



Staff Report for Council Meeting

Date of Meeting: December 6, 2023

Report Number: SRCS.23.29

Department: Community Services

Division: Community Standards

Subject: **SRCS.23.29 Transitioning of Tow Truck Regulation to the Province**

Purpose:

To repeal the Tow Truck Licensing By-law No. 78-19.

Recommendation(s):

- a) That Staff Report SRCS.23.29, regarding the transitioning of towing and vehicle storage sector regulation to the Province be received.
- b) That effective January 1st, 2024, the Tow Truck By-law No. 78-19 and all subsequent amendments be repealed.
- c) That amending By-law No. 137-23 (attached to SRCS.23.29 as Attachment 1) be approved to remove Tow Truck By-law offences from the Administrative Penalties By-law No. 69-16, as amended, effective January 1st, 2024.

Contact Person:

Don Guy, Director of Community Standards, Extension 2427

Report Approval:

Submitted by: Tracey Steele, Commissioner of Community Services

Approved by: Darlene Joslin, City Manager

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

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Background:

In 2013 Richmond Hill enacted a Tow Truck Licensing By-law (No. 54-13) that came into force in March of 2014 with a requirement for tow truck owners and drivers operating in the City to be licensed by July 1, 2014. In 2019, the Tow Truck Licensing By-law was repealed and replaced with the current Tow Truck By-law (No. 78-19), which includes provisions for enforcement and adjudication through the City's Administrative Monetary Penalty System (AMPS).

In June 2020, in response to criminal activity and violence in the towing industry, the province announced the establishment of a task force, co-led by the Ministry of Transportation and the Ministry of the Solicitor General, to develop a comprehensive provincial regulatory regime for Ontario's towing industry. After extensive consultation with municipalities, the towing industry and the public, the task force recommended replacement of the existing municipal licensing regulation regime with new provincial legislation that will provide consistent, province-wide oversight for the towing and vehicle storage sectors.

The Ontario government passed the *Towing and Storage Safety and Enforcement Act*, (the "Act" or "TSSEA") in June of 2021; however, the legislation did not come into force upon enactment. The effective date of the TSSEA was delayed in order to allow for continued consultation, refinements to the Act, and planning for the transition from municipal to provincial regulation. The Province amended TSSEA in 2023, at which time it also amended the *Municipal Act* to eliminate explicit municipal authority for licensing tow trucks effective January 1, 2024.

The Province initiated the new certificate issuance process for the tow and vehicle storage industry in July of 2023. Effective January 1, 2024 the new provincial TSSEA will be in force, provincial regulation and enforcement of the industry will commence, and tow and vehicles storage operators will require provincial certification. Tow truck drivers must be certified by July 1, 2024 to be in compliance with the legislation.

Municipal and provincial staff are collaborating to facilitate a smooth transition of responsibilities for regulating the tow industry. As part of the transition, Richmond Hill's Tow Truck By-law (No. 78-19), and associated tow truck offences in the Administrative Penalties By-law (No. 69-16), should be repealed effective January 1, 2024 in order to provide for clarity in regulation and jurisdiction. Attachment 1 to this report is the required amendment to the Administrative Penalties By-law.

Financial/Staffing/Other Implications:

Tow truck operations in Richmond Hill have been regulated by a City licensing by-law since 2014. For several years following enactment of tow truck regulations in Richmond Hill, administration and enforcement of the by-law resulted in a \$75,000 to \$100,000 net annual cost to the City. In 2018 and 2019, the City's tow truck licensing program was

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operating on an approximately revenue neutral basis (with a slight net positive balance in 2018).

In 2020 the towing industry was significantly impacted by the Covid-19 pandemic. With a decrease in vehicle travel on the roads there was a resulting decline in the need for tow trucks, and many tow truck drivers did not renew their licenses. At the same time, the Province announced its intent to reform industry regulation causing further reductions in license renewals. City operating budgets were correspondingly impacted with reduced licensing revenue; however, this enabled redeployment of tow truck enforcement and administrative staff resources to other by-law-related responsibilities. In consultation with the province, the Community Standards Division started to phase tow truck licensing revenue out of the operating budget in 2023 with it fully removed from the operating budget in 2024.

The By-law Licensing & Enforcement Officer previously dedicated to tow truck enforcement will be fully assigned to general by-law enforcement duties in an area of the City that is experiencing a high volume of by-law complaints in 2024.

Relationship to Council's Strategic Priorities 2020-2022:

Regulation of the tow truck and vehicle storage industry aligns with Council's Strategic Priority of Getting Around the City as it is intended to provide consumer protection and safety for vehicle drivers.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

The City has been regulating the operation of tow trucks in Richmond Hill through a municipal licensing by-law since 2014. The Province of Ontario has enacted legislation, which provides for provincial oversight of the tow industry, and eliminates municipal authority to license tow trucks, effective January 1, 2024. Municipal and provincial staff are collaborating to facilitate a smooth transition of regulatory and enforcement responsibilities.

To provide clarity to the public and the towing industry the City's Tow Truck By-law No. 78-19 should be repealed. Additionally, the City's Administrative Penalties By-law should be amended to remove tow truck offences.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

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Attachment 1 – By-law No. 137-23 to amend the Administrative Penalties By-law No. 69-16 by removing Tow Truck By-law offences

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Report Approval Details

Document Title:	SRCS.23.29 Transitioning of Tow Truck Regulation to the Province.docx
Attachments:	- AMPS Amending By-law No. 137-23 - Transitioning of Tow Truck Regulation to the Province.docx
Final Approval Date:	Nov 25, 2023

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

Tracey Steele - Nov 24, 2023 - 2:26 PM

Darlene Joslin - Nov 25, 2023 - 3:31 PM