

City of Mississauga
Corporate Report



<p>Date: February 6, 2024</p>	<p>Originator's files:</p>
<p>To: Chair and Members of Towing and Trucking Industry Advisory Committee</p> <p>From: Raj Sheth, P.Eng, Commissioner of Corporate Services</p>	<p>Meeting date: February 20, 2024</p>

Subject

Provincial Oversight of the Towing and Vehicle Storage Sector

Recommendation

1. That the report from the Commissioner of Corporate Services, dated February 6th, 2024 entitled "Provincial Oversight of the Towing and Vehicle Storage Sector" be approved.
2. That the following by-laws be repealed:
 - a. Tow Truck Licensing By-law 0521 2004, as amended; and
 - b. Prohibit Accident Scene Solicitation on Highways By-law 0083-2015
3. That the following by-laws be amended:
 - a. Business Licensing By-law 0001-2006, as amended, to delete Schedule 27 (Owners of Vehicle Pound Facilities) and remove all references to tow trucks and licensing of vehicle pound facilities;
 - b. Licensing Administrative Penalty By-law 0135 2014, as amended, to delete all penalties associated with licensing of tow trucks and vehicle pound facilities in Schedule "B"; and
 - c. User Fees and Charges By-law 0199 2023, as amended, to remove the fees associated with tow truck licensing and vehicle pound facilities in Schedule "A" (General Fees and Charges).
4. That all necessary by-laws be enacted.

Report Highlights

- In June 2021, the Province of Ontario passed the *Towing and Storage Safety and Enforcement Act, 2021* ("TSSEA"). The TSSEA establishes provincial oversight of the towing and vehicle storage sector.
- As of January 1, 2024, oversight of the towing and vehicle storage sector has fully transitioned to the Province, replacing all municipal regulatory regimes.

- In 2023, Mobile Licensing generated \$274,679 from licensing and training fees and received 184 complaints related to the towing and vehicle storage industry.

Background

In June 2021, the Province of Ontario (“the Province”) passed the *Towing and Storage Safety and Enforcement Act, 2021* (“TSSEA”). The TSSEA (Appendix 1) establishes provincial oversight of the towing and vehicle storage sector. The Province also conducted additional actions to improve provincial oversight of the towing sector, including:

- Launching a Tow Zone Pilot program on sections of provincial highways in the Greater Toronto Area to help improve safety, keep goods moving and clear highways faster after a vehicle collision or breakdown (Appendix 2);
- Forming a Joint Forces Operation led by the Ontario Provincial Police (OPP) and municipal police services to investigate criminal activity in the towing industry; and
- Improving data sharing between the Ministry of Transportation and the OPP to support focused compliance actions with non-compliant tow operators through the Commercial Vehicle Operator’s Registration (CVOR) program.

Enforcement’s Mobile Licensing section is primarily responsible for the regulation and enforcement of City by-laws governing vehicles licensed by the City such as taxicabs, transportation network companies, limousines, airport vehicles, refreshment carts/vehicles, ice cream trucks, driving school vehicles, including towing and vehicle storage. As of January 1, 2024, oversight of the towing and vehicle storage sector has fully transitioned to the Province, replacing all municipal regulatory regimes. Since then, Mobile Licensing has ceased all administrative and enforcement actions related to the towing and storage sector.

2023 Licensing and Enforcement Action

In 2023 Enforcement’s Mobile Licensing section:

- Issued 184 Tow Truck Driver Licences, 343 Tow Truck Owner Licences, and 24 Vehicle Pound Licences;
- Generated \$274,679 from towing and vehicle storage licensing and training fees;
- Trained 19 tow truck drivers;
- Received a total of 1,156 vehicle-for-hire complaints, of which 184 (16%) were specifically related to the towing and vehicle storage sector; and
- Issued 15 penalties related to towing or vehicle storage licensing violations.

Present Status

Throughout 2024 the Ministry of Transportation (MTO) will operationalize the TSSEA by implementing requirements in several phases:

- **January 1, 2024:**
 - Tow operators, vehicle storage operators and tow truck drivers must now comply with the TSSEA customer protection requirements and industry standards.
 - Tow operators and vehicle storage operators must have a certificate to operate.
- **January 15, 2024:**
 - Maximum rate schedule portal opens to tow and vehicle storage operators, allowing operators to submit their maximum rates to the ministry.
 - Complaints portal opens for customers, law enforcement, municipal authorities and stakeholders.
- **By March 1, 2024:**
 - All operators must submit their maximum rates to the Ministry's Maximum Rate Schedule portal.
- **Late March 2024:**
 - Published maximum rates schedule launch to allow public viewing of an operator's certificate status and their maximum rates for tow and vehicle storage services.
- **April 1, 2024:**
 - All tow trucks will be required to enter truck inspection stations (TISs) for the purposes of commercial motor vehicle inspection.
 - Period of TSSEA education and awareness ends and full TSSEA enforcement begins.
- **July 1, 2024:**
 - Tow truck drivers must have a certificate to drive a tow truck.
 - Tow truck drivers applying for a TSSEA certificate on or after July 1st, 2024 must complete training requirements prior to receiving a certificate.

Comments

As a result of the full implementation of the TSSEA, municipal oversight of the towing and vehicle storage sector has ended. The transition will require the following changes to City by-laws:

1. That the following by-laws be repealed:
 - Tow Truck Licensing By-law 0521 2004, as amended ("Tow Truck By-law"), which licenses and regulates owners and drivers of tow trucks in the City; and
 - Prohibit Accident Scene Solicitation on Highways By-law 0083-2015, which describes the rules and enforcement of tow trucks and towing services who solicit business at the scene of accidents on the City's highways.
2. That the following by-laws be amended:
 - Remove Schedule 27 (Owners of Vehicle Pound Facilities) from the Business Licensing By-law 0001-2006, as amended.
 - Remove the Tow Truck By-law and associated penalties and the penalty for vehicle pound facilities under the Business Licensing By-law table from Schedule "B" (Designated By-law Provisions) of the Licensing Administrative Penalty By-

law 0135 2014, as amended, which governs the fee and penalties for contravention of a designated City by-law; and

- Remove fees associated with tow truck licensing and vehicle pound facilities from Schedule “A” (General Fees and Charges) of the User Fees and Charges By-law 0199-2023, which outlines fees and charges payable to the City.

Prior to TSSEA, Mobile Licensing, in consultation with the City’s Towing and Trucking Industry Advisory Committee (TTIAC) was responsible for regulating the towing and vehicle storage sector while up-holding community standards and public safety. Although the measures implemented by TTIAC will no longer be applicable, the new provincial authority has implemented similar measures that include certificates and driver training, maximum rate schedules including publishing rates publically, motor vehicle inspections, and complaints portals for customers, law enforcement, municipal authorities and stakeholders (Appendix 3).

Financial Impact

There is no current financial impact resulting from the recommendation of this report. 2024 revenue from towing and vehicle storage was adjusted in the 2024 business planning cycle in cost centre 22651.

Conclusion

With the new provincial authority ending municipal oversight of the industry, Mobile Licensing will continue to provide education and awareness of TSSEA regulations along with directing any concerns received from the industry, city staff, law enforcement, and the public to the appropriate provincial channels. The proposed repeal and amendments to City by-laws recommended in this report will support the transition of the oversight of the towing and vehicle storage sectors to the Province.

Attachments

Appendix 1: The *Towing and Storage Safety and Enforcement Act, 2021* (TSSEA)

Appendix 2: Tow Zone Pilot program

Appendix 3: Director, Commercial Safety and Compliance memorandum on the implementation of the *Towing and Storage Safety and Enforcement Act, 2021* (TSSEA)



Raj Sheth, P.Eng, Commissioner of Corporate Services

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