one applicant, first complete Part 1 with information about one of the applicants, then provide the names, addresses and telephone numbers of the additional applicants on the "Schedule of Parties" form which is available from the Board.

If the applicant is the landlord, and the landlord is a company, shade the box marked company and fill in the name of the company under "First Name".

**Rental Unit,
Building or
Complex
Covered by
this
Application**

Fill in the street address for each building in the residential complex covered by this application. Attach additional sheets if necessary. If you are a tenant, fill in the unit number of the rental unit subject to the application.

If the name of the street is, for example, "Chestnut Road", you would fill in "Chestnut" under "Street Name" and "Road" under "Street Type".

If the street name includes a direction (such as "Chestnut Road **North**"), you would fill in "North" under "Direction". Where applicable, use the following abbreviated directions: "NW" for Northwest, "NE" for Northeast, "SW" for Southwest or "SE" for Southeast.

**Other Parties
to the
Application**

If you are the tenant...

If you are the tenant, fill in the landlord's name and mailing address and shade the correct box to show whether the landlord is male or female. If the landlord is a company, shade the box marked company and fill in the name of the company under "First Name". Include the landlord's daytime and evening telephone numbers, fax number and e-mail address if you know them.

If you are the landlord...

If you are the landlord and the application affects only one rental unit, fill in the tenant's name and mailing address and shade the correct box to show whether the tenant is male or female. Provide both daytime and evening telephone numbers and a fax number, if you know them.

If the application affects more than one rental unit, complete Part 1 of the form and then complete the "Schedule of Parties" form which is available from the Board. For each other party, fill in the name and mailing address. Shade the correct box to indicate if the other party is a tenant, landlord or the landlord's agent. Provide the parties' daytime and evening telephone numbers, fax numbers and e-mail addresses, if you know them.

**Related
Applications**

If there are any other applications to the Board that relate to the same rental unit, fill in the file numbers of those applications.

Part 2: Information about Municipal Property Taxes

In order to decide whether to vary the amount of the rent reduction set out in a Notice of Rent Reduction, the Board needs to know the municipal property taxes for the complex for the “base year” and the “reference year” for the application. The base year is the taxation year in which the taxes decreased. The reference year is the calendar year immediately before the base year.

For example, if the taxes decreased in 2006, the rent reduction set out in the Notice of Rent Reduction would be effective December 31, 2006. The base year for the application would be 2006 and the reference year would be 2005.

On the form, fill in the base year and the reference year for the application and the municipal property taxes for the complex for each period. Include only the actual property and education taxes levied on the complex. Do not include other charges the municipality has levied on the landlord. These charges could include special levies, penalty charges, charges for work carried out by the municipality, user fees, etc.

You must attach evidence of the amount of property taxes levied by the municipality for each period. For example, you could attach a copy of the municipal tax bills for each period.

Part 3: Reasons for Your Application

On the form, shade the correct box to show your reason for applying to vary the amount of the rent reduction. You may base the application on one or more of the following reasons:

1. The landlord paid charges to the municipality that were not included in the municipal property taxes for the base year when the percentage rent reduction was calculated.

Shade this box on the form if you are applying because you want the Board to take into account charges the landlord paid to the municipality in the base year which the municipality did not include when calculating the amount of the rent reduction.

When calculating the amount of the rent reduction, the Board will **not** take into account the following charges:

- charges to landlords for inspections of the complex done by the municipality in response to an alleged breach of a housing, maintenance, health or safety standard,
- charges to landlords for emergency repairs to the complex carried out by the municipality,
- charges to landlords for non-emergency repairs or work to the complex carried out by the municipality because the landlord did not comply with a by-law (for example, a by-law

requiring the landlord to remove weeds),

- charges to landlords for capital work related to the property (landlords can make an application for a rent increase above the guideline related to such charges),
- costs and administrative fees incurred by a municipality to provide vital services to a complex when the landlord does not provide the services they are required to provide,
- penalties, interest, late payment fees and fines.

However, there are other charges which municipalities may not have included when calculating the rent reduction which the Board **can** consider. These charges include user fees (for example, for garbage removal) or special levies.

On the form, fill in the base year and the reference year (as in Part 2 of the form) and the total charges that were paid during each period. In order to determine whether to vary the amount of the rent reduction, and by how much, the Board must consider charges paid in both the base year and the reference year.

You must attach evidence of the amount of the charges the landlord paid for both years.

2. The rent reduction should be calculated using a formula that takes into account the rent revenue for the residential complex.

There are two different formulas used by municipalities to calculate the percentage rent reduction set out in a Notice of Rent Reduction.

One formula applies if the residential complex falls under the multi-residential property tax class as defined under the *Assessment Act*. In this case the municipality calculates the percentage rent reduction by multiplying the percentage decrease in taxes for the complex by 20%. The formula is based on the assumption that landlords of residential complexes in the multi-residential property tax class typically pay about 20% of their total annual rent revenue in municipal property taxes.

The second formula applies if the residential complex does **not** fall under the multi-residential property tax class as defined under the *Assessment Act*. In this case, the municipality calculates the percentage rent reduction by multiplying the percentage decrease in taxes for the complex by 15%. The formula is based on the assumption that landlords of residential complexes that are not in the multi-residential property tax class typically pay about 15% of their total annual rent revenue in municipal property taxes.

If the amount that a landlord pays for municipal property taxes, as a percentage of the annual rent revenue for the residential complex, is not equal to the percentage that the municipality used in the formula for calculating the percentage rent reduction (either 20% or 15%

depending on the property tax class for the residential complex), then the Board can calculate the percentage rent reduction based on the total annual rent revenue for the complex.

Shade this box on the form if you are applying because you believe the percentage rent reduction should be recalculated using a formula that takes into account the rent revenue for the complex. Then, shade one or the other of the following two boxes to indicate whether or not the residential complex falls under the multi-residential property tax class.

If you apply for this reason, you must, in Part 4 of the form, provide information about the total annual rent revenue for the complex for the base year. The Board will use this amount to calculate the amount of the rent reduction.

3. There is an error in the percentage rent reduction set out in the Notice of Rent Reduction.

Shade this box on the form if you believe the municipality made an error when calculating the percentage rent reduction and setting it out in the Notice of Rent Reduction.

On the form, explain why you believe there is an error. Be as specific as possible. Include what you believe to be the correct percentage rent reduction and explain how you calculated this amount. You should also file with the application any evidence you have supporting your belief that there was an error.

4. The municipal property taxes were either increased or decreased after the notices of rent reduction were given.

Shade this box on the form if the municipal property taxes for the base year for the complex were either increased or decreased after you received the Notice of Rent Reduction. The municipal property taxes for the base year for a complex could be changed after the notices of rent reduction are sent out if the assessment for the complex was reconsidered or an appeal decision was made.

You can only apply for this reason if the property taxes for the base year were increased or decreased on or before March 31st of the year following the base year.

You must attach evidence showing the increase or decrease in the property taxes.

Part 4: Information about Rent Revenue

If you applied for reason #2, you must complete this part of the form by filling in the total annual rent revenue for the complex for the base year. In this case, the Board must calculate the percentage rent reduction based on the total annual rent revenue. If you apply for reason #2 and you do not fill in this part of the form, the Board cannot consider your application.

If you applied for any other reason, you should fill out this part if you want the Board to calculate the percentage rent reduction based on the total annual rent revenue for the complex, rather than the formula used by the municipality.

Signature Sign your name and include the date you are signing this form.

If you are the landlord or an officer signing for a corporation, shade the box marked "Landlord". If you are a tenant shade the box marked "Tenant". If you are an agent, shade the box marked "Agent".

Print your name below your signature.

If you are an agent or an officer signing for a corporation, also include your name, title, company name (if applicable), mailing address, telephone and fax number and e-mail address.

If an agent signs the form, the agent must have written authorization from the applicant. The agent should bring the authorization to the hearing.

C. How to fill out the Payment and Scheduling Information Form

You must complete the Payment and Scheduling Information Form.

Part 1: Application Fee

How are you paying the application fee?

On the Payment and Scheduling Information Form, shade the correct box to show whether you are paying by cash, debit card, certified cheque, money order, Visa, American Express or MasterCard (you cannot pay by cash or debit card if you are filing your application by fax or mail). If you are paying by Visa, American Express or MasterCard, include the cardholder's name and signature, the card number and expiry date. The information you fill in on this part of the form is confidential. It will be used to process your application, but will not be placed on the application file.

Important:

Your application will not be accepted if you do not pay the application fee at the time you file your application.

If you owe money to the Board as a result of failing to pay a fee, or any fine or costs set out in an order, your application may be refused or discontinued.

Part 2: Information Required to Schedule the Hearing

How do you want the Board to give you the application package?

If you file your application in person at a Board office, in most cases the Board will be able to schedule a hearing and prepare the application package while you wait. However, if you mail or fax your application, you must tell the Board whether you would like to pick up the application package at a Board or ServiceOntario office, or have it mailed to you or faxed to you. Shade the correct box to show how you want to receive the application package.

If you want to pick up the application package at a Board or ServiceOntario office, also indicate what day and at what office you would like to pick it up. If you are mailing your application to the Board, the earliest day you can ask to pick up the package is six days after you mail it. If you are faxing your application, the earliest day you can ask to pick up the package is the day after you fax it. Call the Board before picking up the package to make sure it is ready.

When will you give the application package to the other party?

On the Payment and Scheduling Information Form, shade the correct box to indicate whether you will give the other party(ies) the application package (the other party's(ies') copy of the Notice of Hearing and the application) on the date you receive it from the Board or whether you will give the other party(ies) the package on a different date. If you intend to give the application package to the other party(ies) on a different date, fill in the date in the space provided. The Board must know this date in order to schedule the hearing.

How will you give the application package to the other party?

The Board also needs to know how you plan to give the application package to the other party(ies). Shade the correct box to indicate whether you will be mailing the package, sending it by courier or giving it some other way.

Part 3: Interpretation Services Required

Indicate whether you require interpretation services

If you require French language services, shade the box for French language services. The Board will only provide French language services if you live in an area of the Province designated for French language services or if the rental unit or complex that is covered by the application is in an area designated for French language services. If you are not sure if you live in a designated area, you can contact the Board for more information.

If you require sign language services, shade the box for Sign language services. The Board will arrange for an interpreter to attend the hearing.

If you need more information...

The Board has Rules of Practice that set out procedural rules which may affect the outcome of your application. In addition, the Board has Interpretation Guidelines which explain how the Board might decide specific issues that could arise in your application. You can purchase a copy of the Rules and Guidelines from the Landlord and Tenant Board office in your area or view them online at the Board's website www.LTB.gov.on.ca.

If you need more information or have any questions, call the Landlord and Tenant Board at 416-645-8080 or toll-free 1-888-332-3234. You can also check the status of your application by visiting the Board's website at www.LTB.gov.on.ca.