

Date: 2023-11-15

Subject: **Supplementary Report - Updates and amendments re: New Provincial Towing and Storage Safety and Enforcement Act (TSSEA)**

Contact: **Kevin Lindegaard, acting Manager, Licensing Enforcement, Enforcement & By-law Services, Legislative Services**

Report Number: Legislative Services-2023-893

Recommendations:

1. That the supplementary report from Kevin Lindegaard, acting Licensing Manager, Enforcement & By-law Services to Committee of Council meeting of November 15, 2023, Re: **Update to the new Provincial Towing and Storage Safety and Enforcement Act (TSSEA)** be received.
2. That an amendment to the Mobile Licensing By-law 187-2014, as amended, to repeal Schedule 5, (relating to persons who carry on the business of owners and drivers of tow trucks) be approved.
3. That an amendment to the Business Licensing By-law 332-2013, as amended, to repeal Schedule 27, (relating to vehicle pound facilities) be approved.

Overview:

- **In June 2021, the Ontario government passed the Towing and Storage Safety and Enforcement act (TSSEA) to provide provincial oversight of the towing and vehicle storage sectors.**
- **Timelines for implementation of the Provincial Regulations:**
 - **January 1, 2023: Enhanced Commercial Vehicle Operator Record (CVOR) requirement for tow trucks.**
 - **July 1, 2023: Registration of tow truck owners, tow truck drivers and vehicle storage operators.**
 - **January 1, 2024: Introduction of new standards of practice and customer protections and municipal oversight ends.**
- **At this time, municipal oversight of the towing and storage sector is scheduled to end on January 1, 2024.**
- **The current City of Brampton Municipal Licensing process for vehicle pounds, tow truck owners and drivers will expire on December 31, 2023.**

Background:

In June 2021, the Ontario government passed the Towing and Storage Safety and Enforcement Act (TSSEA) to provide provincial oversight of the towing and vehicle storage sectors.

The TSSEA established a provincial oversight framework for the towing and vehicle storage sector replacing former municipal regimes. Operators and tow truck drivers will only have to comply with the provincial regime. The Act requires tow operators, tow truck drivers, and vehicle storage operators to have a provincial certificate to operate. As a result, tow operators, tow truck drivers, and vehicle storage operators will no longer be licensed by the City of Brampton effective January 1, 2024.

Some of the administrative provisions of the TSSEA were approved and came into effect on July 1, 2022, while the main substantive sections related to permits were approved and came into effect in July 1, 2023, along with TSSEA regulation, O.Reg. 417/22 (general).

The Ministry of Transportation (MTO) is implementing towing requirements in several phases:

1. January 1, 2023: new Highway Traffic Act (HTA) requirements that apply to other commercial motor vehicles and establish vehicle requirements for tow trucks (i.e., daily, and annual inspections and use of a safety vest).
2. July 1, 2023: Introduction of three provincial certificates: Tow Operator, Tow Truck Driver, and Vehicle Storage Operator.
3. July 4, 2023: The online provincial application portal launched, and industry can apply for a provincial certificate at no cost, until July 2024.

Current Situation:

On January 1, 2024, all legislative requirements for the TSSEA comes into effect, including new provincial oversight tools being launched. All municipal oversight ends in those municipalities with tow licensing by-laws.

With the implementation of the TSSEA, it removes the responsibility of licensing, inspecting, and enforcing the towing industry, which directly affects the City of Brampton By-law Licensing operations. The Province and/or Police Services will be responsible for investigating all public complaints and conduct investigations related to the towing and storage industry.

New TSSEA requirements include customer protection and standards of practice to professionalize the industry. As of January 1, 2024, tow operators and vehicle storage operators must have a provincial certificate to operate and TSSEA enforcement will begin.

On July 1, 2024, tow truck drivers must have a provincial certificate to drive a tow truck. As the Province will be taking over the administration of the towing industry on January 1, 2024, staff recommends that the following City of Brampton schedules be repealed:

- a) Repeal Schedule 5 in By-law 187-2014 (Relating to persons who carry on the Business of owners and drivers of tow trucks).
- b) Repeal Schedule 27 in By-law 332-2013, amended by by-law 187-2014 (relating to vehicle pound facilities).

Corporate Implications:

Financial Implications:

The City’s ability to license vehicle pound operators, tow truck owners and drivers will end on January 1, 2024. The lost of annual fees will have a direct impact on the City’s revenues. The financial implications are outlined below and are based on licenses issued and renewed in 2023:

Licence	Number of Licenses	Cost of a License	Total
Vehicle Pound Facilities	40	\$243	\$9,720
Tow Truck Plate Owners	373	\$405	\$151,065
Tow Truck Driver	368	\$110	\$40,480
Total lost revenue			\$201,265

Enforcement and By-Law Services are responsible for enforcing the City’s By-Laws including Business Licensing and Mobile Licensing. As part of the enforcement strategy, penalty notices are issued in connection with infractions related to the towing industry. Below is the number of penalty notices issued for the past 3 years:

Year	Number of Penalty Notices Issued	Penalties Issued
2023	171	\$42,750
2022	385	\$80,000
2021	106	\$25,500

Other Implications:

Municipal Citizen Concerns and Complaint Resolution Implications:

The complaint implications for Brampton residents are such that any complaints will now be directed to the Provincial online complaint process and/or Peel Regional Police for follow-up or investigation. Given that this provincial initiative is still in its infancy stage, it is anticipated that the online complaint process will cause delays and inherent challenges for our residents. The current municipal investigative process provides Brampton residents quick and timely responses to their concerns and complaints.

As a result, it is anticipated that Service Brampton and Enforcement and By-Law Services will continue to field phone calls and respond to resident inquiries as we educate the public on the new provincial online complaint process.

Enforcement and By-law Services have been working with Strategic Communications to update the City’s website to inform and remind residents of the upcoming changes, as well as providing information about the new provincial complaint process. This communication will be launched in October of 2023.

Citizen Complaints/Investigations

Enforcement and By-Law Services Officers are currently responsible for investigating public complaints related to the towing industry. These investigations are often complex in nature and time-consuming. The following are the number of public complaints investigated by the Licensing Officers for the past 5 years.

Year	Number of Complaints Investigated
2023	359
2022	362
2021	273
2020	343
2019	375

Strategic Focus Area:

Health & Well-being: Focusing on citizens’ belonging, health, wellness and safety by streamlining service delivery while providing a safe and functional licensing experience to the small business operators providing service to the residents in the City.

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion:

The City’s ability to license vehicle pound operators, tow truck owners and drivers will end on January 1, 2024. Between now and January 1, 2024, municipal oversight, including issuance of new towing licenses and renewals and enforcement of the by-laws, will continue without change until the province takes over on December 31, 2023.

Enforcement & By-law Services will continue to provide updated information to council and its citizens and provide guidance during the transition phase to the new provincial government program.

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Attachments:

Attachment A: MTO Stakeholders Information Sheet

Attachment B: 2024 Tow Vehicle Storage Certificate Information - ENG

Attachment C: 2024 Tow Vehicle Storage Certificate Information - FR

To learn more about Ontario's requirements for operating tow and vehicle storage certificates, the following reference materials are available:

- [Ontario.ca/towstoragecertificate](https://ontario.ca/towstoragecertificate)
- Towing and Storage Safety and Enforcement Act
- O. Reg. 167/23: General
- O. Reg. 162/23: Charges for Towing and Vehicle Storage Services
- Change information on a vehicle permit | ontario.ca