

# Towing Services Regulatory Review – Engagement Summary

## Background

Public and stakeholder engagement has been a key part of the development of potential towing regulations in the City of Ottawa. The purpose of the engagement was to understand both the public's experience with towing services in Ottawa as well as some of the challenges within the industry, and to receive feedback on potential concerns to be addressed in any new regulations. During the consultation phase, the emerging themes identified were concerns related to consumer protection, accident scene management, lack of regulations surrounding storage and towing fees, and the inability for customers to retrieve vehicles at storage facilities. Many of the comments received by email, through the public and industry surveys, and from one-on-one virtual discussions with stakeholders revealed high support for towing regulations in the City of Ottawa.

## Engagement overview

The engagement phase for the Towing Services Regulatory Review began in January of 2020 through discussions with internal subject-matter experts. Staff subsequently consulted with external stakeholders, such as the Provincial Towing Association of Ontario, the Canadian Automobile Association, the Insurance Bureau of Canada, the Co-operators Insurance Group, and numerous towing companies. Consultations with provincial ministries and comparable municipalities took place over the spring and early summer of 2020. In May 2020, the City launched the [Engage Ottawa](#) site for the Towing Services Regulatory Review, which included a public survey and encouraged those in the towing industry to also provide comments through an industry specific survey. A summary of these engagement results will be discussed in this document.

## Engagement methods

Several methods were used during the engagement phase of the Towing Services Regulatory Review. These engagement exercises included:

- A public web survey available through Engage Ottawa for a period of one month
- A survey for the tow industry was available upon request for a period of one month and a separate questionnaire was sent to specific industry stakeholders

- The establishment of a towing email inbox to receive specific comments and questions related to the Towing Services Regulatory Review
- Virtual consultations with interested stakeholders, including tow truck operators and drivers, provincial ministries, law enforcement agencies, and insurance providers
- A jurisdictional scan of towing regulations found in other Ontario municipalities
- Publication of a 'What We Heard' document on Engage Ottawa, outlining results of the public consultations
- Circulation of a discussion paper to internal staff and external stakeholders to receive feedback on proposed policy directions and options
- Virtual consultations requesting feedback from licensed private parking enforcement agencies on how proposed towing regulations impact their ability to tow on private property
- Outreach to all public garage businesses licensed by the City of Ottawa to store towed vehicles, requesting their feedback on the storage aspect of the Towing Services Regulatory Review
- Letters and emails sent requesting input on proposed storage facility regulations sent to vehicle storage facility operators and owners
- Circulation of a paper containing recommendations for regulation of towing services in Ottawa to industry-specific stakeholders

Staff have analyzed all comments received throughout the engagement phase of the Towing Services Regulatory Review and the purpose of this document is to summarize the information collected.

## **Public survey feedback**

The public survey was accessible on the Engage Ottawa website in both English and French from May 20, 2020 to June 20, 2020. The survey was intended to solicit feedback from members of the public about their experiences with towing services, specifically focusing on issues of municipal concern such as health and safety of the public, consumer protection, and protection of property and persons.

## Key findings

### Demographics

The public survey received 891 responses. The demographics of the respondents are captured below:

#### *Gender of respondents:*

- Male: 65 per cent
- Female: 27 per cent
- Transgender: 6 per cent
- Gender non-conforming: 1 per cent
- Decline to answer: 1 per cent

#### *Age of respondents:*

- 19-34 years old: 27 per cent
- 35-44 years old: 24 per cent
- 45-54 years old: 21 per cent
- 55-64 years old: 15 per cent
- 65+ years old: 8 per cent
- Decline to answer: 5 per cent

#### *Affiliation to the towing industry:*

- Approximately 90 per cent of respondents were members of the public and their experiences were based on their use of towing services
- 5.61 per cent of respondents self-identified affiliation with the towing industry (e.g., current owner of a towing company, current tow truck driver, past tow truck driver)
- 1.91 per cent declined to answer

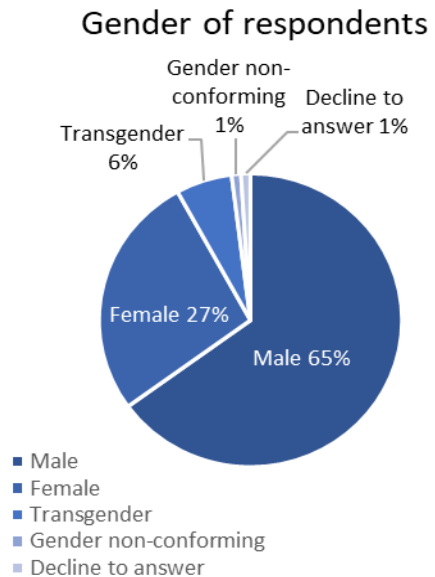


Figure 1: Gender of respondents

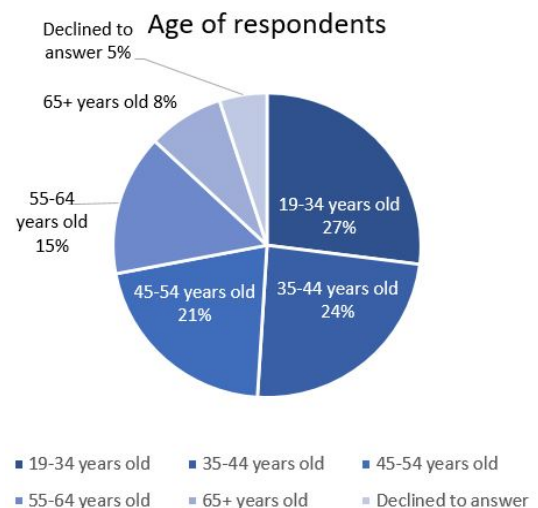


Figure 2 Age of respondents

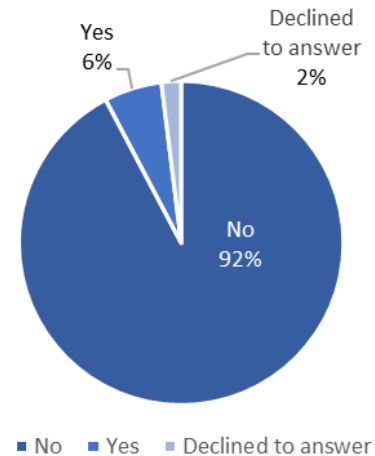
*Resident of the City of Ottawa:*

- 95 per cent of respondents self-identified as current residents of the City of Ottawa
- 3.7 per cent of respondents self-identified as non-residents of Ottawa
- 1.3 per cent of respondents declined to answer their residency

**Public experience with towing industry**

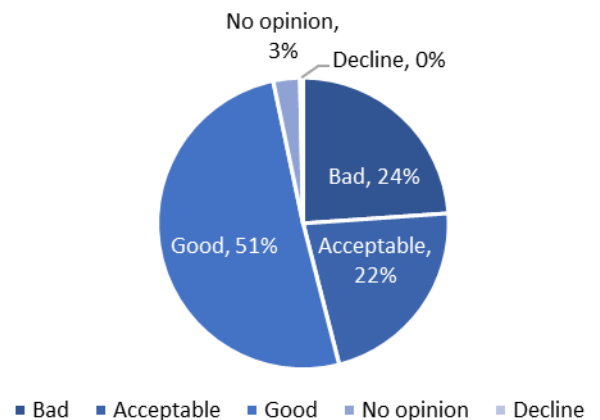
Public survey participants were asked about their experiences when using towing services and the majority rated their experience as good. A high proportion also declined to answer specific questions related to their experience; however, staff note that 90 per cent of those who declined to answer indicated that they have not used a towing service in the last 2 years, which can represent the high portion who did not rate their experience. It should also be noted that 61 per cent of respondents to the survey currently have a roadside assistance provider.

**Affiliated with the towing industry**



*Figure 3 Affiliated with the towing industry*

**How would you rate your experience with towing services?**  
(Respondants that indicated use of towing services in the last two years)



*Figure 4: Consumer experience*

## Response to towing regulations

Public survey results demonstrated that 97 per cent of respondents agreed that the City should regulate the towing industry to promote public safety and consumer protection.

Members of the public generally indicated the need for regulating rates for towing services and for customers to be informed of all applicable fees, location of storage facility, and how to access their vehicle prior to services being rendered. Several comments reflected safety concerns such as tow trucks speeding, damage to vehicles during tows, tow trucks approaching too close to accident scenes, and drivers on scene not wearing appropriate visibility clothing and personal protective equipment. In addition, 92 per cent of responses were in favour of a safety training program for tow truck drivers.

Public Support for specific regulations for tow truck companies and drivers

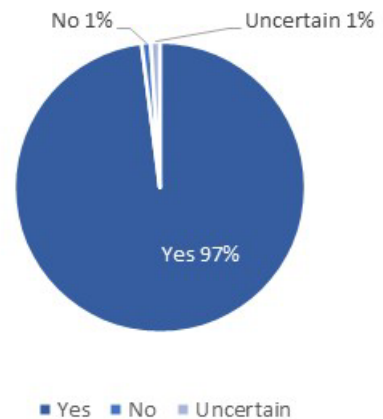


Figure 5: Public support for regulations

Below is a summary of the detailed public survey results:

- With respect to disclosure of rates for towing services prior to the tow and the regulation of towing service prices to avoid overcharging, over 90 per cent of respondents agreed that the City should regulate rates
- Majority of the comments received from the public survey indicated that authorization to tow should be provided by the customer in writing prior to the tow occurring
- More than 90 per cent of respondents rated consumer protection and towing fees as highly problematic
- Several comments received from the public focused on high costs of towing services and a lack of paperwork to document the contract
- The comments provided by the public indicated that consumer protection, towing rates, and issues with vehicle storage were the main areas of concern that the City should investigate when developing policy recommendations

- 98 per cent of respondents agreed that drivers should follow basic rules of conduct while serving customers

Overall, the data indicates high public support for regulations for consumer protection and public safety.

## **Industry survey feedback**

A survey for industry-specific stakeholders was made available for a period of one month and generated 25 responses. Respondents identified themselves as current tow company owners, managers, employees, as well as former tow company owners and employees.

### **Key findings of stakeholder feedback**

#### **Overview of survey results**

The main concerns identified by the industry were issues with dispatching and safety. A high majority of responses concluded that tow truck drivers should be responsible for complying with conduct rules and wearing mandatory personal protective equipment. In general, the industry survey provided the following information:

- 32 per cent agreed that tow trucks should keep their distance from the accident scene whereas 20 per cent disagreed, the remainder had either no comment, no opinion or disagreed
- 44 per cent of respondents indicated that training programs are currently established in their respective towing company
- 40 per cent of respondents agreed that there should be mandatory training for tow truck drivers, the remainder had either no comment, no opinion or disagreed
- 44 per cent agree that tow truck drivers should be subject to criminal record checks, the remainder had either no comment, no opinion or disagreed
- Majority of respondents agreed that there should be prescribed rates for vehicle storage.

### **Feedback from discussion paper**

Policy and regulatory options were set out in a discussion paper that was circulated to respondents from the Towing Services Regulatory Review industry specific survey, the

Provincial Towing Association of Ontario, insurance industry representatives, automotive clubs, and other governmental officials. Six themes were under consideration:

- Business licensing of towing services providers
- Storage
- Fees, rates, and charges
- Consumer protection
- Insurance
- Safety, vehicle standards and vehicle inspections

This section will provide a brief summary of the feedback received from stakeholders on the discussion paper.

### **Business licensing**

All responses from stakeholders were in favour of a business licensing regime for towing services. Comments focused on the need for comprehensive provincial-wide legislation to strengthen any municipal regulatory models. Concern was expressed by a stakeholder with the proposal to license tow truck drivers and recommended licensing for tow truck vehicles instead due to the seasonal nature of some towing operations. Stakeholders also suggested that the City of Ottawa explore options for classes of licensing, such as “for hire” and “not for hire” (salvage) services. This recommendation included exempting towing services occurring exclusively for non-profit organizations and school boards (for example, in the situation where vehicles are donated for educational purposes).

### **Storage**

There was strong support amongst stakeholders for municipal regulation of storage services. In particular, there was agreement to require tow companies to declare their affiliation with a storage facility, in order to ensure consumers are aware of potential incentives being offered for storage of their vehicle. Recommendations were noted to require tow operators to use storage facilities within the City limits. Concerns were also identified around the difficulty for clients to access their vehicles during storage, and a concern that storage facilities may not be properly insured. The use of a logbook was recommended for tow operators to carry and document where vehicles were being towed and stored.

## **Fees, rates, and charges**

Overall, feedback indicates support for the prescription of fees and rates for towing services (e.g., setting of fees). Some concerns were expressed that prescribed rates would need to be carefully and clearly set out, and that the regulations should also require proof of service in some cases. Generally, stakeholders found the fee of \$250 for a standard tow and \$150 for a non-collision tow to be reasonable. Stakeholders also suggested that any additional administrative fees and credit card fees to be charged by the tow service provider should be explicitly disclosed to prospective clients.

## **Consumer protection**

Given that a perceived lack of transparency of fees was a common emerging theme of concern expressed throughout the engagement phase, the discussion paper outlined regulatory measures related to consumer protection. To address concerns related to customers not being aware of services prior to the tow, a “permission to tow” form was recommended by several stakeholders, which would require signature from the tow truck driver and the client in order to provide permission to tow and acknowledge disclosure of tow information. Some stakeholders expressed concerns with the feasibility of completing a form, specifically during stressful or emergency situations where a client may not be able to sign the form or in which the vehicle must be removed from the scene in a timely manner. However, these stakeholders agreed it is important for clients to receive, in writing, the charges and trip details prior to tow services being rendered.

## **Insurance**

All stakeholders supported the proposed requirement for insurance of \$2 million comprehensive general liability coverage, coverage against legal liability for damage to the customer’s vehicle while being towed, and separate coverage against cargo liability for potential loss of the vehicle’s contents.

## **Safety and accident chasing**

Several stakeholders expressed concern with accident chasing by tow trucks, and the risk that it poses for roadway safety. To resolve issues related to tow truck drivers speeding to accidents, a system of eligible tow operators to provide services at accidents scenes was recommended by numerous stakeholders. The intent of this system is to pre-identify operators who are eligible to provide tow services and create a system by which they could be selected and dispatched on a rotational basis. Many



stakeholders indicated that the only solution to accident chasing is proper accident scene management, including a rotational dispatching system. In addition, the majority of stakeholders agreed that training for tow truck drivers is necessary and one stakeholder recommended that the training be administered and prescribed by the Province of Ontario in order to create consistency for towing companies province-wide.

## **Feedback from public garage licensees**

Public garages are businesses currently licensed by the City of Ottawa under the Licensing By-law (No. 2002-189, as amended), and as part of their service, they may store towed vehicles. With the objective of better understanding the storage aspect of towing services as part of the Towing Services Regulatory Review, letters requesting feedback were mailed out to approximately 1,200 public garage licensees across the City of Ottawa in December of 2020. Policy options with requirements for consumer protection were presented, including prescription of storage rates when applied, a requirement for disclosure of the storage location and applicable storage rates to the customer of the towed vehicle, and an obligation to provide access to the vehicle to allow the tow customer to retrieve belongings.

The consultation period was open for a duration of three weeks and received 15 responses by email. Of the 15 responses received, six responses were from licensees who do not offer towed vehicle storage. However, three of those who do not provide tow storage agreed that towing regulations are needed, the other three did not comment on the requirement for regulations. The remaining nine respondents were supportive of new towing regulations related to storage. From the responses received, emerging themes of reliability of fees, access to personal belongings, and clear notification of how a client can access their vehicle were noted. The following are general comments that were received regarding storage:

- One public garage licensee commented that \$60 storage fee per day is very high as it could cost \$1,800 per month for a client to retrieve their vehicle. They recommended considering a high rate for the first 24 hours followed by a lower rate for subsequent days.
- Five public garage licensees commented on the need for written disclosure of where the vehicle is towed to, the hours of operation of the storage facility, and how the tow customer can retrieve the vehicle.

- One public garage licensee noted that tow services should be towing the vehicles to the closest storage facility when possible to avoid higher costs of towing.

## **Feedback from storage facility operators and owners**

In May of 2021, the City engaged storage facility operators and owners. A letter containing background information on the Towing Services Regulatory Review, a summary of storage concerns raised by stakeholders through previous consultations, and recommendations for vehicle storage regulations were sent to identified storage facility operators and owners for input. The City requested feedback on the following proposed storage facility regulations:

- Storage facility operators, except for public garages, would be regulated by the City and required to maintain up-to-date business contact information
- Develop and maintain a log of stored vehicle information, including date of service, customer contact information, and vehicle information
- Have standard business hours and provide access to retrieve stored vehicles during these hours at no additional charge to the customer
- Ensure the facility is secure and properly lit at night
- Allow access to the facility for police officers
- Comply with prescribed daily storage rates of \$50 per day for outdoor storage and \$70 per day of indoor storage
- Notify the customer of the storage facility location and process for retrieving their vehicle in a timely manner

The letter was emailed to 34 stakeholders and mailed to 50 addresses identified as storage facilities. The City received eight responses; four identified as storage facility operators and provided comments, three did not identify but requested information about the Towing Services Regulatory Review, and one stakeholder identified as not a current storage facility operator. Two stakeholders expressed concern that towing rates need to be regulated. A recommendation was provided by a storage facility operator for a web-based towing dispatching application to assist with tracking where a vehicle is towed from and to. In addition, two stakeholders agreed that municipal regulations for storage facilities are necessary for safety and consumer protection purposes.

## Private parking enforcement agency consultation

Private parking enforcement agencies are licensed under the City's Licensing By-law (No. 2002-189, as amended) and use deputized parking officers to enforce parking regulations on private parking in accordance with the City's Traffic and Parking By-law (No. 2017-301). As part of the Towing Services Regulatory Review, amendments to the PPEA licensing regime are contemplated to allow authorized deputized officers of a licensed PPEA to initiate a tow of an illegally parked vehicle on private property with certain defined eligibility conditions (noted below).

Virtual consultations were conducted with internal City of Ottawa departments and external PPEAs requesting feedback on proposed amendments to the eligibility conditions required to allow a deputized officer of a licensed PPEA to initiate a tow from private property. Under the proposed amendments, PPEAs would be able to tow a vehicle from private property under the prescribed eligibility conditions listed below:

- Requirement to be licensed as a PPEA under the City of Ottawa's Licensing By-law and enter a Cost Recovery Agreement with the City
- Inability for PPEAs to be licensed as a tow service operator
- Consent required from the owner or occupier of the relevant property prior to having the vehicle towed
- PPEA must use the City's contracted towing provider when initiating a tow from private property
- Towing a vehicle from private property may occur only upon issuance of three Parking Infraction Notices for the same vehicle
- Tow must be arranged through the City's By-law and Regulatory Services Dispatch in accordance with the mandatory process prescribed by the Chief License Inspector

With regards to the eligibility conditions, 75 per cent of respondents agreed with the conditions outlined. The private parking enforcement agencies who responded that they did not agree with the proposed eligibility conditions commented on issues not relevant to the Towing Services Regulatory Review. No concerns were raised during consultations with PPEAs on the condition to prohibit PPEAs from being licensed as tow

service operators, in order to avoid potential consumer protection concerns and ensure greater transparency.

## **Feedback from policy recommendations paper**

In June 2021, a recommendation paper for towing services regulations in Ottawa was sent to 54 industry-specific stakeholders and provided recipients with approximately four weeks to respond. Supplementary to the discussion paper circulated initially, the policy recommendations paper outlined in greater detail the proposed regulations of the new towing services business licensing regime.

### **Key findings**

The City received a total of 11 responses relating to the industry-specific policy recommendation paper. Of the responses received, eight industry-specific stakeholders supported the City of Ottawa regulating the towing industry, one response supported towing industry regulations but at a provincial level, and two responses were opposed to all towing industry regulations. Most comments received from tow operators/drivers advised that a dispatching system for accident scene management is necessary. One stakeholder commented on the requirement for a web-based tracking tool for tow truck and storage facility activity (inspections and transactional records). In addition, one stakeholder proposed that customers should not be charged for the Collision Reporting Centre and standing wait time or alternatively that the charge for wait time be capped at 2 hours. It was further noted that the proposed storage rate fees for indoor storage be reduced from \$70 a day to \$60 a day and that storage fees should be a flat-rate fee regardless of whether the vehicle is stored indoors or outside. One stakeholder proposed incorporating the cleanup fee for collision tows into the flat-rate fee, while another stakeholder recommended removing the accident scene cleanup fee. In addition, several stakeholders commented on the importance of including documentation for the customer to confirm that the storage location is licensed and how to access their vehicle, including proper signage at storage facilities. It was suggested to include requirements for standards of care to prevent loss or damage to a vehicle being towed and a complaint mechanism to allow consumers to report poor consumer service or unfair billing practices. Recommendations from industry-specific stakeholders also included the obligation for the tow operator to display company name, including their contact information as well as a requirement for vehicles to carry absorbent material as part of the vehicle equipment standards to assist in cleanup. Two stakeholders expressed disagreement with the proposed regulations, advising that

Ottawa's region is too small for regulations and the solution to towing concerns in Ottawa can be managed through heightened police oversight for accident scene management and revised towing contracts.

## **Conclusion**

In conclusion, there is strong support for regulating towing services in the City of Ottawa as demonstrated by comments and feedback received from members of the public and stakeholders throughout the engagement phase of the Towing Services Regulatory Review. In particular, general support was noted for municipal regulations addressing consumer protection, such as regulation of fees and rates for towing services and increasing transparency of the towing transaction by disclosure to the customer of fees to be charged for services and storage location of the towed vehicle. Overall, industry-specific stakeholders and members of the public who responded were in favour of regulations pertaining to public safety, such as tow truck driver training and enhanced accident scene management, including a rotational dispatching system. The City has offered multiple engagement opportunities for members of the public, industry stakeholders, external governmental agencies, and internal staff, which completes the engagement phase of the Towing Services Regulatory Review. Staff have taken into consideration comments and recommendations received from stakeholders to assist in the development and drafting of the proposed new towing services licensing by-law.