

City Council to decide property tax rates for tenants on April 14

BY PAMELA EADIE

CITIZEN ADVERTISING FEATURES

Source: **DICKIE & LYMAN LLP**, who practice landlord/tenant law and other areas of law.

QUESTION:

Recently you have written about Ottawa City Council deciding on the tax increase for tenants, and how that will impact on the rents tenants pay. Didn't City Council decide on everyone's property taxes during the budget discussion?

ANSWER:

No, in the budget, City Council decides on the City's plan for its expenditures and revenues, including a certain total amount for property taxes. Then in April, City Council decides on tax policy, including how to divide the tax bill among the various classes of property taxpayers.

Currently, the residential class (owner occupied houses and rental properties of between one and six units) makes up 76 per cent of the assessment and pays 62 per cent of the city taxes. Multi-residential properties (residential rental property of seven or more units) makes up six per cent of the assessment and pays eight per cent of the city taxes. Commercial and Industrial properties make up 17 per cent of the assessment and pay 29 per cent of the city taxes.

The provincial government believes that business properties and multi-residential properties are overtaxed. Therefore, the Province allows City Council to reduce the share of taxes that those classes of property pay, but not to increase that share.

The business community is resigned to the fact that City Council will tax it as high as they can. However, residential tenants and landlords are asking City Council to reduce the share of taxes they pay to make it more in line with the share of assessment those homes make up.

Tenants should care about the property taxes on rental buildings because they ultimately pay those taxes through their rents. Landlords care because lower costs and rents make rental property more competitive with entry level home-ownership.

This year, City Council will decide on the tax rate for multi-residential tenants on Wednesday, April 14.

QUESTION:

I'm planning to relocate to Ottawa, and intend to rent a house for at least the first year. I want to operate a mail order business from my residence during that time, until I find a suitable commercial location. Am I able to rent a house and simply operate my business from it, or is it more complicated than that?

ANSWER:

Generally speaking a tenant can operate a small home-based business out of their residential unit, but you must be careful to ensure that you are following all applicable City rules to do so. The City zoning by-law provides a number of restrictions on home businesses including the size, type and effects from the business. If you break the City by-laws or provincial or federal laws with regard to the business, you will risk eviction, in addition to other penalties from one or more governments.

In addition, you are not entitled to run a business if it causes damage to the rental property, or disturbs the reasonable enjoyment of the landlord or other tenants. You should familiarize yourself with the applicable City by-laws. A good place to start is the City of Ottawa Home Based Business Guide which can be found online at www.ottawa.ca/business/starting/home/guide_en.pdf.

Tenant-Landlord Spring HOPE Food Drive

On Tuesday, April 13, many tenants and landlords will be coming together to help the Ottawa Food Bank collect food to assist those in need. Most large landlords in Ottawa work with the Ottawa Food Bank to post notices and distribute Food Drive bags in their apartment buildings. Tenant volunteers and building staff collect the food donations. Last year, tenants and landlords collected more than 126,000 pounds of food, making the Tenant-Landlord Food Drive the biggest food drive held in Ottawa.

Send questions for rental experts or suggestions for topics to Rental Guide, c/o Pamela Eadie, Ottawa Citizen Advertising Features, 1101 Baxter Road, Ottawa, K2C 3M4 or by e-mail to peadie@thecitizen.canwest.com. Selected questions will be answered in future columns only. For immediate assistance call the Landlord Tenant Board at 1-888-332-3234.