



Staff Report for Committee of the Whole Meeting

Date of Meeting: June 18, 2019

Report Number: SRCS.19.16

Department: Community Services

Division: By-law & Licensing Enforcement

Subject: **SRCS.19.16 Tow Truck By-law 78-19**

Purpose:

To provide a summary of Tow Truck Licensing By-law No. 54-13 implementation over the last four years, enact updates to the tow truck by-law, and incorporate various tow truck by-law offences into the City's Administrative Monetary Penalty System.

Recommendation(s):

- a) That Staff Report SRCS.19.16 be received.
- b) That the existing Tow Truck Licensing By-law No. 54-13, and all subsequent amendments be repealed, and that the Tow Truck By-Law No. 78-19 attached as Attachment 1 to SRCS.19.16 be enacted.
- c) That the Administrative Penalty By-law No. 69-16 be amended by replacing the existing Schedule "A" with the new Schedule "A" (By-law No. 79-19; Attachment 2 to SRCS.19.16).

Contact Person:

Tracey Steele, Director of By-law and Licensing Enforcement, Extension 2476

Chris Goode, By-law Policy Officer, Extension 2416

Report Approval:

Submitted by: Ilmar Simanovskis, Commissioner of Community Services

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

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Background:

The current Tow Truck Licensing By-law 54-13 was enacted in 2013, and came into effect on March 31, 2014 with a requirement for owners and drivers to be licensed by July 1, 2014. Administrative amendments to By-law 54-13 were approved by Council on July 13, 2015 (SRPRS.15.042) and at that time Council also directed staff to report back on implementation of the By-law.

This staff report (SRCS.19.16) provides a summary of Tow Truck Licensing By-law implementation over the last four years and also proposes by-law updates including incorporation into the Administrative Monetary Penalty System (AMPS).

By-law Implementation 2015 - 2019

Table 1 summarizes the number of driver and owner licenses issued pursuant to the Tow Truck Licensing By-law over the last four years. There was a significant spike in license numbers during the 2017-2018 licensing year because in April of 2017, the Canadian Automobile Association (CAA) required that all of their sub-contracted tow truck owners and drivers operating in the Greater Toronto Area (GTA) be licensed in all GTA municipalities.

Table 1: Number of Licenses issued by License Year

License Type	Number of Licenses Issued (Annual licenses are valid June 30 to June 30)			
	2015-2016	2016-2017	2017-2018	2018-2019
Driver	103	119	188	236
Owner (Plates)	100	108	172	237

Table 2 summarizes the number of tow truck charges laid by the By-law and Licensing Division from 2015 to 2018. Again, the increase in charges (70 laid in 2017) was linked to CAA policies – the number of charges being laid for operators without a license (in Richmond Hill and other municipalities) contributed to the CAA requirement for all of their subcontractors to be licensed in all GTA jurisdictions.

From 2015-2018 the Tow Truck Licensing By-law accounted for approximately 33% of all by-law and licensing charges laid in Richmond Hill. As the majority of tow truck charges are contested at trial, the Tow Truck Licensing By-law has accounted for a significant use of court time over the past four years. This use of court time, combined with the fact that most tow truck charges are associated with relatively straightforward offences (e.g., operating without a license, missing equipment), makes the tow truck by-law a strong candidate for inclusion in AMPS.

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Table 2: Number of Charges and Fine Revenues by Year

Year	Number of Tow Truck Charges	Value of Fines Issued	Actual Fines Collected	Fines Outstanding
2015	26	Not Available	Not Available	Not Available
2016	26	Not Available	Not Available	Not Available
2017	70	\$29,000	\$13,000	\$1,400
2018	46	\$17,000	\$10,290	\$1,900

The net budget associated with implementation of the Tow Truck Licensing By-law over the last four years is summarized in Table 3. The increase in revenue in 2018 correlates to the increase in license numbers in this year (Table 1). It should be noted that the 2018 level of revenue is not expected to be sustained in 2019 given that it is less expensive to renew a license than it is to start a new one. It is expected that the tow truck by-law program will approximate a revenue neutral situation in the coming years.

Table 3: Annual Budget Summary

	2015	2016	2017	2018
Direct Costs (primarily By-law Officer and By-law Clerk salaries and benefits)	\$176,000	\$182,000	\$187,000	\$193,000
Revenues (licence application fees)	\$77,000	\$111,000	\$111,000	\$213,000
Net Budget (net expenditure bracketed)	(\$99,000)	(\$71,000)	(\$76,000)	\$20,000

As stated in staff report SRPRS.13.017, which was considered by Council in February of 2013, the Tow Truck Licensing By-law was “intended to protect the public, emergency personnel and the operators/drivers” and “address the concerns of public safety, standards and consumer protection.” Prior to enactment of the by-law, the municipality was receiving a number of complaints about the industry over-charging for services, driving aggressively to get to accidents, and disrupting accident scenes. While not tracked definitively, existing data and anecdotal evidence suggests that the incidence of such complaints has declined since the by-law has been in place.

Proposed Tow Truck By-law Update

Recommended changes are based on the last four years of experience implementing the Tow Truck Licensing By-law, municipal benchmarking, and tow truck industry input gathered through a focus group consultation.

The proposed new by-law differs from the current by-law in the following ways:

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1. It includes provisions for adjudication of various offences through the Administrative Monetary Penalty System (AMPS);
2. It allows pro-rating of license fees;
3. It streamlines license application requirements to be consistent with those of neighbouring municipalities. Specifically it eliminates the requirement for drivers to produce a medical certificate, and allows for submission of a Criminal Record and Judicial Matters Check rather than a Vulnerable Sector Screening;
4. It includes administrative revisions to: format the by-law more consistently with other City by-laws, formalize a June 30 annual renewal date, update various definitions, and hear disputes via City-appointed Hearing Officers rather than through a hearing committee.

Participants in the tow truck industry stakeholder focus group were in support of the by-law updates noted above and also identified a concern with the fact that an annual Cost of Living (COLA) increase is applied to Richmond Hill's licensing fees (which are contained in the Tariff of Fees By-law), but not to the tow fees the industry can charge (contained within the tow truck by-law). Staff investigated the fees of other municipalities and found that Richmond Hill licensing fees are on the higher end of the spectrum while the tow fees are consistent with those charged in other jurisdictions. Therefore, this concern will be addressed through the annual review of the Tariff of Fees By-law.

Administrative Penalty By-law No. 69-16 Update

In order to effect AMPS for offences under the new Tow Truck By-law, it is necessary to amend Schedule A of the Administrative Penalty By-law No. 69-16, as amended. The proposed new Schedule A (amending By-law No. 79-19) is attached to the staff report (SRCS.19.16) as Attachment 2. The proposed Schedule A includes Administrative Penalties for 48 Tow Truck By-law offences.

Financial/Staffing/Other Implications:

Expanding AMPS to the Tow Truck By-law will mean that additional AMPS revenue will be generated from late fine payments and failures to appear at screening or hearing reviews. However, this revenue increase is expected to be minimal because the number of Penalty Notices issued for the Tow Truck By-law is expected to remain consistent with existing numbers (e.g. approximately 50 charges were laid in 2018; see Table 2), which is significantly lower than the approximately 30,000 penalties issued annually for parking offences.

Relationship to the Strategic Plan:

The Tow Truck By-law is consistent with the Strategic Plan direction to maintain a clean and safe community through education, community involvement and enforcement.

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Conclusion:

Richmond Hill has regulated tow trucks since 2014. Tow truck licenses issued by the City have increased annually since the by-law came into effect with a correspondingly positive change in program budget. Tow truck charges spiked in 2017 and are expected to level off in coming years as the industry has now acclimatized to the regulation and cooperatively implemented operational policies that have helped to resolve issues. Overall, implementation of the Tow Truck Licensing By-law has been successful as evidenced by the decline in consumer complaints.

Based on experience implementing the Tow Truck Licensing By-law over the last four years, as well as recent focus group consultation with the tow truck industry, minor updates to the tow truck by-law are recommended and various offences under the proposed new Tow Truck By-law No. 78-19 are recommended to be incorporated into AMPS.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Attachment 1 – Proposed Tow Truck By-law No. 78-19
- Attachment 2 – Proposed new Schedule “A” to AMPS By-law 69-16 (amending By-law No. 79-19)

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Report Approval Details

Document Title:	SRCS.19.16 Tow Truck By-law.docx
Attachments:	- Final Administrative Penalty By-law 79-19.docx - Final Tow Truck By-law 78-19.doc
Final Approval Date:	Jun 3, 2019

This report and all of its attachments were approved and signed as outlined below:

Tracey Steele - Jun 3, 2019 - 10:32 AM

Ilmar Simanovskis - Jun 3, 2019 - 11:45 AM

Neil Garbe - Jun 3, 2019 - 4:21 PM