



Town of Newmarket
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Tow Truck Licensing Regime Staff Report to Council

Report Number: 2023-80

Department(s): Legislative Services

Author(s): John Comeau, Acting Manager of Regulatory Services

Meeting Date: November 13, 2023

Recommendations

1. That the report entitled Tow Truck Licensing Regime dated November 13, 2023 be received; and,
2. That Section 8.6 Tow Truck Companies of the Mobile Business Licence By-law 2020-07 be repealed as of January 1st, 2024; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this Staff Report is to update Council on the new provincial licensing regime for Tow Trucks and to repeal section 8.6 of the Town's Mobile Business Licence By-law effective January 1, 2023 as required by new amendments to the Municipal Act.

Background

In February of 2020, [Staff Report 2020-06](#) presented a Mobile Business Licensing regime which led to the adoption of a newly adopted [Mobile Business License By-law 2020-07](#). These regulations remain in place today and regulate a variety of mobile businesses including Tow Truck Companies.

In June of 2020, the Province of Ontario formed the Towing Task Force in a multi-organization initiative with the goal of improving provincial oversight of the towing industry.

In Spring of 2021, new legislation was passed by the province titled the “[Towing and Storage Safety and Enforcement Act](#)” (TSSEA). This Act regulates Tow Truck Operators, Tow Truck Drivers and Vehicle Storage Operators, and requires them to obtain a TSSEA Certificate in order to operate in Ontario. With the passing of the new Act, the Province initiated a multiphase roll out plan to transition the regulation of the tow industry from lower tier municipalities to the Province.

The first phase began in January of 2023 when additional CVOR exemptions were removed for all Tow Truck Operators and Drivers. The second phase began in July of 2023 when the TSSEA Certificate application window opened for Tow Truck Operators, Tow Truck Drivers and Vehicle Storage Operators. The third phase begins on January 1, 2024 when all of the TSSEA comes into effect, removing the authority for municipalities to regulate the tow industry through the Municipal Act, and transferring full responsibly of regulating the tow truck industry to the Province.

Discussion

In February of 2020, Town Council adopted a Mobile Business Licensing By-law that regulates Tow Truck Companies within Newmarket. This By-law requires that all Tow Truck Companies operating in Newmarket obtain a yearly Business Licence and comply with a number of regulations including but not limited to:

1. Minimum insurance requirements
2. Criminal record checks for all drivers
3. Tow Truck vehicle requirements
4. Towing rate caps

Following the adoption of the Mobile Business Licensing By-law, the Town’s Licensing Division implemented the licensing regime. Below is a summary of the amount of Tow Truck Companies that have been licenced with the Town since the adoption of the By-law:

	2020	2021	2022	2023
Companies Licensed	7	11	10	9
Licensing Fees Collected	\$18,000	\$15,802	\$14,715.5	\$14,520.99

With the adoption of TSSEA, the Town’s Licensing Division has participated in a number of consultation workshops with the Province. The TSSEA amends the Municipal Act to remove a municipalities authority to regulate the Tow Industry through a licensing

regime as of January 1, 2024. In preparation for the third phase of implementation of the TSSEA, the Town will be required to repeal our Business Licensing Regime. Beginning in 2024 the regulation of the Tow Truck industry will be fully overseen by the Province.

Once oversight has been turned over to the province, any complaints or concerns that residents have regarding a tow truck company will be investigated by the Province. The Town's Licensing Website will be update to provide residents with directions on how to escalate concerns.

The Town's Licensing Division will also provide all licensed Tow Truck companies with correspondence updating them about the transition from municipal to provincial oversight. Educational information on the TSSEA and application process will be provided in this correspondence as well.

The Town will continue to enforce all Tow Truck regulations until the end of 2023.

Conclusion

Beginning in 2024 the Tow Truck industry will be fully regulated by the province, requiring Town Council to repeal Section 8.6 (Tow Truck Companies) of the Mobile Business Licence By-law 2020-07.

Business Plan and Strategic Plan Linkages

This report aligns with the strategic vision of the Town of Newmarket; Well Beyond the Ordinary

Consultation

The Ministry of Transportation was consulted in the preparation of this report.

Human Resource Considerations

None.

Budget Impact

The Town's Tow Truck Company licensing regime generates approximately \$15,750 in revenue yearly that we will no longer be receiving once oversight is transitioned to the Province.

Staff administration and enforcement related to Tow Truck licensing and enforcement will be realigned to help support the new Automated Speed Enforcement program in 2024

Attachments

None.

Approval

Lisa Lyons, Director, Legislative Services/Town Clerk
Esther Armchuk, Commissioner of Corporate Services

Contact

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