

## Report to Community and Protective Services Committee

**To:** CHAIR AND MEMBERS  
COMMUNITY AND PROTECTIVE SERVICES COMMITTEE

**From:** G. KOTSIFAS, P. ENG.  
MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES &  
CHIEF BUILDING OFFICIAL

**Subject:** TOW TRUCK BUSINESS & IMPOUND YARD STORAGE BUSINESS  
LICENCE BY-LAW AMENDMENT  
PUBLIC PARTICIPATION MEETING

**Date:** MARCH 2, 2021

## Recommendation

That, on the recommendation of the Managing Director, Development & Compliance Services & Chief Building Official:

- a) the attached proposed by-law (Appendix 'A') **BE INTRODUCED** at the Municipal Council meeting to be held on **March 23, 2021** to amend the Business Licencing By-law No. L.-131-16, to add a new category, definition and fees related to Tow Truck Business and Impound Yard Storage Business.
- b) the attached proposed by-law (Appendix 'B') **BE INTRODUCED** at the Municipal Council meeting to be held on **March 23, 2021** to amend the Administrative Monetary Penalty System (AMPS) By-law No. A-54, to add penalties for non compliance related to Tow Truck Businesses and Impound Yard Storage Businesses.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Community & Protective Services Committee: September 10, 2019 –Information Report on Tow Truck Solicitation at Accident Scenes

Community & Protective Services Committee: December 3, 2019 –Public Participation Meeting on Business Licensing By-law

### 2.0 Discussion and Considerations

In recent years, there has been an increased concern with tow truck solicitation at motor vehicle accident occurrences. Several municipalities across Ontario have established towing by-laws with the municipal purpose of consumer protection.

On September 17, 2019, Municipal Council directed staff to prepare an amendment to the Business Licensing By-law to include Motor Vehicle Towing as a Class of Licence and hold a public participation meeting at a future Community & Protective Services Committee (CPSC) meeting.

Staff presented a By-law to CPSC on December 3, 2019. The purpose of the By-law was to licence tow truck operators. A regulation prohibited tow trucks from parking, stopping or standing within two hundred (200) metres of an accident on any road. Council referred the report back to staff for further consultation with stakeholders and the London Police Service.

In January 2020, further discussions were held with London Police Service and the towing industry. There was a variety of feedback from the industry specific to the setback regulation from an operational perspective.

On June 29, 2020, the Province announced that they would be establishing a task force to improve Provincial oversight of the towing industry. The task force was created to help develop a regulatory model that will increase safety and enforcement, clarify protections for consumers, improve industry standards and consider tougher penalties for violators.

The Province is mainly taking this action in response to concerns raised about incidents of criminal activity and violence in the towing industry. Consultations were held during the months of July and August. The Province consulted with the the towing industry, insurance companies,

municipalities, London Police Service and other interested agencies. Civic Administration participated in numerous meetings led by the Province.

In recent discussions with the Province, it was clarified that they still require time to propose a Province wide remedy. City staff ("staff") have been aware of the towing industry issues for quite some time and are of the opinion that it is imperative that a local solution be established. Staff are also mindful that if the Province proceeds with legislation, amendments to the recommendation contained within this report might have to be reconsidered or amended.

In July 2020, staff consulted with the towing industry to discuss the Provincial announcement and ongoing issues with vehicles being held by non local towing firms for exorbitant recovery fees.

In December 2020, January 2021 and February 2021, staff consulted with London Police Service and London Fire. Both agencies support the proposed amendments.

In January 2021, City Staff consulted again with the towing industry. The predominant issue raised by the industry is the London Police Service contract. As staff have mentioned on numerous occasions, City Administration has no role in the contract either from a procurement or administration perspective. However, some valued discussions took place regarding the proposed two hundred (200) metre accident raddius regulation.

As a result of industry discussion and feedback, a fourth industry meeting was held in February, 2021. Discussions were mostly based around the amended wording to the setback regulation , including the following additional wording: *if there is not a sufficient number of tow trucks already at the scene to deal with all vehicles that apparently require the services of a tow truck.*

Overall, this proposal was well received by the industry, but not unanimously. Mainly, this allows for a tow truck to stop, in a case where no one has yet arrived at the accident scene or if there are not enough tow trucks present and is also consistent with the *Highway Traffic Act*. (Sec 171 (2) *no person shall park or stop a tow truck on the King's Highway within 200 metres of, (a) the scene of an accident or apparent accident; or (b) a vehicle involved in an accident, if there is a sufficient number of tow trucks already at the scene to deal with all vehicles that apparently require the services of a tow truck.*)

Also, participating in towing industry meetings were government relations representatives from the Canadian Automobile Association (CAA) and the Insurance Bureau of Canada.

## 6.0 Summary of Staff Recommendation

1. Licence Tow Truck Business category, where at the time of application, the applicant must identify the licenced Impound Yard Storage Business.
2. Implement a regulation of a two hundred (200) metre setback from accident scene and a regulation requiring tow truck operators to follow the direction of first responders at an accident scene.
3. Establish administrative maximum towing rates.
4. Licence Impound Yard Storage Business category to ensure that once a vehicle has been towed that it is transported to a regulated facility within City limits.
5. Establish administrative maximum storage fees.
6. Establish associated administrative monetary penalties.

## Conclusion

The City of London deems it to be in the public interest, having regard to both public health and safety and consumer protection, to protect persons involved in motor vehicle accidents on local roads and to ensure that local roads are kept free of obstructions and impediments at accident scenes for emergency vehicles and emergency personnel. The proposed staff recommendation to add Tow Truck Business Licence and Impound Yard Storage Business as a class of Business Licence.

**Prepared by:** Nicole Musicco, Coordinator, Licensing Administration & Policy  
**Submitted by:** Orest Katolyk, MLEO (C )  
Chief Municipal Law Enforcement Officer  
**Recommended by:** George Kotsifas, P. Eng  
Managing Director, Development & Compliance Services & Chief Building Official

## Appendix 'A'

Bill No. --  
2021

By-law No. L.-131(\_\_)-\_\_

A by-law to amend By-law No. L.-131-16 entitled  
"A by-law to provide for the Licensing and  
Regulation of Various Businesses".

AND WHEREAS section 5(3) of the Municipal Act, 2001 S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 23.2 of the Municipal Act, 2001 permits a municipality to delegate certain legislative and quasi-judicial powers;

AND WHEREAS the City deems it to be in the public interest, having regard to both public health and safety and consumer protection, to protect persons involved in motor vehicle accidents on highways and to ensure that highways are kept free of obstructions and impediments at accident scenes for emergency vehicles and emergency personnel.

AND WHEREAS it is deemed expedient to amend By-law No. L.-131-16, entitled "A by-law to provide for the Licensing and Regulation of Various Businesses", passed on December 12, 2017;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Business Licensing By-law L.-131-16 is hereby amended by adding "**Tow Truck Business**" and "**Impound Yard Storage Business**", as referenced in the attached **Schedule '20'** to the Business Licence By-law Schedule.
2. The Business Licensing By-law L.-131-16, Schedule 1 – Business Licence Fees is hereby amended by adding:
  - Tow Truck Business Licence fee of \$321.00
  - Impound Yard Storage Business Licence fee of \$321.00

**Schedule '20'**  
**TOW TRUCK BUSINESS & IMPOUND YARD STORAGE BUSINESS**

**1.0 DEFINITIONS**

**1.1** In this Schedule:

**“Accident Scene”**: means the general location or place where an incident or accident occurred involving a Motor Vehicle(s).

**“Highway”**: means a common and public highway, street, avenue, parkway, driveway, square, place, bridge, viaduct or trestle, any part of which is intended for or used by the general public for the passage of vehicles and includes the area between the lateral property lines thereof.

**“Highway Traffic Act”**: means the Highway Traffic Act, R.S.O. 1990, as amended.

**“Impound”**: means to restrain or immobilize a motor vehicle.

**“Impound Yard Storage Business”**: means the business of storing vehicles once they are towed from an Accident Scene.

**“Local Road”**: means roads contained within the boundaries of the Municipality of the City of London.

**“Motor Vehicle”**: means a motor vehicle as defined in the Highway Traffic Act.

**“Tow Truck Business”**: means the business of providing Towing Services at an Accident Scene.

**“Tow Truck Operator”**: means a person who operates a Tow Truck offering Towing Services.

**“Towing Services”**: mean the provision or use of a tow truck including the assistance of the owner, operator, driver, or any passenger of a vehicle through the use of the equipment on or used in conjunction with the tow truck for the pulling, towing, carrying, or lifting of a motor vehicle at a place located within the City of London.

**“Tow Truck”**: means a Motor Vehicle that is designed, modified or used for pulling, towing, carrying or lifting of other Motor Vehicles with or without the assistance of lifts, winches, dollies, trailers or any like equipment.

**“Vehicle”**: means vehicle as defined in the Highway Traffic Act.

**2.0 LICENCE CATEGORIES:**

**2.1** The following categories of licenses are established:

- (a) Tow Truck Business; and
- (b) Impound Yard Storage Business

**3.0 PROHIBITIONS:**

**3.1** No person shall operate a Tow Truck Business without a current valid licence issued under this By-law.

**3.2** No person shall operate an Impound Yard Storage Business without a current valid licence issued under this By-law.

**3.3** No holder of a Tow Truck Business Licence shall permit a Tow Truck to safely park, stop, stand, make or convey an offer of Towing Services, within two hundred (200) metres of an Accident Scene unless directed by a police officer, a firefighter, or person involved in the accident, or if there is not a sufficient number of tow trucks already at the Accident Scene to deal with all vehicles that apparently require the services of a Tow Truck.

- 3.4 No Tow Truck Operator parked, stopped or standing within two hundred (200) metres of an Accident Scene shall fail to immediately follow the direction of any police officer, firefighter or emergency medical services (EMS) including, but not limited to moving the Tow Truck two-hundred (200) metres from the Accident Scene.
- 3.5 No holder of a Tow Truck Business Licence shall charge or accept from any person any amount for Towing Services in contravention of the prescribed administrative regulations.
- 3.6 Every holder of a Tow Truck Business Licence shall provide Towing Services associated with a licenced Impound Yard Storage Business within the boundaries of the City of London.
- 3.7 No holder of an Impound Yard Storage Business Licence shall charge or accept from any person any amount for storage services at an Impound Yard in contravention of the prescribed administrative regulations.

#### **4.0 POWERS OF LICENCE MANAGER**

- 4.1 In addition to any other power, duty or function prescribed in this By-law, the Licence Manager may make regulations under this Schedule including:
- (a) prescribing signage that must be posted in an Impound Yard Storage Business as a condition for storing a Motor Vehicle including without limitation, the manner, form, size, location and content of such signage;
  - (b) prescribing Towing fees;
  - (c) prescribing Impound Yard Storage fees;
  - (d) prescribing hours of operation of Impound Yards Storage Business;
  - (e) prescribing the content of a registry for Tow Truck Business.

This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on     , 2021.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First reading –  
Second reading –  
Third reading –

**Appendix 'B'**

Bill No. \_\_\_\_\_  
2021

By-law No. A-54-\_\_\_\_\_

A by-law to amend By-law No. A-54, as amended, being "A by-law to implement an Administrative Monetary Penalty System in London" to provide for an amended Penalty Schedule "A-5" for the Business Licensing By-law for the categories of Tow Truck Business and Impound Yard Storage Business.

WHEREAS section 434.1 of the Municipal Act authorizes the City to require a person, subject to conditions as the municipality considers appropriate, to pay an administrative penalty if the municipality is satisfied that the person has failed to comply with a by-law of the municipality;

AND WHEREAS the Municipal Council considers it desirable to enforce and seek compliance with the designated by-laws, or portions of those by-laws, through the Administrative Monetary Penalty System;

AND WHEREAS the Municipal Council on June 25, 2019 passed By-law No. A-54, being "A by-law to implement an Administrative Monetary Penalty System in London;"

AND WHEREAS the Municipal Council deems it appropriate to amend By-law No. A-54 with respect to Schedule "A-5" for the categories of Tow Truck Business and Impound Yard Storage Business in the Business Licensing By-law,

NOW THEREFORE the Council of The Corporation of the City of London enacts as follows:

1. That Schedule "A-5" of By-law No. A-54 be amended to include the following short form wording, provision creating or defining offence and administrative penalty amount.
2. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on \_\_\_\_\_, 2021.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading –  
Second Reading –  
Third Reading –

## Penalty Schedule for Tow Truck Business & Impound Yard Storage Businesses

1. For the purposes of Section 2 of this By-law, Column 3 in the following table lists the provisions in the Designated By-law identified in the Schedule, as amended.

2. Column 2 in the following table set out the short form wording to be used in a Penalty Notice for the contravention of the designated provisions listed in Column 3.

3. Column 4 in the following table set out the Administrative Penalty amount that is payable for contraventions of the designated provisions listed in Column 3.

### Administrative Monetary Penalty System By-law for Tow Truck Business & Impound Yard Storage Businesses

Column 1 Item #	Column 2 Short Form Wording	Column 3 Designated Provision	Column 4 Administrative Penalty Amount
1	Operate Tow Truck Business without current valid licence.	3.1	\$500.00
2	Operate Impound Yard Storage Business without current valid licence.	3.2	\$500.00
3	Permit tow truck to park, stop, stand, make or convey offer of services within 200 meters of accident scene.	3.3	\$500.00
4	Fail to follow direction of first responder at accident scene.	3.4	\$500.00
5	Charge or accept fees for towing services in contravention of prescribed administrative regulations.	3.5	\$500.00
6	Fail to provide towing services associated with licensed impound yard storage business within the boundaries of the City.	3.6	\$500.00
7	Charge or accept fees for storage services in contravention of prescribed administrative regulations.	3.7	\$500.00
8	Fail to comply with prescribed signage at impound yard storage business.	5.1 (a)	\$200.00
9	Fail to comply with prescribed hours of operation at impound yard storage business.	5.1 (d)	\$200.00
10	Fail to comply with prescribed content of registry for tow truck business.	5.1 (e)	\$200.00

At the discretion of the Officer, fines may be doubled for any and all subsequent repeat offences.