

**Subject: Status Update on Towing and Storage Regulations and Provincial
Regime**

File Number: ACS2024-EPS-PPD-0001

**Report to Emergency Preparedness and Protective Services Committee on 15
February 2024**

and Council 28 February 2024

**Submitted on February 6, 2024 by Valérie Bietlot, Manager, Public Policy
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Ward: Citywide

**Objet : Mise au point sur la réglementation concernant le remorquage et
l'entreposage de véhicules ainsi que le régime provincial**

Dossier : ACS2024-EPS-PPD-0001

**Rapport au Comité des services de protection et de préparation aux situations
d'urgence**

le 15 février 2024

et au Conseil le 28 février 2024

**Soumis le 6 février 2024 par Valérie Bietlot, Gestionnaire, Direction de
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REPORT RECOMMENDATION

That the Emergency Preparedness and Protective Services Committee recommend that Council approve the following amendments to the Licensing By-law (By-law 2002-189, as amended) in light of the implementation of the *Towing and Storage Safety Enforcement Act, 2021* by the Province of Ontario:

- a. Repeal relevant definitions, subsections 9 (35), (36), and (37), and Schedule No. 35 (relating to Tow Service Operators, Tow Truck Drivers, and Vehicle Storage Operators), as described in this report;**
- b. Repeal Section 21 of Schedule No.3, relating to Public Garages, with respect to the storage of stored vehicles, as described in this report; and**
- c. Amend Schedule No.30 to continue to prohibit licensed Private Parking Enforcement Agencies from providing towing services, as described in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des services de protection et de préparation aux situations d'urgence recommande au Conseil d'approuver les modifications suivantes au *Règlement sur la délivrance de permis* (Règlement n° 2002-189, tel que modifié) à la lumière de la mise en œuvre de la *Loi de 2021 sur la sécurité et l'encadrement du remorquage et de l'entreposage de véhicules* par la province de l'Ontario :

- a. Abroger les définitions pertinentes, les paragraphes 9(35), (36) et (37), et l'annexe 35 (relative aux exploitants de services de remorquage, aux conducteurs de dépanneuses et aux exploitants d'un établissement d'entreposage des véhicules), comme décrites dans le présent rapport;**
- b. Abroger l'article 21 de l'annexe 3, relative aux garages publics, en ce qui concerne l'entreposage des véhicules entreposés, comme décrit dans le présent rapport;**
- c. Modifier l'annexe 30 afin de continuer à interdire aux agences privées d'application des règlements sur le stationnement titulaires d'un permis de fournir des services de remorquage, comme décrit dans le présent rapport.**

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the implementation of the Province of Ontario's *Towing and Storage Safety Enforcement Act, 2021* (TSSEA) as well as the transition to the full Provincial oversight and regulation of the towing sector as of January 1, 2024, and to recommend necessary amendments to the City of Ottawa's Licensing By-law as a result of this transition.

Assumption and Analysis

Since January 1, 2022, the City of Ottawa has regulated the towing sector through a business licensing regime focused on enhancing consumer protection and public safety, and the protection of property (Schedule No.35 of By-law 2002-189, as amended). Tow service operators, tow truck drivers, and vehicle storage facility operators meeting eligibility criteria have been required to obtain a business license to provide towing and storage services in Ottawa. These regulations also established transactional rules and prescribed (set) fares and rates for certain tow services, as well as improved conditions at the accident scene through standards for tow truck driver conduct.

The Province of Ontario enacted the TSSEA in 2021 to administer and regulate the towing and vehicle storage sector Province-wide through a certification process as well as a variety of standards and regulations. This regime has been implemented in phases and, as of January 1, 2024, has fully replaced and superseded local municipal by-laws for the towing industry. As a result, the City's existing licensing regime has ceased to be of force and effect from that date and therefore specific portions of the Licensing By-law addressing towing and vehicle storage services now require repeal, as further noted in the discussion section of this report.

The regime under TSSEA applies across the Province and is now overseen by the provincial Director of Towing and Vehicle Storage Standards appointed by the Minister of Transportation. The Director administers certificate applications, with the ability to issue and renew certificates as well as revoke or suspend certification due to non-compliance, among other powers. The Director also deals with complaints from the public about towing and storage services.

The TSSEA regime is enforced by provincial staff who are appointed under the TSSEA as well as police officers. As a result, on January 1, 2024, the City's Chief License Inspector's role in the regulation of the towing sector in Ottawa has ceased and enforcement of the City's towing licensing regime by By-law and Regulatory Services staff has also stopped. To prepare for a smooth transition to provincial oversight of the towing sector, By-law and Regulatory Services staff have been engaged in ongoing discussions with staff in the Ministry of Transportation to transfer information between

regulators. Staff have provided the Province with relevant information related to enforcement actions taken against operators, license suspensions and revocation history, and local enforcement intelligence gathered during the implementation and enforcement of the City's towing licensing regime since 2022.

Financial Implications

Under the City of Ottawa towing regime, 2.5 Full-Time Equivalent positions (FTEs) were funded through licensing fee revenues to undertake the enforcement, administration, and management of towing licensing. Given the transition to the provincial regulatory model on January 1, 2024, these FTEs have been reassigned to other activities within By-law and Regulatory Services and are now funded through alternative budget envelopes.

RÉSUMÉ

Le présent rapport a pour objet de faire le point sur la mise en œuvre de la *Loi de 2021 sur la sécurité et l'encadrement du remorquage et de l'entreposage de véhicules* de la province de l'Ontario, ainsi que sur la transition vers une surveillance et une réglementation provinciales complètes du secteur du remorquage à compter du 1^{er} janvier 2024, et de recommander les modifications nécessaires au *Règlement sur la délivrance de permis* de la Ville d'Ottawa à la suite de cette transition.

Hypothèse et analyse

Depuis le 1^{er} janvier 2022, la Ville d'Ottawa réglemente le secteur du remorquage au titre d'un régime de délivrance de permis d'entreprise qui s'attache à améliorer la protection des consommateurs, la sécurité publique et la protection des biens (annexe 35 du Règlement n° 2002-189, dans sa version modifiée). Les exploitants de services de remorquage, les conducteurs de dépanneuse et les exploitants d'un établissement d'entreposage des véhicules qui répondent aux critères d'admissibilité doivent obtenir un permis d'entreprise pour fournir des services de remorquage et d'entreposage à Ottawa. La réglementation fixe aussi les règles entourant les transactions ainsi que les prix (fixes) et tarifs pour certains services de remorquage, et prévoit de meilleures conditions sur les lieux d'accidents par l'imposition de normes aux conducteurs de dépanneuse.

Le gouvernement de l'Ontario a promulgué la *Loi de 2021 sur la sécurité et l'encadrement du remorquage et de l'entreposage de véhicules* (LSEREV) pour administrer et réglementer le secteur du remorquage et de l'entreposage de véhicules dans toute la province par la délivrance de certificats et une foule de normes et de règlements. Ce régime a été mis en œuvre par étapes et, depuis le 1^{er} janvier 2024, il a entièrement remplacé et annulé les règlements municipaux locaux relatifs au secteur du

remorquage. Par conséquent, le régime de délivrance de permis actuel de la Ville a cessé d'être en vigueur à compter de cette date et, donc, certaines parties du *Règlement sur la délivrance de permis* portant sur les services de remorquage et d'entreposage des véhicules doivent maintenant être abrogées, comme il est indiqué plus loin dans la section « Analyse » du présent rapport.

Le régime de la LSEREV s'applique dans toute la province et est maintenant supervisé par le directeur des normes relatives au remorquage et à l'entreposage des véhicules nommé par la ministre des Transports. Cette personne s'occupera entre autres des demandes de certificats, qu'elle pourra émettre ou renouveler, mais aussi révoquer ou suspendre en cas de non-conformité. Elle réglera également les plaintes émanant du public concernant les services de remorquage et d'entreposage.

Le régime de la LSEREV est appliqué par le personnel du gouvernement provincial nommé en vertu de la LSEREV ainsi que par les agents de police. Par conséquent, le 1^{er} janvier 2024, le rôle de l'inspecteur en chef des permis de la Ville dans la réglementation du secteur du remorquage à Ottawa a pris fin, et le personnel des Services des règlements municipaux a également cessé d'appliquer le régime de permis d'entreprise de services de remorquage de la Ville. Afin de préparer une transition en douceur vers une surveillance provinciale du secteur du remorquage, le personnel des Services des règlements municipaux a entamé des discussions avec le personnel du ministère des Transports afin de transférer les renseignements entre les organismes de réglementation. Le personnel a fourni à la Province des renseignements concernant les mesures d'application de la loi prises contre les exploitants, l'historique des suspensions et des révocations de permis, ainsi que les renseignements locaux sur l'application de la loi recueillis pendant la mise en œuvre et l'application du régime de permis d'entreprise de services de remorquage de la Ville depuis 2022.

Répercussions financières

Dans le cadre du régime des services de remorquage de la Ville d'Ottawa, 2,5 postes équivalents temps plein (ETP) ont été financés au moyen des recettes provenant des droits de permis pour assurer l'application, l'administration et la gestion des permis de remorquage. Compte tenu de la transition vers le modèle réglementaire provincial le 1^{er} janvier 2024, ces ETP ont été réaffectés à d'autres activités au sein des Services des règlements municipaux et sont désormais financés par d'autres enveloppes budgétaires.

BACKGROUND

As part of the 2021 report titled [Towing Services Regulatory Review and Licensing Regime \(ACS2021-EPS-PPD-0002\)](#), City Council established a licensing regime and

associated regulations for tow service operators, tow truck drivers, and vehicle storage facility operators to address consumer protection and protection of property and to ensure public safety (Schedule No. 35, By-law 2002-189, as amended). Complementary amendments were also made at that time to the Licensing By-law related to storage of towed vehicles by public garages (Schedule 3, By-law 2002-189, as amended) and licensed Private Parking Enforcement Agencies (PPEA) were also prohibited from providing tow services (Schedule 30, 2002-189, as amended) in order to prevent potential conflicts of interest, as discussed further in the discussion section of this report. These regulations came into force on January 1, 2022.

Implementation of City of Ottawa’s Licensing Regime for Towing Sector

Since January 1, 2022, significant work has been undertaken by staff in By-law and Regulatory Services to ensure the effective enforcement, administration, and management of the City’s towing licensing regime. Staff in By-law and Regulatory Services have issued 76 tow service operator licenses, 373 tow truck driver licenses, 39 vehicle storage facility operator licenses and 363 tow truck license plates. Two dedicated enforcement officers were assigned to tow truck enforcement, as well as additional staff resources as required.

By-law and Regulatory Services enforcement staff responded to 282 service requests for the towing sector and conducted several enforcement initiatives since January 1, 2022, including pro-active and undercover investigations. It is noted that enforcement of the City’s licensing regime has also been undertaken in collaboration with the Ottawa Police Service. In 2022, both agencies issued a combined total of 351 charges relating to tow services. In 2023, 204 charges were laid against tow service providers, in addition to many verbal and written warnings. These charges principally related to Licensing By-law offences such as operating without a license (both operators and drivers) and failing to have the required company and contact information displayed on the tow vehicle. Some charges also related to soliciting or making an offer for tow within 100 meters of a collision, contrary to the City’s Traffic and Parking By-law. Overall, Ottawa Police Service and By-law and Regulatory Services have worked together effectively to regulate the towing industry and address many of the concerns originally raised in the development of the municipal towing regime.

Development and Implementation of TSSEA

The Province of Ontario’s regime under TSSEA has been developed and implemented in a phased approach by the Ministry of Transportation as follows:

- January 1, 2023 – New *Highway Traffic Act* (HTA) requirements were established for tow trucks, including daily and annual inspections and use of a safety vest by operators.
- July 1, 2023 – Three provincial certificate types were introduced, including Tow Service Operator, Tow Truck Driver, and Vehicle Storage Operator. An online application portal was also launched, and the industry was able to start applying for a certificate at no cost (until July 2024).
- January 1, 2024 – New TSSEA requirements came into force, including transactional rules, consent requirements, requirements for notification to owners of stored vehicles, and standards of practice to professionalize the industry. Tow operators and vehicle storage operators require a certificate to operate in Ontario and TSSEA enforcement began.
- July 1, 2024 - Tow truck drivers will also require a certificate to operate in Ontario.

Staff in Emergency and Protective Services participated in the Ministry of Transportation's towing technical advisory group and engaged in their municipal regulators' consultation group. Staff have provided significant feedback on the overall Provincial towing regime, particularly by assisting in the development of its regulations and flagging local concerns for the Province to consider and address.

Staff have provided feedback in the development of the Province's online tools for the public, including the development of an online fares and rates portal and an online complaints portal. Emergency and Protective Services staff have been in regular contact with Ministry of Transportation staff to discuss enforcement-related concerns in anticipation of the transition to the provincial regime.

Staff in the By-law and Regulatory Services have also been engaged in discussion with Ottawa Police Service partners, who play an active role in towing-related enforcement under various acts. Staff have kept Ottawa Police Service informed of regulatory developments at the provincial level as they became available.

DISCUSSION

The *Towing and Storage Safety Enforcement Act, 2021* has created a new comprehensive system of regulation and provincial oversight for the towing industry that is similar to the municipal licensing regime that was approved by Council in 2021. Staff's

assessment of the TSSEA regime is that it addresses all of the issues noted during the City of Ottawa's regulatory review of this sector in 2020-2021, and that it covers the same ground as Council's own licensing regime with no substantial gaps identified.

The key provisions of the TSSEA regime are summarized in the following sections.

Certification Requirements

Key certification requirements include the following:

- In order to provide towing services in Ontario, tow service operators, tow truck drivers, and vehicle storage operators are required to obtain a provincial certificate and follow transactional rules as well as consent and notification requirements.
- Certification requires proof of insurance, a good driving record, and a police record check, among other requirements.
- The Towing and Vehicle Storage Standards Oversight Office and the position of Director of Towing and Vehicle Storage Standards, with the authority to issue, renew, and revoke certificates, among other things. Tow operators and drivers from Quebec who are providing services in Ontario are also subject to the certification obligation and other requirements under TSSEA.

Consumer Protection

To address consumer protection issues identified by the Province:

- Operators are required to provide a "rate sheet" at application and renewal and when proposing fare and rate changes.
- The Director of Towing and Vehicle Storage Standards may approve, decline, or adjust an operator's fares and rates for towing services during the certificate application and renewal process to ensure consumers are not overbilled.
- Operators must follow transactional rules, such as a requirement to disclose towing rates to a customer and obtaining authorization in writing prior to providing services.
- Operators and drivers are required to accept various methods of payment prescribed in the regulations.
- Operators are required to maintain records of transactions in accordance with the TSSEA's requirements.

- The TSSEA certificate number must be visible on the side of a tow truck, along with the company name and phone number.

Vehicle storage requirements

In order to accept and store towed vehicles:

- Vehicle storage facility operators must demonstrate compliance with local municipal zoning prior to being issued a provincial certificate.
- Vehicle storage operators must immediately commence the process of notifying a vehicle owner of the vehicle's storage location if consent for the tow was obtained from someone other than the vehicle owner.
- Vehicle storage operators must maintain minimum standards for vehicle access and site security while the vehicle is being stored.

Safety

To address the safety of clients, first responders, and workers:

- Tow operators and tow truck drivers are held accountable for ensuring that all vehicles and equipment are kept in safe and working condition.
- All tow truck drivers are required to complete provincially-approved training.
- A professional code of conduct for tow operators and tow truck drivers aims to improve safety conditions at accident scenes

Enforcement

To ensure compliance with the above-noted requirements:

- Tow companies are accountable for ensuring that all their drivers are certified under the TSSEA.
- In addition to offences for non-compliance, the regime provides the ability for a certification to be suspended or revoked.
- The regulations may be enforced by the Ministry's enforcement staff as well as local and provincial police services.

The TSSEA regime does not prescribe fares and rates for towing and storage services. Staff note that this contrasts with the City of Ottawa licensing regulations for the towing sector, which do prescribe fares and rates for key towing and storage services. Instead,

TSSEA requires certificate applicants to provide their “rate sheet” of proposed fares and rates for approval by the Towing and Vehicle Storage Oversight Office. If a certificate applicant’s proposed fares and rates are determined to be excessive, the Director of Towing and Vehicle Storage Standards may adjust the operator’s rate sheet as required. Members of the public will be able to search for all provincially-approved rate sheets through an online portal to ensure they are being invoiced according to approved rates and fares.

The Director of Towing and Vehicle Storage Standards is also authorized to implement a cap on rates province wide. Representatives from the Ministry of Transportation have indicated that this will not occur at this time, but that the Towing and Vehicle Storage Oversight Office will re-evaluate this decision after the TSSEA regime has been fully implemented for some time, and at the conclusion of a tow zone pilot program being conducted in the GTA.

Tow operators and tow truck drivers from the Province of Quebec who are providing tow services in Ontario are required to be certified under TSSEA and meet all of its requirements. It is noted however that unlike Ontario-based operators who are required to hold a Commercial Vehicle Operators Registration (CVOR) for certification, operators from the Province of Quebec do not hold CVORs and will only be required to provide a certificate of safety fitness upon application for a TSSEA certificate. Staff have noted that this may create a gap under TSSEA since the accumulation of any unpaid fines by those operators, which are typically recorded on the CVOR, will not be available upon registration in respect of Quebec-plated vehicles and therefore there may be less of an incentive for the payment of those fines. This issue has been flagged by City Staff to the Ministry of Transportation representatives.

Removal of municipal authority to license the tow sector

The TSSEA is intended to be the single, province-wide regulatory regime for the towing sector and to replace existing municipal towing regulatory regimes. As a result, in April 2023 the *Less Red Tape, Stronger Economy Act, 2023* (Bill 91) amended the *Municipal Act, 2001* to remove municipal powers to license the tow sector.

Specifically, Ontario Regulation 583/06 passed under the *Municipal Act, 2001* has been amended to prohibit a municipality from enacting a system of licenses regarding tow operators and vehicle storage operators. Section 155 of the *Municipal Act, 2001* has also been amended to remove the municipality’s ability to establish fares and rates for tow truck services or to regulate how those fares are collected. These changes came

into effect on January 1, 2024, with the result that Council's existing licensing regulations for tow service operators, tow truck drivers, and vehicle storage operators are of no force and effect and are now replaced by the Province of Ontario's regulatory regime under TSSEA.

Recommendation 1 a. – Repeal of towing and storage-related definitions, regulations, and Schedule 35 of the Licensing By-law

Given that the Province of Ontario is now the sole regulator for the towing sector and has revoked municipal authority to administer a system of business licenses for this sector, it is necessary to repeal specific licensing regulations addressing towing and storage providers and to make other amendments to the City of Ottawa Licensing By-law (No. 2002-189, as amended) as it relates to the towing sector.

Staff recommend that the following portions of the Licensing By-law be repealed since they no longer have force and effect and have been replaced by the regulatory regime under TSSEA:

- Repeal of the following definitions in Section 1 of the Licensing By-law: accident scene, auto club, collision, collision reporting centre, CVOR, dolly, drop fee, flat bed tow truck, GVWR, recovery service, run sheet, tow customer, tow service, tow service operator, tow service plate, tow truck, tow truck driver, vehicle storage facility, and vehicle storage operator
- Repeal of subsections 9 (35), (36) and (37) of the Licensing By-law requiring tow service operators, tow truck drivers, and vehicle storage facility operators to obtain a business license from the City of Ottawa
- Repeal of Schedule No.35 of the Licensing By-law, setting out licensing requirements and related regulations for tow service operators, tow truck drivers, and vehicle storage facility operators.

As noted above in this report, municipal licenses for tow service operators, tow truck drivers, and vehicle storage facility operators are now replaced by provincial certifications overseen by the Director of Towing and Vehicle Storage Standards under the TSSEA, which contains conditions of issuance and requirements along with regulations for driver and vehicle safety, a code of conduct at accident scenes, transactional and service requirements for consumer protection. In addition, provincial legislation also includes regulated hours of operation and security standards for the storage of towed vehicles.

As a result of the transition to provincial oversight, City staff have not issued new licenses for tow service operators, tow truck drivers, or vehicle storage facility operators since December 31, 2023, and existing licenses have not been renewed into 2024. Relevant information and data concerning tow industry licensees in Ottawa have been lawfully and confidentially transferred from the Chief License Inspector of the City of Ottawa to the Province of Ontario's Director of Towing and Vehicle Storage Standards to support and assist the transition to the provincial system. The Chief License Inspector has also communicated with towing and vehicle storage licensees in the City of Ottawa to provide information about the transition to the Provincial regulatory regime, including key timelines and provincial contact information. Information on the Provincial regime, how to make a complaint, and key provincial contacts has been made available for the public on ottawa.ca and to Service Ottawa staff.

Recommendation 1 b. – Repeal of vehicle storage regulations for public garages in Schedule 3 of the Licensing By-law

As a part of the licensing regime passed by Council in 2021 for the towing sector, specific regulations for licensed public garages were put into place in the Licensing By-law to prescribe the fares and rates that can be charged for the storage of towed vehicles and to create a prohibition on receiving a drop fee from a tow truck driver or tow operator.

The TSSEA regime now addresses these areas. Vehicle storage operators are required to submit proposed fares and rates for approval by the Director of Towing and Vehicle Storage Standards, and operators will be prohibited from charging consumers any rate that has not been approved. Similarly, TSSEA prohibits the charging of drop fees to consumers. Regulations have also been included in TSSEA to ensure the registered owner of a towed vehicle that has been stored has access to their vehicle during regular business hours. As a result, staff recommend repealing Section 21 of Schedule 3 of the Licensing By-law, pertaining to Public Garages, given that the regulated areas are fully covered by the provincial regime and the lack of municipal authority to regulate the fares and rates to be charged for the storage of towed vehicles.

Recommendation 1 c. - Updates concerning Private Parking Enforcement Agencies in Schedule 30 of the Licensing By-law

Under the City's licensing regime, tow service operators and tow truck drivers were prohibited from also being licensed as a Private Parking Enforcement Agency (PPEA). This prohibition was put into place to prevent the inherent conflict of interest that exists when a business is engaged in both the ticketing and the towing of a vehicle. Before the prohibition was enacted, there were concerns about unethical practices that resulted in

excessive fees being charged to vehicle owners. Going forward, Staff are recommending that this prohibition be maintained and continued in the Licensing By-law as a critical consumer protection measure, since this restriction is not included in the TSSEA. Furthermore, Staff in the Public Policy Development Services branch of Emergency and Protective Services consulted in the fall of 2023 with PPEA licensees on this issue and responses received supported the continuation of the prohibition against PPEAS also providing towing services.

An amendment to the regulations for PPEAs in Schedule 30 of the Licensing By-law is required in order to continue this prohibition in light of the provincial certification system under TSSEA. Staff recommend that the existing prohibition found in Section 6(4) of Schedule No.30 of the Licensing By-law be continued and amended to read as follows:

No tow operator or tow truck driver, as defined by the *Towing and Storage Safety Enforcement Act, 2021*, S.O. c.26, Sched. 3 (as amended), is eligible for a Private Parking Enforcement Agency license under this By-law

Enforcement

As of January 1, 2024, the TSSEA is being enforced by provincially appointed towing inspectors, Ministry of Transportation enforcement officers, and police constables. By-law and Regulatory Services no longer play a role in the administration or enforcement of towing regulations within the City of Ottawa.

License fees that were previously collected as a part of the City of Ottawa's towing regulatory regime were used entirely on a cost recovery basis to fund 2.5 Full-time equivalent positions in By-law and Regulatory Services for the enforcement, administration, and management of the City's towing regime. As responsibility to regulate the towing sector has transferred to the Province of Ontario, and the City of Ottawa no longer collects license fees, staff previously assigned to towing regulatory activities have been reassigned to positions in By-law and Regulatory Services that have available funding.

Transition to Provincial oversight of the towing sector on January 1, 2024

In preparation for the transition from municipal regulation to the provincial regime under TSSEA, staff in Emergency and Protective Services have worked with representatives from the Province of Ontario, through the Ministry of Transportation, and participated in the Province of Ontario's Towing Technical Advisory group. Staff have also participated

in the municipal regulators consultation group together with other municipal towing regulators to provide input and recommendations to provincial staff on the development of and transition to the provincial system.

Staff in By-law and Regulatory Services, in anticipation of the regulatory transition, engaged in a series of meetings with Provincial staff in the Ministry of Transportation. Through these meetings staff were able to lawfully and confidentially transfer information related to the municipal towing regime to the provincial regulator, including information related to the issuance of tow truck licenses in Ottawa, records of enforcement actions taken against operators, license suspensions and revocations, and local enforcement intelligence acquired during the period of municipal licensing. This collaboration has worked towards ensuring the continued and seamless regulation of this sector and protection for consumers.

FINANCIAL IMPLICATIONS

All Financial implications are as reflected previously in this report

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report. As outlined in the report, the recommended amendments are necessary and appropriate considering the recent coming into force of the TSSEA and related amendments to the *Municipal Act, 2001*, and its regulations, all of which result in the Province of Ontario establishing a single provincial-wide oversight regime of the towing and vehicle storage sector. As a result of the operation of provincial law, including the conflict resolution provisions contained in Section 14 of the *Municipal Act, 2001*, where conflict occurs with the provincial regulatory scheme, the municipal regime is without force or effect.

In 2021, City Council approved amendments to the Licensing By-law 2002-189 to regulate aspects of the towing and vehicle storage industry in this municipality. At that time, the TSSEA had been enacted, but not yet fully in force. Moreover, at that time there was not an indication that the Province sought to exclusively occupy the field to regulate towing and related consumer protection objectives. However, as a result of subsequent events, namely amendments in 2023, to the *Municipal Act, 2001* made by Bill 91, being the *Less Red Tape, Stronger Economy Act, 2023*, and subsequently by Regulation 185/23 (which amended Licensing Powers Regulation 583/06), with an in

force date of January 1, 2024, municipalities are expressly precluded from providing for a system of licences with respect to tow operators or vehicle storage operators.

COMMENTS BY THE WARD COUNCILLOR(S)

The provincial regulatory model and oversight of the towing and storage sector apply across the City.

CONSULTATION

Staff in the Emergency and Protective Services Department engaged in consultation with the Ministry of Transportation through the towing technical advisory group, as well as their municipal regulators' consultation group. As part of this engagement, staff have provided input into the development of the TSSEA's regulations, as well as assisted in the regulatory transition from municipal to provincial oversight.

Staff in the Public Policy Development branch of EPS have also been engaged with staff in By-law and Regulatory Services Branch to discuss regulatory impacts of the TSSEA as well as planning for the transition out of municipal regulation of the towing sector. By-law and Regulatory Services has worked closely with the Ottawa Police Service throughout the implementation of the Ottawa regime.

Staff also engaged in consultation with Private Parking Enforcement Agency (PPEA) licensees. Staff heard from respondents that persons or businesses engaged in the business of towing should not be permitted to obtain a PPEA license with the City of Ottawa, as recommended in this report.

ACCESSIBILITY IMPACTS

As a part of the Province of Ontario's towing regime, certificate holders are required to comply with all provincial and federal laws and regulations. This includes the *Accessibility for Ontarians with Disabilities Act, 2005* and the *Ontario Human Rights Code*, among others. The City of Ottawa has no authority to enforce the AODA or the Code, however the City may provide information to members of the public on how to provide feedback or make a complaint to the appropriate authority. Staff confirm that all information posted on ottawa.ca concerning the transition to Provincial oversight of the towing sector together with any available links and resources will be available in English and French and will meet the applicable accessibility standards set out by the City of Ottawa's Web Accessibility Policy in accordance with applicable legislative and

administrative authorities including the Integrated Accessibility Standards under the AODA.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report or its recommendations, as this is a transfer of regulatory responsibility for the towing sector from the City of Ottawa to the Province of Ontario.

RURAL IMPLICATIONS

The TSSEA regime applies city-wide and provides a complete regulatory regime for towing and storage services under provincial oversight.

TERM OF COUNCIL PRIORITIES

The onus for this report and recommendation is not derived from the 2023-2026 Term of Council priorities. The requirement to resolve this issue comes as a consequence of changes to provincial legislation, as set out in the Council-approved 2023-2026 By-law Review Work Plan.

DISPOSITION

Following approval by Council, staff from Emergency and Protective Services together with Legal Services will prepare the required amending by-laws for Council enactment.