



OAKVILLE

## REPORT

### Council

**Meeting Date: June 19, 2023**

---

**FROM:** Municipal Enforcement Services Department

**DATE:** June 6, 2023

**SUBJECT:** **Tow Truck and Motor Vehicle Facility Regulatory Update**

**LOCATION:** Town-wide

**WARD:** Town-wide

Page 1

---

#### **RECOMMENDATION:**

1. That Staff be directed to monitor and update Council on the implementation and development of Towing and Storage Safety and Enforcement Act regulations, as they relate to private property towing; and
2. That Staff develop a priority intergovernmental request document for use by Council, when advocating for changes to the Towing and Storage Safety and Enforcement Act regulation dealing with towing vehicles from private properties.

#### **KEY FACTS:**

The following are key points for consideration with respect to this report:

- Tow trucks are currently regulated by Tow Truck Licensing By-law 2019-060, as amended.
- Motor vehicle storage yards are currently regulated by Licensing By-law 2015-075, as amended.
- The [Towing and Storage Safety and Enforcement Act](#) (TSSEA) received Royal Assent on June 3, 2021, and is designed to provide for provincial oversight of the towing and vehicle storage sectors.
- As of July 1, 2023, tow truck operators, tow truck drivers and vehicle storage operators must be certified in accordance with the TSSEA, however, MTO will not be enforcing this requirement until 2024 in order to give the industry time to comply.
- The Province is targeting January, 2024 for the termination of municipal authority to regulate the towing and vehicle storage sectors.

- Bill 91 does not include amendments to regulate towing from private parking lots without the vehicle owner/driver's consent. Similarly, the regulations for the TSSEA that MTO is currently developing also does not appear to deal with this matter.
- The town of Oakville's licensing program requires that business licences for tow truck companies and motor vehicle storage yards operating in Oakville be renewed annually on July 1<sup>st</sup>. Based on the shift of regulatory oversight of these sectors to the Province, the town's 2023 licensing term will run from July 1 to December 31, 2023.
- Schedule 36 of [Bill 91 – Less Red Tape, Stronger Economy Act, 2023](#), which was ordered for Third Reading on May 11, 2023, proposes to amend certain sections of the TSSEA.
- MTO is requesting feedback on proposed regulations to the TSSEA, which feedback staff has prepared for submission on behalf of the Town (Appendix A).

## BACKGROUND:

### Municipal Licencing

Business licensing addresses the social, cultural and economic pillars of sustainability. A licensing by-law builds community by promoting health and safety, consumer protection and nuisance control. The authority to regulate various businesses is provided under the *Municipal Act, 2001*, S.O. 2001, c.25, as amended (the Municipal Act). It is under this authority that the town of Oakville currently regulates the towing sector under the Tow Truck Licencing By-law 2019-060, as amended, and motor vehicle storage yards under the Licencing By-law 2015-075, as amended.

Oakville's current tow truck licencing regulations address two types of towing as follows:

- towing with consent from the hirer, where the hirer enters into an agreement with the tow company and the hirer accepts all associated costs; and
- towing that originates from private parking lots without permission from the owner/driver, where vehicles are towed on the direction from the property owner under common law enforcement.

Licensing regulations include various provisions for consent forms, signage at storage yards, set fees that may be charged for towing from private parking lots, fees that vehicle storage yards may charge for vehicle storage and specific signage requirements at private parking lots where towing occurs. Current municipal licencing requires tow companies to obtain a licence, list all tow trucks that are

engaged in towing activities in Oakville, and list the tow truck drivers who will be operating tow trucks in Oakville.

Provincial Regulatory Framework

The [Towing and Storage Safety and Enforcement Act](#) (TSSEA) received Royal Assent on June 3, 2021, and is designed to provide for provincial oversight of the towing and vehicle storage sectors. According to MTO, the TSSEA will increase safety and enforcement, better protect customers, and improve standards for the towing industry. The provincial framework under the TSSEA is intended to replace municipal licensing programs so tow and storage yard operators and tow truck drivers will only need to comply with one regime. For this purpose, MTO is proposing amendments to the TSSEA and to the Municipal Act which will remove the authority from the municipality to licence the tow truck industry, including motor vehicle storage yards used by tow truck operators.

To date, the MTO has enacted Phase 1 and Phase 2 of regulations under the TSSEA and the Highway Traffic Act, with Phase 3 still in development:

<b>Implementation Timeframe</b>	<b>Details</b>
Phase 1 – effective January 1, 2023	Application of CVOR requirements that apply to other commercial motor vehicles. There will be no change to the Hours of Service exemptions.
Phase 2 – effective July 1, 2023 (applications opened on July 4, 2023)	Tow truck operators, tow truck drivers and vehicle storage operators must obtain a certificate in order to operate. The requirement to obtain a certificate will not be enforced by MTO until 2024 in order to give the industry time to comply. The Ministry will be authorized to revoke, suspend or cancel a certificate under TSSEA for non-compliance.
Phase 3- January 2024 (end of municipal oversight of towing/storage yard sector)	Regulations under the TSSEA are still being developed, including modernized customer protection requirements and standards of practice. Phase 3 is targeted to come into force in January, 2024, at which time municipal oversight of towing and storage yards will end.

At this time, Oakville’s licensing program for tow companies and motor vehicle storage yards will continue, with required renewal being June 30, 2023. Staff have

---

introduced a six-month licence with appropriate pro-rated fees (approved in the 2023 Rates and Fees schedule) to allow for the continuation of our licensing program until January 2024, when the province assumes oversight of these sectors under the TSSEA.

**COMMENT/OPTIONS:**

At this time, MTO is soliciting feedback on regulations regarding:

- setting out customer protection standards
- setting out industry standards
- specifying how the TSSEA will be overseen
- setting out certificate fees

Appendix A sets out the feedback staff is providing for this Registry request, which was submitted online to the MTO on May 18, 2023.

Staff's main area of concern is how, or indeed if, the town has any authority to impose municipal regulations relating to the tow industry under the Province's new regime. Subsection 64(u) of the TSSEA states that the Lieutenant Governor in Council may make regulations that provide for exemptions from the Act, or any of its provisions. When MTO first solicited feedback in 2021, a possible exemption for vehicles retrieved from other than the roadside was specifically identified. The current request for feedback does not mention this exemption but instead is proposing consequential amendments to the Municipal Act to remove municipal authority to licence the sector.

Schedule 36 [of Bill 91 – Less Red Tape, Stronger Economy Act, 2023](#), which was ordered for Third Reading on May 11, 2023, proposes to amend certain sections of the TSSEA. Bill 91 does not include amendments to regulate towing from private parking lots without the vehicle owner/driver's consent. Similarly, the regulations for the TSSEA that MTO is currently developing also does not appear to deal with this matter.

Through the MTO feedback form submitted on May 18<sup>th</sup>, staff is asking for clarification on whether provincial regulations will include oversight of towing from private parking lots. Staff have recommended that regulations be strengthened under TSSEA to include towing from private parking lots. Regulations should include provisions for:

- Signage on private parking lots identifying the towing activity, phone number of the tow company/vehicle storage yard and the name of the property owner/authorizing agent permitting the private towing

- The minimum size of signage referred to above and that the signage must be clearly visible
- Rates for towing from private parking lots
- The location of the storage yard used for towing from private parking lots should be within an acceptable area so the vehicle owner/driver can easily retrieve their vehicle

Staff will continue to monitor the progress of the TSSEA regulations. Given the current recommendations under the Provincial regulatory framework, staff will be looking towards December 31, 2023 when the authority to regulate towing and motor vehicle storage facilities will end and oversight of these sectors will be transferred to the Province under the TSSEA.

**CONSIDERATIONS:**

**(A) PUBLIC**

Staff have notified all currently licenced towing companies and motor vehicle storage facilities of the requirement to continue to licence with Oakville until December 31, 2023 when full provincial oversight of the sectors will be realized. Notification included information on the modification of the licencing period to six (6) months (being from July 1-December 31, 2023) and the accompanying adjustment of the fees. Public notice of the changes has also been posted on the Town website.

**(B) FINANCIAL**

The end to municipal authority to regulate the towing and storage yard sectors will impact licensing revenue and revenue for fines/administrative penalties issued for non-compliance with licensing by-laws,

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The Province has moved forward with legislation to regulate towing and vehicle storage yards. The Province is proposing to amend the Municipal Act to remove municipal authority to regulate these sectors. Once the provincial framework is fully implemented in January 2024, the town of Oakville will no longer have authority to regulate tow trucks or motor vehicle storage yards, including the town's ability to enforce current municipal regulations for towing from private parking lots.

The towing and vehicle storage sectors will still be required to comply with other by-laws such as zoning by-laws, the sign by-law, etc.

**(D) CORPORATE STRATEGIC GOALS**

This report addresses the corporate strategic goal(s) to:

- be accountable in everything we do

**(E) CLIMATE CHANGE/ACTION**  
N/A

**APPENDICES:**

Appendix A-Letter to MTO-Feedback May 18, 2023

Prepared by:  
Margaret Boswell  
Manager, Strategy and Support Services

Recommended by:  
Jim Barry  
Director, Enforcement Services