

---

## **Council Subcommittee of Towing**

### **Date**

2017/06/13

### **Time**

1:30 PM

### **Location**

Civic Centre, Council Chamber,  
300 City Centre Drive, Mississauga, Ontario, L5B 3C1 Ontario

### **Members**

Councillor Ron Starr	Ward 6 (Chair)
Mayor Bonnie Crombie	
Councillor Carolyn Parrish	Ward 5
Councillor Nando Iannicca	Ward 7
Councillor Matt Mahoney	Ward 8 (Vice Chair)

### **Contact**

Stephanie Smith, Legislative Coordinator, Legislative Services  
905-615-3200 ext. 3795  
[stephanie.smith@mississauga.ca](mailto:stephanie.smith@mississauga.ca)

### **Find it Online**

<http://www.mississauga.ca/portal/cityhall/towingindustryadvisory>

- 
1. Call to Order
  2. Approval of Agenda
  3. Declaration of Conflict of Interest
  4. DEPUTATIONS – Nil
  5. Minutes of Previous Meeting
  - 5.1. Council Subcommittee of Towing Minutes - May 2, 2017
  6. Matters to be Considered
  - 6.1. Results of Inquiries made by the Council Subcommittee of Towing
  - 6.2. Verbal Update on the Status of the Council Subcommittee of Towing Committee
  7. Adjournment

City of Mississauga  
**Minutes**



---

## **Council Subcommittee of Towing**

**Date**

2017/05/02

**Time**

2:00 PM

**Location**

Civic Centre, Council Chamber,  
300 City Centre Drive, Mississauga, Ontario, L5B 3C1 Ontario

**Members Present**

Councillor Ron Starr, Ward 6 (Chair)  
Mayor Bonnie Crombie  
Councillor Carolyn Parrish, Ward 5  
Councillor Nando Iannicca, Ward 7  
Councillor Matt Mahoney, Ward 8 (Vice Chair)

**Staff Present**

Michael Foley, Manager, Mobile Licensing Enforcement  
Robert Genoway, Legal Counsel  
Stephanie Smith, Legislative Coordinator, Legislative Services

**Find it online**

<http://www.mississauga.ca/portal/cityhall/towingindustryadvisory>

1. Call to Order – 2:02PM
2. Approval of Agenda  
Approved (Councillor Parrish)
3. Declaration of Conflict of Interest – Nil
4. Minutes of Previous Meeting
  - 4.1. Council Subcommittee of Towing Minutes - November 11, 2016
5. DEPUTATIONS
  - 5.1. Lawrence Gold, Ontario Government Appointed Bailiff regarding mobile telemetrics/GPS technology and the current status of Bill 15  
  
 Lawrence Gold President, Lawrence Gold Appraisals spoke to the following issues: consumer protection; Bill 15; fair value storage; consumer and public safety protection; implementation of safety protocols; and outlined a porototype of a traffic management system and an incident management command control centre.  
  
 Councillor Mahoney enquired about Mr. Gold's background and spoke to the specific terms of reference of the Council Subcommittee of Towing. Councillor Parrish directed Mr. Gold to attend the Towing Industry Advisory Committee.  
  
**RECOMMENDATION**  
**CSOT-0001-2017**  
 That the deputation by Lawrence Gold, Ontario Government Appointed Bailiff regarding mobile telemetrics/GPS technology and the current status of Bill 15 be received.  
  
 Received (Councillor Mahoney)
6. Matters Considered
  - 6.1. Reducing the Number of Vehicle Pound Facilities  
  
 Michael Foley, Manager, Mobile Licensing Enforcement spoke to the Corporate Report to reduce the number of Vehicle Pound Facilities.  
  
 Councillor Parrish made the following comments: what penalties are given when a vehicle pound facility is not in compliance of the City's standards; how the City of

Mississauga can reduce the number of pounds; and how the City can ban cash only transactions at pound facilities. Robert Genoway, Legal Counsel spoke to the actions to revoke the license of a pound facility and if the City of Mississauga wanted to reduce the number of pounds or ban cash transactions the City would need a sound rational to do so. Councillor Parrish requested a report on the correspondence circulated from the North American Auto Accident Pictures Towing Division challenging the City's authority to regulate tow trucks and submitting photos of an accident scene. Discussion ensued with respect the City's authority to regulate the towing industry and the City's by-law that requires photos.

Councillor Starr enquired what Bill15 regulates in terms of payment transactions. Mr. Genoway noted that Bill15 allows for alternative forms of payment.

Councillor Mahoney spoke to putting in place standards for all 23 pounds to adhere to. Michael Foley, Manager, Mobile Licensing noted that the inspections of pounds would have to comply with the current by-laws in place. He noted that he would provide a list of pounds that had already been inspected.

Councillor Parrish and Mayor Crombie made the following comments: a 24 hour cooling off period for consumers; registering cars through the virtual pound; at what stage does the consumer get issued a barcode; and completing an inventory of what pound facilities are in compliance and who are not. Mr. Foley responded to questions and that he would report back on the issuance of the barcode and what pounds are in compliance.

Councillor Starr spoke to the deferring the report for a few weeks and for staff to come back after they are fully informed on the file.

#### RECOMMENDATION

CSOT-0002-20176

1. That the report from the Commissioner of Transportation and Works dated April 17, 2017 entitled "Reducing the Number of Vehicle Pound Facilities" be received for information.
2. That staff provide a supplementary report on the state of all Vehicle Pound Facilities (VPF) in six months, which will include all compliance and non-compliance with all by-laws.
3. That the Business Licensing By-law 1-06, as amended, be amended to include the requirements of the "*Repair and Storage Liens Act*" namely setting requirements for a mandatory 15 day storage notification to the registered vehicle owner and ensuring fair value for storage.

Received (Mayor Crombie)

#### RECOMMENDATION

CSOT-0003-2017

That the letter dated March 21, 2017 from Daniel Sanderson, Provincial Director, NAAAP Towing regarding the City of Mississauga authority to regulate tow trucks be received.

Received (Mayor Crombie)

RECOMMENDATION

CSOT-0004-2017

That the letter dated October 19, 2016 from Dary Neinstein, Q.C. regarding the North American auto accident pictures be received.

Received (Mayor Crombie)

7. Adjournment – 3:10PM (Councillor Mahoney)

# City of Mississauga Corporate Report



Date: 2017/06/07

Originator's files:

To: Chair and Members of Council Subcommittee of Towing

From: Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Meeting date:  
2017/06/13

## Subject

**Results of Inquiries made by the Council Subcommittee of Towing**

## Recommendation

1. That the report from the Commissioner of Transportation and Works dated June 7, 2017 and entitled "Results of Inquiries made by the Council Subcommittee of Towing" be received for information.
2. That proposed amendments be brought forward to the next Towing Industry Advisory Committee to more closely align the City of Mississauga Tow Truck Licensing By-law 521-04, as amended, and the Business Licensing By-law 1-06, as amended, with Bill 15, *Fighting Fraud and Reducing Automobile Insurance Rates Act*, 2014.

## Report Highlights

- All Vehicle Pound Facilities were inspected to ensure compliance with the current Vehicle Pound Facility By-law.
- Notices of Contravention were issued to those facilities where deficiencies were noted.
- Proposed amendments to the Business Licensing By-law 1-06, as amended, and the Tow Truck Licensing By-law 521-04, as amended, dealing with requirements of Bill 15 have not, as yet, been brought forward to General Committee for consideration.

## Background

At the Council Subcommittee of Towing meeting held on May 2, 2017, staff were directed to respond to the following inquiries:

- The results of inspections carried out in 2017 as identified in the report "Reducing the Number of Vehicle Pound Facilities" dated April 17, 2017.

Council Subcommittee of Towing	2017/06/07	6.1 2
--------------------------------	------------	----------

---

- The results of Vehicle Pound Facilities inspections conducted in May of 2017.
- The current status of the Virtual Pound Facility Initiative.
- Bill 15 requirements regarding payment options.

## Comments

### **Inspection Results:**

In February of 2017, all Vehicle Pound Facilities were inspected by Mobile Licensing Enforcement staff. These inspections resulted in the issuance of 15 Notices of Contraventions (NOCs) to 13 individual Vehicle Pound Facilities. Of the NOCs issued, three resulted in further charges against Vehicle Pound Facilities and these matters remain before the courts.

The NOCs issued during this group of inspections dealt primarily with debris issues related to the pound. Two NOCs were issued for expired vehicle pound licences.

In May of 2017, all vehicle pounds were re-inspected by Mobile Licensing Enforcement staff. These inspections resulted in four NOCs issued. These dealt primarily with debris issues and one fencing issue. Follow-up inspections were conducted to ensure that the facilities were brought into compliance further to the NOCs issued. One facility remained deficient, and as such, the inspecting officer is proceeding with charges against the licensee. A further inspection has identified that this issue was satisfactorily addressed as of June 1, 2017.

Staff are reviewing the current zoning requirements for existing Vehicle Pound Facilities and their current state of compliance and will provide further comment when this review is complete as identified in the recommendations contained in the Report to the Council Subcommittee of Towing entitled "Reducing the Number of Vehicle Pound Facilities" dated April 17, 2017. (Appendix 1)

### **Virtual Pound Initiative:**

Mobile Licensing Enforcement Staff have met with representatives of both IT and Materiel Management. The current timeline has the development and acquisition of the required software taking place in Q1 of 2018, and implementation in Q2 of 2018.

The Virtual Pound initiative will include proposed amendments to the Business Licensing By-law 1-06, that will require Vehicle Pound Facilities (VPF) to electronically register and photograph vehicles as they enter the VPF, to provide a record as to their condition upon receipt.

### **Bill 15, Payment Options:**

Currently the City of Mississauga Tow Truck Licensing By-law 521-04, as amended, makes no specific reference to the method through which payment can be made for towing services.



Bill 15, *Fighting Fraud and Reducing Automobile Insurance Rates Act*, 2014 requires that:

*“65.15 A tow and storage provider shall accept payment for tow and storage services by credit card, cash or any other prescribed payment method at the consumer’s choice.”*

In the report to the Chair and Members of Towing Industry Advisory Committee entitled “Amendments to the Tow Truck Licensing By-law 521-04, as amended, for requirements to Accept All Forms of Payment for Towing Services” dated March 13, 2017 staff identified that reports were brought forward at the TIAC meetings of May 17, 2016 and September 20, 2016 recommending that amendments be made to the By-law, which would address this issue by requiring that tow truck operators accept all forms of payment. (Appendix 2)

This initiative has not previously received support from members of TIAC who identified the industry’s concern that the costs associated with point of sale equipment would be prohibitive.

To date, no report has been brought forward to General Committee with proposed amendments to Business Licensing By-law 1-06, as amended, and the Tow Truck Licensing By-law 521-04, as amended, that would further address the issue of aligning City of Mississauga By-laws with provincial regulations.

Bill 15 also identifies that “storage providers” shall accept payment through a variety of methods, staff have identified that the Business Licensing By-law 1-06, as amended, is deficient in this requirement. Schedule 27 of the by-law identifying the responsibilities of Owners of Vehicle Pound Facilities is currently silent on the issue of payment methods. (Appendix 3)

## Financial Impact

No direct financial impact would be experienced by the City of Mississauga

## Conclusion

Inspections that took place in February and May of 2017 indicate that licensed Vehicle Pound Facilities are generally compliant with the requirements of the Business Licensing By-law and that the licensees are responsive to enforcement efforts.

The Virtual Pound initiative is underway and staff are making the necessary preparations to move to procurement in early 2018.

Proposed amendments to the Business Licensing By-law 1-06, as amended, and the Tow Truck Licensing By-law 521-04, as amended, dealing with requirements of Bill 15 have not, as yet, been brought forward to General Committee for consideration.

---

## Attachments

- Appendix 1: Reducing the Number of Vehicle Pound Facilities  
Appendix 2: Amendments to the Tow Truck Licensing By-law 521-04, as amended, for requirements to Accept All Forms of Payment for Towing Services  
Appendix 3: Schedule 27 Owners of Vehicle Pound Facilities



---

Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Prepared by: Michael Foley, Manager, Mobile Licensing Enforcement

# City of Mississauga

## Corporate Report



Date: 2017/04/17

Originator's files:

To: Chair and Members of Council Subcommittee of Towing

From: Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Meeting date:  
2017/05/01

## Subject

**Reducing the Number of Vehicle Pound Facilities**

## Recommendation

1. That the report from the Commissioner of Transportation and Works dated April 17, 2017 entitled "Reducing the Number of Vehicle Pound Facilities" be received for information.
2. That staff provide a supplementary report on the state of all Vehicle Pound Facilities (VPF) in six months, which will include all compliance and non-compliance with all by-laws.
3. That the Business Licensing By-law 1-06, as amended, be amended to include the requirements of the "*Repair and Storage Liens Act*" namely setting requirements for a mandatory 15 day storage notification to the registered vehicle owner and ensuring fair value for storage.

## Report Highlights

- The KPMG report provides requirements for fair value for VPF storage rates and proper notification to a vehicle owner that the vehicle has been impounded.
- The Virtual Pound Technology will encompass the complete process for a tow from initial pickup to drop-off at the designated location and include the storage period.
- Staff reviewed the Peel Regional Police contract for towing and determined that the contract requirements are in place to ensure that a VPF is capable of providing the services for the Peel Regional Police (PRP) towing contract.
- Staff will bring forward a further report in six months with a detailed review of all VPFs and recommendations for VPFs moving forward.

## Background

At the Council Subcommittee of Towing meeting dated November 7, 2016, staff was requested to provide information on the following:

- Provide copies of the KPMG Towing and Storage Advisory Group Report and Recommendations to the Ministry of Consumer Services, Section 5: Storage PAGES 33-41. Highlight areas staff would support and provide comments on the recommendations.
- Reprint the City regulations for licensed pounds. Comment on the 22 licensed pounds currently in the City. Compile a map showing the location of all licensed pounds in one colour, and all licensed pounds that exactly meet all the City regulations in another colour.
- Print a summary of the requirements stipulated by Peel Regional Police before a pound can apply to tender for a Peel Regional Police contract for towing and storage.
- Given the committee will be recommending the implementation of a “Virtual Central Pound,” what complimentary technologies would staff recommend for licensed pounds so that the whole system functions smoothly and efficiently?

At its meeting of September 16, 2015 Council approved the following recommendation:

“GC-0186-2015

*That the report from the Commissioner of Transportation and Works, dated March 22, 2016 entitled “Centralized Vehicle Pound Facility Feasibility Study – Final Report” be adopted in accordance with the following:*

- 1. That Council amend the Tow Truck Licensing By-law 0521-2004, as amended, and Schedule 27 of Business Licensing By-law 0001-2006, as amended, to implement the Additional Regulations and Operating Procedures Alternative Option to a City owned and operated Centralized Vehicle Pound Facility to improve consumer protection, ensure that City By-laws conform with Provincial Bill 15 - Fighting Fraud and Reducing Automobile Insurance Rates Act regulations, and to improve the City’s monitoring and auditing capabilities of the vehicle towing and storage industry;*
- 2. That City staff be directed to implement a mandatory on-line towing and storage software application to be used by the Enforcement Division of the Transportation and Works Department and the motor vehicle towing and storage industries in Mississauga, and that the development or acquisition of the mandatory on-line towing and storage software application be included in the 2017 Transportation and Works Technology Workplan;*
- 3. That Peel Regional Police and the local detachment of the Ontario Provincial Police be fully informed of the mandatory on-line towing and storage software application and that they be invited to assist in its planning, development and utilization;*

4. *That Enforcement Division staff work with the Communications Division to implement a public communication plan to inform Mississauga residents about consumer rights when interacting with the towing and storage industry;*
5. *That staff be directed to meet with the Chair and Vice-Chair of the Towing Industry Advisory Committee, Mayor Crombie and Councillors Iannicca and Parrish to develop an interim pilot project that may include the following: divide the City into sections with a licensed pound in each section, an online towing system software and an administration fee of \$25 and further that staff report back to General Committee on the design of the pilot project;*
6. *The purpose of this GC report was to address questions and the feasibility of a Centralized Vehicle Pound Facility and direct staff to implement an on-line towing and storage software.”*

## Comments

Staff reviewed the KPMG report dated March 12, 2014 entitled “Towing and Storage Advisory Group - Report and Recommendations to the Ministry of Consumer Services, Section 5 Storage” (Appendix 1). This portion of the report reviewed storage options and recommendations. The report made recommendations on timelines for advising the consumer of their vehicle seizure and fair value for storage rates. Neither Police nor Enforcement Agencies were present for this portion of the discussions. Both recommendations were addressed by the province with changes to the “*Repair and Storage Liens Act*”. The *Act* was amended to reduce the mandatory notification for a vehicle seizure from 60 days to 15 days. The province will also provide guidance to the courts regarding fair value where no amount has been agreed upon. The City of Mississauga Business Licensing By-law 1-06, as amended, provides a requirement that storage rates are set at \$60 per 24 hour period and that the VPF comply with the *Repair to Storage and Liens Act* when disposing of an unclaimed vehicle. The By-law will require an amendment to include that the owner of a vehicle must be notified within 15 days of the seizure, and provide the details of the impoundment.

Staff reviewed all 25 VPFs licensed in Mississauga, and are currently in the process of ensuring that VPFs meet all the requirements of the by-laws including zoning requirements to ensure compliance. The Business Licensing By-law 1-06, as amended, Schedule 27 provides the regulations (Appendix 2). All VPFs have been issued notices of contravention and are in the process of being brought into total compliance with the by-laws. In the event that a VPF does not meet the requirements of the by-law, further action will be taken, which may include court action, licence suspension or licence revocation. Staff found that tow operators who use VPFs in order to be compliant with the Truck Licensing By-law 521-04, as amended, were charging fees for storage, which is a violation of the Business Licensing By-law 1-06, as amended. The Business Licensing By-law provides that no person shall charge a fee for storage of a vehicle unless the person is licensed as a VPF. As a result, the number of licensed VPFs increased from 22 to 25. Staff are aware that three VPFs that were operating in Mississauga have

vacated the property and have not provided updates to staff. Staff are taking appropriate action.

Staff reviewed the Peel Regional Police contract for towing services, in particular the requirements for a VPF. The contract requires that the owner or tenant shall have no restrictions for the land in accordance with the contract requirements. The VPF is required to be a minimum of 1800 square metres for each quadrant that is awarded to a contract and is to increase by 900 square metres for each additional quadrant. The VPF is further required to show ownership or lease of the land. If leased, a lease agreement must be provided showing proof that the land is leased for at least 60 months or has an automatic renewal provision to demonstrate the continuous use for at least 60 months. The purpose of these requirements is to ensure that when a contract is awarded, the contractor will have the ability to provide the contracted services for the full period of the contract.

Staff reviewed the question of additional software or technologies to compliment the “Virtual Pound Technology”. The report from the Commissioner of Transportation and Works dated October 24, 2016 entitled “Report on Virtual Pound Technology” (Appendix 3) provided for a complete software system, which will capture all details of the initial tow through to the point of drop-off and encompass the storage at a VPF. No additional software or technologies would be required.

Staff further investigated the ability to reduce the number of VPFs operating in the City of Mississauga and have been provided with advice from legal services that we can only set limits on the number of licences for VPFs for the purpose of consumer protection or public safety. Consumer protection is provided by the licensing of VPFs and enforcement of the by-laws.

## Financial Impact

No direct impact would be experienced by the City of Mississauga.

## Conclusion

Staff recommend that the Business Licensing By-law 1-06, as amended, be amended to include the requirements of the “*Repair and Storage Liens Act*” namely setting requirements for a mandatory 15 day storage notification to the registered vehicle owner and ensuring fair value for storage.

The Business Licensing By-law 1-06, as amended, sets out the requirements for the VPF licences, which include zoning requirements. Staff are doing a thorough review of all VPFs to ensure full compliance with all aspects of the by-law. In the event of non-compliance, staff are taking appropriate steps to rectify the violations. A follow-up report will be completed in six months identifying the status of all VPFs and recommendations for the licensing of VPFs.

The requirements of the Peel Regional Police towing contract are instituted to ensure that the awarded contract will be fulfilled for the duration of the contract.

The report of the Commissioner of Transportation and Works dated October 24, 2016 and entitled "Report on Virtual Pound Technology" addressed the issue of towing and storage through a software and technology process.

## Attachments

- Appendix 1: KPMG Report; Towing and Storage Advisory Group - Report and Recommendations to the Ministry of Consumer Services
- Appendix 2: The Business Licensing By-law 1-06, as amended, Schedule 27
- Appendix 3: The report from the Commissioner of Transportation and Works dated October 24, 2016 entitled "Report on Virtual Pound Technology"



---

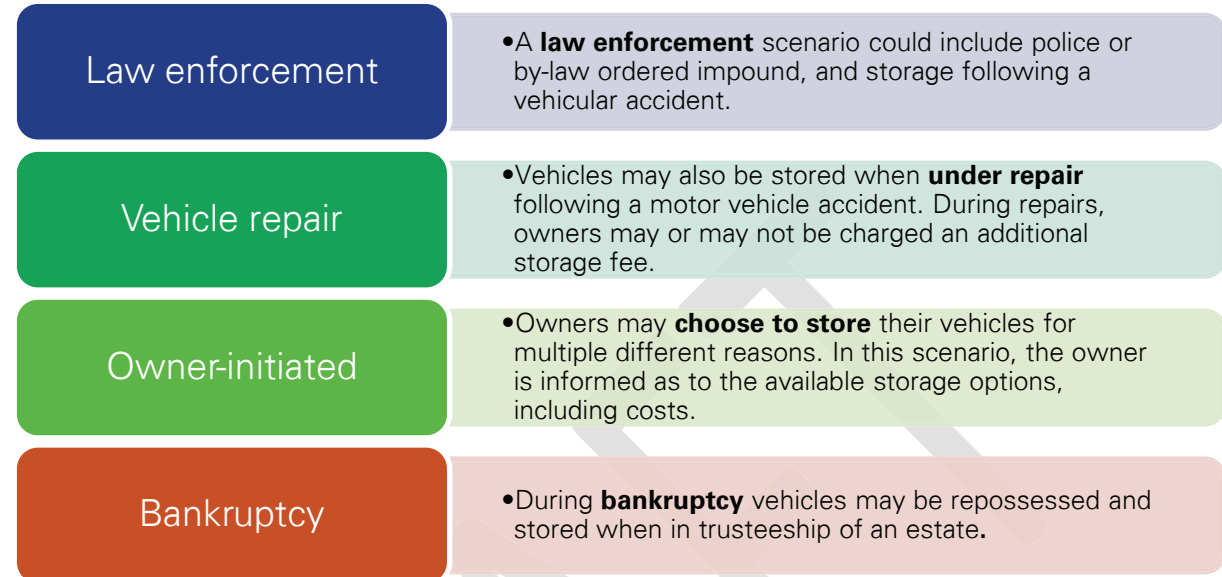
Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Prepared by: Daryl Bell, Manager, Mobile Licensing Enforcement

## 5 Storage

### 5.1 The Need for Vehicle Storage

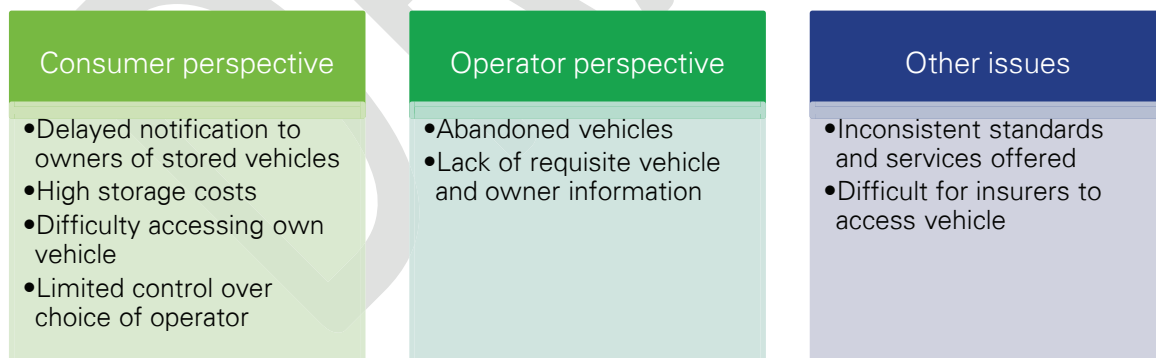
The Storage Advisory Group noted four potential scenarios in which a vehicle may be stored. Once identified, the scope of the discussions of the Advisory Group included all four categories of storage.



It should be noted that the Storage Advisory Group focused specifically on *vehicle* storage, as opposed to storage of equipment or other items covered under the RSLA.

### 5.2 Issues, Root Causes and Potential Solutions

The Storage Advisory Group identified three broad categories of issues; two of the categories represent the perspectives of major stakeholder groups - the consumer and the provider. The diagram below summarizes the key issues identified under each category.



Within each of these categories, root causes of the issues and potential solutions were identified. The three issue categories are described in detail below and the Storage Advisory Group's key findings are highlighted.

***Please note, at the time of this report, no analysis was conducted regarding the scale or scope of the issues noted below; that is, the Advisory Group did not validate whether the issues are true generalizations or isolated incidents.***



## 5.2.1 Consumer Perspective

For the purpose of the consultation discussion and this report, “consumer” was defined as the owner of a vehicle. The Storage Advisory Group identified a number of issues from the consumer perspective related to vehicle storage. Two of the major issues relate to receiving a delayed notice from operators when vehicles are stored, and high storage costs. These two issues became the focus of the Storage Advisory Group’s discussions and recommendations.

### 5.2.1.1 Delayed notification of vehicle storage

#### ■ Issue

The RSLA stipulates that a storage operator is required to give notice to every person whom the storage operator knows or has reason to believe is the owner or has an interest in the vehicle within 60 days after receiving the vehicle if it is received from a person other than the owner or a person having the owner’s authority. In some instances, owners, insurers, secured creditors or other interested parties perceive that they receive delayed notice from storage operators.

#### ■ Root Cause

A number of root causes were identified by the Storage Advisory Group that may contribute to delayed notification. First, the RSLA does not include a requirement for operators to provide owners or creditors with notice of storage prior to 60 days of storing the vehicle. In fact, notice would only be given after the 60 day mark in order for operators to be able to continue charging for storage or to sell the vehicle. Thus, there is limited incentive among operators to notify interested parties before the 60 day mark. Secondly, storage operators noted taking in numerous vehicles on a daily basis. The constant churn of operations makes it difficult for storage operators to keep track of incoming and outgoing vehicles. Moreover, there was a perception among storage operators that in the vast majority of cases, most vehicles will be located and claimed by the owners prior to notification from the operator; in other words, notification is a non-issue.

Another potential cause for a delay in notification relates to a lack of information. Specifically, operators do not always have immediate or easy access to the information required to notify the owner, especially when they are other interested parties (e.g., leasers/lenders), as will be described in further detail in the following section. Related, while the RSLA stipulates the contents of a notice, there is no consistent or standard mechanism by which to make notification.

#### ■ Solution

The table below summarizes potential solutions that were offered by members of the Storage Advisory Group to address the issue of delayed notification.

	Potential Solution	Description
1	Reduce the notification period stipulated in the RSLA	A reduction in the notification period from 60 days seeks to curtail storage expenses incurred by owners or secured creditors; correspondingly, operators stand to lose revenue.
2	Raise consumer awareness regarding storage practices	Consumer awareness regarding storage practices and costs, and consumer rights and obligations could enable consumers to locate their vehicle sooner.

	Potential Solution	Description
3	All storage operators become “authorized requestors” of the existing vehicle information systems	Currently, individuals or organizations may become “authorized requestors” of existing information systems within the Ministry of Transportation, providing them with information regarding vehicle liens.
4	New towing entity becomes an “authorized requestor” of the existing vehicle information systems	As described above, an organization could become an authorized requestor to collect vehicle information on behalf of individual operators. This model would have an impact on the cost per request.
5	Create centralized/regional impound locations	The use of a select number of vehicle impound locations in each region would enable owners and interested parties to locate their vehicles as the number of options would be limited and known.
6	Create a centralized vehicle information repository and notification system	A system could be created that addresses the needs of all stakeholders. Specifically, the system could be used by operators to deliver notification of storage, and could be used by interested parties to locate their vehicle.

Ultimately, the Storage Advisory Group acknowledged that most of the options listed above (i.e., options 2-5), offered partial solutions to deeper or further reaching issues. Thus, it was agreed that the creation of a centralized vehicle information repository was the only potentially viable alternative to the default solution of amending the RSLA. The Recommendations and Conclusion section of this report summarizes the discussion and analysis surrounding these two options in further detail.

#### 5.2.1.2 High storage costs

##### ■ Issue

Under the RSLA, storage operators may charge any daily or maximum rate for storage of a vehicle. Specifically, the RSLA stipulates that the storage operator may charge an amount agreed upon, or when no agreement, the fair value of the storage. Fair value is not defined in the RSLA nor was a formal definition agreed upon during consultation with the Storage Advisory Group. The Storage Advisory Group identified high storage costs as one issue observed by consumers, insurers and secured creditors. This issue then has implications on complex and time consumer arbitration between the interested parties and operator.

##### ■ Root Causes

High storage costs are perceived to be caused by the following:

- **Delayed notice provided to owners** – The longer the notification period, the higher the associated storage costs;
- **Indirect costs from other operations may be built into the storage fee** - Storage operators may also operate repair, towing or other services, the costs of which may indirectly affect or be allocated towards storage fees; and

- **There is no common understanding or benchmark of “fair value” in the storage industry** – The RSLA does not provide guidance on “fair value”. The term is left open to interpretation by stakeholders.
- **Exorbitant rates charged by some storage operators** – There is no regulated rate for storage. As a result, storage operators may charge any rate for storage.

## ■ Solutions

While addressing the issue of delayed notification would have implications on storage costs and potentially remedy this issue, the Storage Advisory Group also identified two additional solutions to address high storage costs. The solutions are described in the table below.

	Potential Solution	Description
1	Establish a multi-representative process for the establishment of a methodology to determine “fair value”	A process (such as a committee) could be established that involves representatives from various stakeholder groups affected by or involved in delivering vehicle storage. This process would seek to establish a methodology for fair value of storage.
2	Government imposed pricing guidelines or schedules	A price schedule or standard storage rate(s) could be legislated by government. A standard rate would address issues of interpretation and negotiation.

Preliminary feedback from the Ministry of Consumer Services encouraged the Storage Advisory Group to explore an alternative solution to price regulation. Thus, the Storage Advisory Group agreed to focus on the establishment of a fair value methodology. The Recommendations and Conclusions section of this report summarizes the analysis and recommendation regarding this topic in further detail.

### 5.2.1.3 Other consumer issues

The focus of the Storage Advisory Group’s discussion and recommendations relate to the issues of notification and fair value costs. That said, additional issues from the consumer perspective were noted. For example, members of the Storage Advisory Group have experienced difficulty in accessing their vehicle at the storage site. Specifically, consumers and insurers may not have immediate or easy access to the vehicle due to limited hours of operation, for example. The root cause of this issue was not explored in detail, but could include a disincentive among operators to release the vehicle from storage.

Another major issue from the consumer perspective is that consumers may not always have a choice in where their vehicle is stored. For example, a vehicle seized by law enforcement without the owner’s knowledge will not be consulted as to their preferred storage location. It is reasonable to conclude that some of the solutions proposed by the Storage Advisory Group related to notification and fair value could also remedy this issue (e.g., consumer awareness initiatives, establishing a fair value methodology, etc.).

## 5.2.2 Operator Perspective

Although not the original focus of the consultation sessions, a number of issues were identified from the storage operator’s perspective with respect to vehicle storage.

### 5.2.2.1 Abandoned vehicles

#### ■ Issue

One major issue from the operator perspective is that some vehicles are abandoned at storage facilities by owners. As a result, operators do not recover payment for the storage service.

#### ■ Root Causes

This issue relates to high storage costs noted in the previous section. For example, in some cases, storage costs may exceed the value of the vehicle. The cost to dispose of the vehicle may also exceed the value of the vehicle. This issue is primarily observed among consumers who lease their vehicles, and therefore have limited interest in reclaiming the capital value of the vehicle. That said, instances where insurers or secured creditors have abandoned their vehicles were also noted.

In addition, operators noted instances where they are ordered by the police to collect and store low value or unwanted vehicles. These vehicles are unlikely to be recovered by their owners and are therefore left abandoned and unpaid in storage facilities.

#### ■ Solutions

To address this issue, the Ministry may first address the issue of high storage costs, which is perceived to be the root cause. In addition, the Storage Advisory Group recommended that the Ministry also consider supporting a mechanism to assist operators to recover their fees when invoices are unpaid, at no fault of the operator. This solution is described in further detail in the Recommendations and Conclusions section of the report. The Advisory Committee also recommended that operators seek to recover a portion of the unpaid storage costs by selling abandoned vehicles to recycling companies.

### 5.2.2.2 Lack of owner information

#### ■ Issue

Secondly, the Storage Advisory Group noted that storage operators do not always have the information they require to notify owners or interested parties, in some instances.

#### ■ Root Causes

Storage operators do not always receive requisite information from tow truck drivers or owners. The lack of information is perceived by the Advisory Group to be caused by laws that prohibit access (e.g., the Police Services Act, privacy legislation, etc.), or an unwillingness among some customers to disclose their personal information. Lastly, in some instances, information is not requested or provided by tow operators who bring the vehicle to the storage facility; this issue relates to others noted in the towing section of the report.

Secondly, operators may not be aware of or are unwilling to access existing information repositories. Currently, anyone from the public can use the Personal Property Security Act (PPSA) website ([ppsa.ca](http://ppsa.ca)) to search for and register liens. In addition, Service Ontario provides Used Vehicle Information Packages (UVIP) to the public upon request at a cost of \$20. Both of these systems provide a storage operator with the information required to identify the vehicle owner or interested parties, such as secured creditors.

However, these processes are perceived to be time consuming and potentially cost prohibitive. Moreover, it requires that the operator be certified as an authorized requestor, a process that is perceived to be arduous or unattainable for some operators.

## ■ Solutions

The proposed solution of a central vehicle information repository and notification system could address this issue.

### 5.2.2.3 Other operator issues

The following issues were also noted by the Storage Advisory Group, but not explored in detail:

- **Inconsistent practices regarding record of interactions with insurers or owners** – Some operators do not practice prudent bookkeeping and administration. As a result, operators are challenged to make a case for the recovery of storage fees when in negotiations with insurers or in arbitration.
- **Confusion or inconsistency regarding environmental obligations and practices** – When storing vehicles, operators are faced with mechanical and environmental issues, such as leaking fluids. The Advisory Group noted inconsistency and confusion among some operators regarding appropriate safety and environmental practices.
- **Confusion over what should be done with material items in the vehicle** – Personal possessions may be left in the vehicle during storage. The Advisory Group noted some confusion and inconsistency among operators regarding the appropriate approach to handling or disposing of personal articles.

### 5.2.3 Other Issues

The Storage Advisory Group identified a number of issues that could not be categorized from either the consumer or operator perspective.

One such issue relates to variability in standards and service offerings observed among vehicle storage facilities. This issue has implications on storage costs, as variable services will ultimately result in variable costs. Specifically, the Storage Advisory Group has observed inconsistencies in the following areas:

- **Services provided** – For example, some operators offer 24/7 operations, while others keep conventional business hours. Additional services could include: vehicle maintenance, environmental clean-up, and services required to support police investigations.
- **Infrastructure** - Differences in infrastructure and facilities could include indoor versus outdoor facilities, and security features.
- **Municipal standards** - Standards across municipalities regarding licensing, zoning and the definition of storage were noted by the Advisory Group.

A methodology to inform fair value was recommended by the Advisory Group to address this issue. Specifically, the methodology must account for the variable noted above.

## 5.3 Conclusions and Recommendations

### 5.3.1.1 Core recommendations

The Storage Advisory Group reached agreement and produced recommendations in a number of areas. The following section describes the recommendations developed by the Storage Advisory Group relating to two core issues: notification timelines and fair value for vehicle storage.

#### **Fair value for vehicle storage**

As noted in section 4.2, high storage costs were noted to be an issue among some consumers, insurers and secured creditors. The first recommendation of the Storage Advisory group seeks to

address this issue. The recommendation achieved consensus within the Advisory Group and is summarized below.

The Storage Advisory Group recommends that the Ministry undertake a review of possible ways to determine fair value.

The desired components of the fair value methodology are described below. Specifically, the **output** of the process is envisioned to be criteria, formula or check-list to establish fair value.

The **intended audience** of the methodology is storage operators, municipalities, owners, insurers and the judiciary, who may use the methodology to inform their pricing, or to resolve vehicle storage cost disputes between operators, owners, insurers or secured creditors.

The process to establish a fair value methodology should include involvement from **representatives of a number of relevant stakeholder groups**, potentially including: storage operators, vehicle finance and leasing companies, insurance companies, financial institutions, the judiciary, auto body repair operators, consumers, and other qualified professionals, as required.

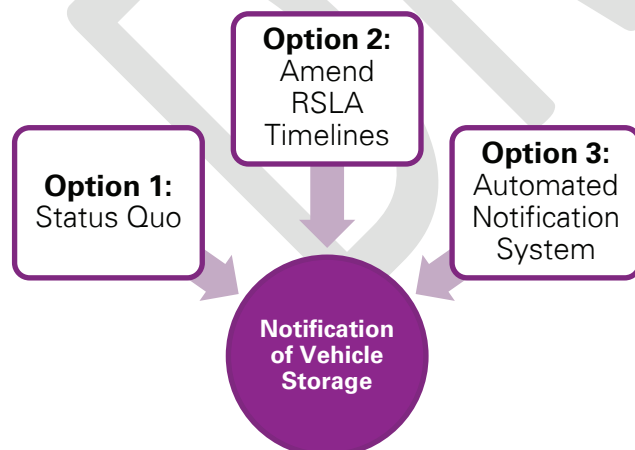
In establishing the methodology, the process should be guided by the following **principles**. The methodology should:

- Account for variations in operations
- Be responsive and easily adaptable to evolving industry conditions
- Account for outliers in the industry, in some manner
- Be developed in a transparent and inclusive manner

#### Notification timelines

Following extensive discussions, the Storage Advisory Group determined that a single consensus recommendation could not be formed relating to the issue of delayed notification.

Instead, three potential solutions were proposed and are summarized below for the Ministry's consideration.



#### Option 1: Continue with the status quo

This solution proposes to maintain the existing notification period outlined in the RSLA (60 days).

The majority of the storage and towing operators support this option. They believe that the 60 day notification period is fair, and that notification issues and related costs only occur in a select number of cases. While this option does not address the issue of delayed notification, it could be

supplemented by other solutions, such as implementing consumer awareness initiatives to increase awareness of consumer responsibility and practices in the storage sector.

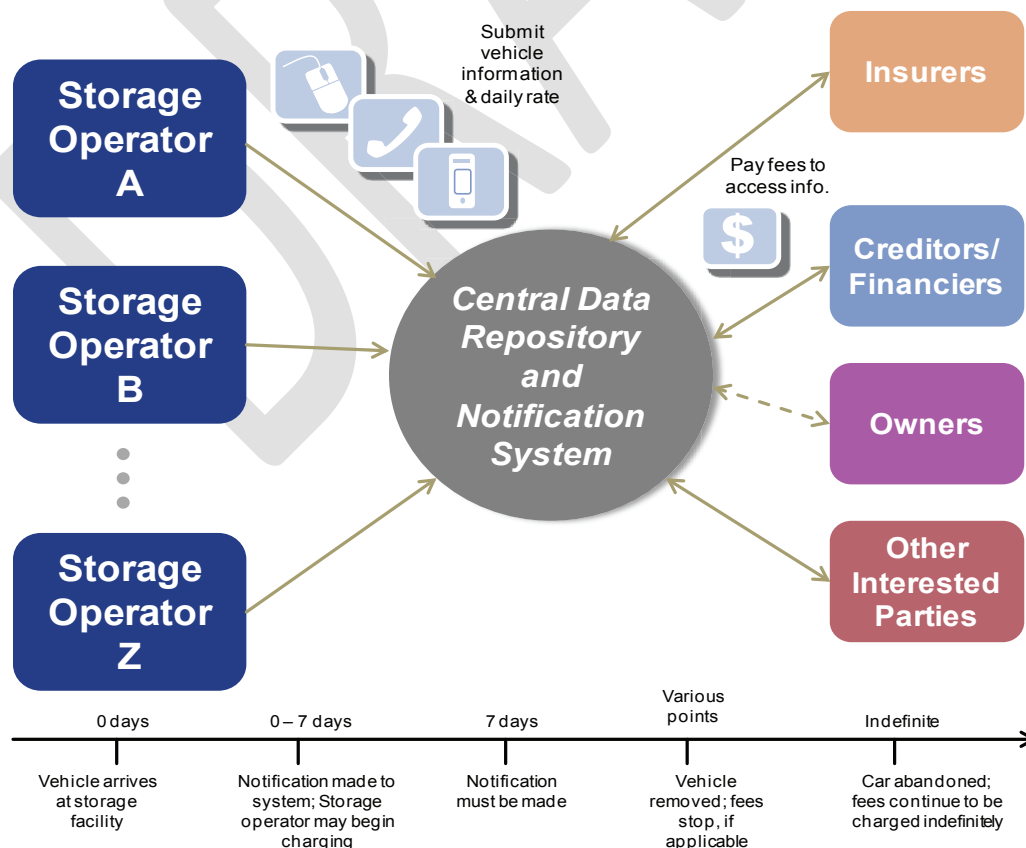
#### Option 2: Amend the notice period referenced in the RSLA

This option is perceived to be the default alternative to the status quo; that is, without a viable alternative such as a notification system, amending the notice period may be the only option available to the Ministry. If no feasible alternative option is found, this option is supported by insurers, financing companies, consumers and large vehicle fleet companies. This option is not supported by operators, who believe the current notification period is fair.

The Advisory Group did not reach agreement on the length of an appropriate notification period.

#### Option 3: Implement an automated notification system

A conceptual model was presented during the final consultation session for reaction and commentary from the Storage Advisory Group. The model proposes that storage operators would be required to register stored vehicles in a central repository and notification system. In addition, a timeline (e.g., 7 days) could be set to stipulate when a vehicle must be registered by the operator. Storage operators could also enter their storage fees such that when notification is made to interested parties, they also receive information regarding daily storage rates. At the point that storage operators register the vehicle in the system, they may begin charging for storage. Once the operator has entered the vehicle information into the system, the operator has effectively completed all of their duties related to notification; the notification system could replace existing notification mechanisms and information sources. At this point, interested parties (e.g., consumers, insurers, etc.) could access the system to locate their vehicles. Different interfaces and functionality could potentially be available for different users (e.g., vehicle owner versus insurer). Finally, the model proposed that no upper limit would be placed on the number of days or value charged for storage. A graphical depiction of the conceptual model is presented below for illustrative purposes:





There was tentative support to explore the option among Advisory Group members representing insurers, financing companies, large vehicle fleet companies, and consumers. These Advisory Group members were tentative to recommend the model as the investment required to establish and operate this system is unknown at this time. Without an understanding of the scale of the notification issue (i.e., average storage cost, average duration in storage, etc.) and the cost associated with implementing and operating the notification system, stakeholders could not recommend the option.

Storage operators were not in support of this option as it is perceived that the solution is not commensurate with the scale of the delayed notification issue. Moreover, operators expressed concerns that by having to register vehicles, the system would result in increased administrative work and associated costs for operators. Lastly, it is worth noting that this model may require amendments to the RSLA. That said, the model is designed to enable changes in operations associated with a reduced notification timeline by providing operators with a standard tool to make notification.

It should be noted that members representing police and enforcement functions were not present in the Advisory Group consultation session at the time of gauging interest in the above options.

#### 5.3.1.2 Additional recommendations for consideration

While the consultation process was intended to focus on issues and recommendations noted by the Ontario Auto Insurance Anti-Fraud Task Force relating to enhancing consumer protection and combating insurance fraud, the Advisory Group also identified issues and solutions affecting storage operators (as discussed in section 5.2.2).

The recommendations noted below are in response to issues that affect storage operators and are presented for the Ministry's consideration.

Consider establishing or supporting a mechanism by which operators may recover costs for unpaid storage invoices.

Work with the industry to set standards for storage operations.

Lead consumer awareness initiatives focused on increasing consumer awareness of storage practices and costs.



**SCHEDULE 27**  
**OWNERS OF VEHICLE POUND FACILITIES**

(amended by 360-07, 427-08, 178-10, 240-11)

1. Every person Licensed under this By-law and this Schedule shall:
  - (1) Ensure that the Vehicle owner or his or her agent is aware of the Storage Fee to be charged in association with the storage of the Vehicle prior to the Vehicle entering into the Vehicle Pound Facility, except where the storage of the Vehicle is the result of the Vehicle being seized by a Peace Officer or government authority; (427-08)
  - (2) Before demanding payment for the storage of a Vehicle, present the Vehicle owner or his or her agent an invoice for the storage of the Vehicle, such invoice to detail the time and day the Vehicle first entered the Vehicle Pound Facility and total cost for the storage of the Vehicle;
  - (3) repealed by 427-08
  - (4) Maintain a copy of the invoice referred to above for a minimum of one year from the date the Vehicle is removed from the Vehicle Pound Facility;
  - (5) Comply with all the appropriate provisions of the *Repair and Storage Liens Act* when disposing of an unclaimed Vehicle;
  - (6) Ensure that the Vehicle owner or his or her agent shall be able to obtain the release of the Vehicle at any time (24 hours a day, 7 days a week, 365 days a year), provided payment of the Storage Fee is made.
  - (7) Maintain a sign at the Vehicle Pound Facility, visible from the entrance to the Vehicle Pound Facility, detailing the daily hours of operation of the Vehicle Pound Facility, the telephone number to use for after hours Vehicle release service and the Storage Fee to be charged for the storage of a Vehicle;
  - (8) Ensure that sufficient staff are available during normal business hours as well as after hours, 365 days a year in order to release a Vehicle;
  - (9) Keep all buildings and fences in good repair;
  - (10) Ensure all landscaped areas are well maintained;
  - (11) Keep the Vehicle Pound Facility and any sidewalk or street upon which the premises abut, in a clean and neat condition, free from debris, snow, ice, dirt, rubbish or other foreign substances, including but not limited to tires and Vehicle parts derived from the licensed premises or resulting from the use of the licensed premises;

**SCHEDULE 27**  
**OWNERS OF VEHICLE POUND FACILITIES**

- (12) Maintain compliance with all aspects of the zoning requirements for a Vehicle Pound Facility;
  - (13) Comply with all relevant legislation pertaining to the storage and disposal of hazardous materials on the premises; and
  - (14) Ensure that where a daily Storage Fee is charged, it shall be based on each 24-hour period that the Vehicle has been held in storage or any part thereof. Charges shall commence from the time the Vehicle is placed in the Vehicle Pound Facility.
2. No person Licensed under this By-law and this Schedule shall:
- (1) Charge a Storage Fee in excess of sixty dollars (\$60.00) per twenty-four hour period, plus applicable taxes. (427-08, 240-11)
  - (2) Deposit any snow or ice on any public sidewalk or on any roadway upon which the Licensed premises abut;
  - (3) Permit the premises to be used for the purpose of servicing or repairing Vehicles except while in an enclosed building; (178-10)
  - (4) Charge a Storage Fee for any period of time that the Vehicle owner or his or her agent was unable to obtain the Vehicle as a result of some fault on the part of the Vehicle Pound Facility Owner or their staff; (178-10)
  - (5) Charge a Storage Fee for any Vehicle that is stored at the Vehicle Pound Facility while in transit to the destination of the Hirer's choice as indicated on the Permission to Tow a Vehicle Form; or (178-10)
  - (6) Accept any Work Order, for any Vehicle towed to the Vehicle Pound Facility, that:
    - (i) is not signed by the Hirer; or
    - (ii) is signed by the Hirer and does not contain an itemized written estimate of the total cost of the work required to repair the Vehicle from the Automobile Service Station to which the Vehicle has been towed.

City of Mississauga

# Corporate Report



MISSISSAUGA

Date: 2016/10/24

To: Council Subcommittee of Towing

From: Geoff Wright, P. Eng, MBA, Commissioner of  
Transportation and Works

Originator's files:

Meeting date:  
2016/11/07

## Subject

Report on the Virtual Pound Technology

## Recommendation

That the report from the Commissioner of Transportation and Works dated, October 24, 2016 entitled "Report on Virtual Pound Technology", be received for information.

## Report Highlights

- September 16, 2015 Council approved a direction to staff to implement a mandatory online towing and storage application.
- October 5, 2016 Council approved a recommendation from the Council Subcommittee on Tow Truck Chasing that staff report back in two years on the status of the industry.
- Staff were further directed to bring a report to the Council Subcommittee on Tow Truck Chasing with information for discussion on mobile towing applications.
- Virtual Pound Technology software has the ability to collect all information from a tow initiated in Mississauga and track it to the vehicle pound facility thus replacing the paper Permission to Tow form and electronically filing all documentation reducing paper and creating a process, which can be managed without additional staffing.
- Virtual Pound Technology software also has the ability to collect photos and payment methods, which have been a contentious issue with the industry due to concerns with cost.

## Background

At its meeting of September 16, 2015 Council approved the following recommendation:

*"GC-0186-2015"*

*That the report from the Commissioner of Transportation and Works, dated March 22, 2016, entitled "Centralized Vehicle Pound Facility Feasibility Study – Final Report" be adopted in accordance with the following:*

- 1. That Council amend the Tow Truck Licensing By-law 0521-2004, as amended, and Schedule 27 of Business Licensing By-law 0001-2006, as amended, to implement the Additional Regulations and Operating Procedures Alternative Option to a City owned and operated Centralized Vehicle Pound Facility to improve consumer protection, ensure that City By-laws conform with Provincial Bill 15 - Fighting Fraud and Reducing Automobile Insurance Rates Act regulations, and to improve the City's monitoring and auditing capabilities of the vehicle towing and storage industry;*
- 2. That City staff be directed to implement a mandatory on-line towing and storage software application to be used by the Enforcement Division of the Transportation and Works Department and the motor vehicle towing and storage industries in Mississauga, and that the development or acquisition of the mandatory on-line towing and storage software application be included in the 2017 Transportation and Works Technology Workplan;*
- 3. That Peel Regional Police and the local detachment of the Ontario Provincial Police be fully informed of the mandatory on-line towing and storage software application and that they be invited to assist in its planning, development and utilization; and,*
- 4. That Enforcement Division staff work with the Communications Division to implement a public communication plan to inform Mississauga residents about consumer rights when interacting with the towing and storage industry.*
- 5. That staff be directed to meet with the Chair and Vice-Chair of the Towing Industry Advisory Committee, Mayor Crombie and Councillors Iannicca and Parrish to develop an interim pilot project that may include the following: divide the City into sections with a licensed pound in each section, an online towing system software and an administration fee of \$25 and further that staff report back to General Committee on the design of the pilot project.*
- 6. The purpose of this GC report was to address questions and the feasibility of a Centralized Vehicle Pound Facility and direct staff to implement an on-line towing and storage software."*

At its meeting of October 5, 2016 Council approved the following recommendation:

*"GC-0608-2016*

1. *That the report from the Commissioner of Transportation and Works dated September 13, 2016 entitled "Report on Tow Truck Chasing in the City of Mississauga" be received for information.*
2. *That the Council Subcommittee on Chasing direct staff to produce a supplementary report in two years identifying trends in tow truck driver behaviour as measured by assessing the driver's abstracts and reported complaints of driver behaviour of licensed drivers, to measure the effectiveness of amendments to the City of Mississauga Tow Truck Licensing By-law, which was adopted in 2016 and in prior years.  
(CSOT-0001-2016)*

*GC-0609-2016*

1. *That the deputation by Dara Carpenter regarding the Ready Tow mobile application be received.*
2. *That a future Council Subcommittee of Towing meeting be scheduled to discuss technology based mobile towing applications.  
(CSOT-0002-2016)"*

The purpose of this report is to provide the current status of the Tow Truck Industry and recommend further discussion of Towing and Storage Technology as a tool to assist with maintaining consumer protection and maintain the present model for towing and storage to be reviewed in two years.

## Comments

The amendments to the Tow Truck Licensing By-law, 521-04, as amended, providing for the inclusion of mandatory Permission to Tow forms for all tows initiated in Mississauga, have resulted in proven consumer protection that holds all parties involved in the tow process accountable. Staff have been able to fully enforce the by-law, providing increased public confidence that the costs associated with a vehicle tow are compliant with the City's by-laws.

Estimates provided in the 2015 report titled "Centralized Vehicle Pound Facility Feasibility Study - Recommendation Report" identified the number of tows yearly as being approximately 12,000. Since the amendment of May 11, 2015 requiring that a Permission to Tow form be completed for all tows, the City has distributed approximately 25,000 forms to the towing industry.

The industry has been diligent in completing these forms but have identified that the tracking, maintenance, and storage associated with hard copies of these forms presents challenges from both a space and the ongoing maintenance of paper files perspective.

Mobile Licensing Enforcement staff have also identified similar concerns including the volume of forms being submitted for tracking purposes, the time commitment required and the costs associated with the printing and distribution of these forms.

Staff have been made aware of the possibility of creating a database and mobile application which would be capable of replacing the Permission to Tow form and provide a comprehensive tracking system for towing and storage activities and the secure maintenance of the records electronically.

Virtual pound technology software has the capability to capture real time information for all towing and storage activity initiated within the City of Mississauga. This software would acquire all the information contained on the current Permission to Tow form, but through a smart phone/tablet application utilized by the tow truck operator. The software will have the ability to address other concerns such as photo collection and payment methods which have been a point of contention within the industry due to concerns with cost.

Data will be collected from the initiation of a tow and will be automatically transferred to the City database, where all information will be collected and stored to ensure compliance with all by-laws and in accordance with the *Municipal Freedom of Information and Privacy Act*.

This data, in conjunction with the use of the Global Positioning System (GPS) will allow the tracking of the vehicle from initial tow to destination and drop-off at a vehicle pound or a location as directed by the operator of the vehicle being towed.

Vehicle Pound Facilities will be required to provide information related to the release of the vehicle in accordance with the by-law and will establish verifiable timelines for activities related to the tow and storage.

## Financial Impact

The initial costs related to the procurement of the software are estimated to be approximately \$50,000. There would also be fees associated with the maintenance of the software by the vendor. The costs would be partially offset by savings created through the elimination of printing and distribution costs associated with the Permission to Tow forms and reduced staff time required for records maintenance. Further cost recovery could be achieved through a nominal user fee for the mobile application.

A budget request is proposed for the 2017 budget that identifies a one year contract project coordinator to "identify appropriate software solutions, coordinate the acquisition of software and



Council Subcommittee of Towing	2016/10/21	5
--------------------------------	------------	---

integrate the application into the enforcement protocol. The total budget request for software and a one year contract project co-ordinator position is \$189,000.

## Conclusion

Staff recommend that through consultation with Information Technology (IT), that either an in-house software be developed or that a Request for Proposal (RFP) be created outlining all the requirements for a towing and storage program and mobile application. In the event that staff determine that the best course of action is an open market product, staff further recommend that the RFP be made to the public to allow companies with the technology, to bid with the intentions to have the virtual pound in place in 2017.




---

Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Prepared by: Daryl Bell, Manager, Mobile Licensing Enforcement

# City of Mississauga

## Corporate Report



Date: 2016/09/08

Originator's files:

To: Chair and Members of Towing Industry Advisory Committee

From: Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Meeting date:  
2016/09/20

### Subject

**Amendments to the Tow Truck Licensing By-law 521-04, as amended, for requirements to Accept All Forms of Payment for Towing Services**

### Recommendation

That the Towing Industry Advisory Committee provide comments to staff, for inclusion in a future report to General Committee, on the report from the Commissioner of Transportation and Works dated September 8, 2016 and entitled "Amendments to the Tow Truck Licensing By-law 521-04, as amended, for requirements to Accept All Forms of Payment for Towing Services".

### Background

At the TIAC meeting of May 17, 2016, staff brought forward a report from the Commissioner of Transportation and Works dated May 3, 2016 and entitled "Amendments to the Tow Truck Licensing By-law 521-04, as amended, for Requirements to Accept All Forms of Payment for Towing Services" (see appendix 1). The committee reviewed the report and were concerned with cost that may be incurred by drivers and owners should the by-law be amended. The committee referred the report back to staff and requested that staff bring back a report outlining the cost to the industry.

### Comments

Staff reviewed rates charged by credit card companies to the merchant (tow truck driver/owner) and found that rates vary from 1.75% to 4% depending on their contract. The contract agreement rules state that the fees cannot be transferred to the customer. Debit cards operate under a different procedure and most debit companies charge the merchant 25 cents per transaction. Debit cards with a visa designation operate with a percentage similar to credit cards.

### Financial Impact

No direct financial impact would be experienced by the City of Mississauga.



## Conclusion

Staff recommend, that the Tow Truck Licensing By-law 521-04, as amended, be amended to include requirements that all Tow Truck Drivers accept all forms of payment including cash, debit and credit card payments for services provided under the Tow Truck Licensing By-law 521-04, as amended.

Furthermore, staff recommend that the by-law be amended to include requirements that all tow trucks include as part of the equipment a point of sale device or other type of equipment capable of completing debit and credit card transactions. It is recommended that the amendments to the by-law become effective January 1, 2017, to provide the towing industry with time to accommodate the required changes.

## Attachments

Appendix 1: Report from the Commissioner of Transportation and Works dated May 3, 2016 and entitled "Amendment to the Tow Truck Licensing By-law 521-04, as amended, for Requirements to Accept All Forms of Payment for Towing Services".



---

Geoff Wright, P. Eng, MBA, Commissioner of Transportation and Works

Prepared by: Daryl Bell, Manager, Mobile Licensing Enforcement

# City of Mississauga

## Corporate Report



Date: 2016/05/03

Originator's files:

To: Chair and Members of Towing Industry Advisory Committee

From: Geoff Marinoff, P. Eng., Acting Commissioner of Transportation and Works

Meeting date:  
2016/05/17

## Subject

**Amendments to the Tow Truck Licensing By-law 521-04, as amended, for Requirements to Accept All Forms of Payment for Towing Services**

## Recommendation

That the Towing Industry Advisory Committee provide comments to staff, for inclusion in a future report to General Committee, on the report from the Commissioner of Transportation and Works dated May 3, 2016 and entitled "Amendments to the Tow Truck Licensing By-law 521-04, as amended, for Requirements to Accept All Forms of Payment for Towing Services".

## Background

Staff have received numerous complaints regarding tow truck drivers refusing to accept payments except in the form of cash for the release of a towed vehicle. In some circumstances, tow truck drivers demand cash. Further, if the person does not have cash on hand, tow truck drivers insist that they drive the customer to an ATM bank machine before agreeing to release the vehicle. This has resulted in complaints from consumers that they felt uneasy, intimidated and held at the mercy of the tow truck driver.

Staff have received other complaints from persons not having access to cash and requiring the use of a credit card at which time the tow truck driver refuses to accept the card and insists that the vehicle be taken to their vehicle pound facility until the person has the ability to provide a cash payment. This has resulted in additional charges for storage and re-tow fees.

Staff are not in a position to provide assistance on the complaints received because the Tow Truck Licensing By-law 521-04, as amended, does not include provisions to address requirements for accepting various types of payments for services. While it is possible to lay charges for failing to accept various types of payments, it is not supported by the courts due to the lack of clarity in the by-law.

Towing Industry Advisory Committee

2016/05/03

2

## Comments

Staff have identified a need to amend the by-law to include requirements to accept various forms of payments for the services provided under the by-law. Furthermore, the by-law needs to be amended to include devices and services capable of completing debit and credit card transactions as part of the tow truck equipment requirements.

The recommended amendments ensure that the City is meeting the requirements of the province and ensuring consumer protection. The issue was raised by the Province's Anti-Fraud Squad and is addressed in *Bill 15, Fighting Fraud and Reducing Automobile Insurance Rates Act, 2014*, which will result in amendments to other provincial legislation including the *Consumer Protection Act*. The Ministry of Government and Consumer Services released a document entitled "Stronger Rules for Towing and Vehicle Storage Services," which outlines the amendments to the provincial legislation which is slated to become effective January 1, 2017 (see Appendix 1: Stronger Rules for Towing and Vehicle Storage Services).

## Financial Impact

No direct financial impact would be experienced by the City of Mississauga.

## Conclusion

Staff recommend, that the Tow Truck Licensing By-law 521-04, as amended, be amended to include requirements that all Tow Truck Drivers accept all forms of payment including cash, debit and credit card payments for services provided under the Tow Truck Licensing By-law 521-04, as amended.

Furthermore, staff recommend that the by-law be amended to include requirements that all tow trucks include as part of the equipment a POS or other type of equipment capable of completing debit and credit card transactions. It is recommended that the amendments to the by-law become effective September 1, 2016, to provide the towing industry with time to accommodate the required changes.

## Attachments

Appendix 1: Stronger Rules for Towing and Vehicle Storage Services



Geoff Marinoff, P. Eng., Acting Commissioner of Transportation and Works

Prepared by: Daryl Bell, Manager, Mobile Licensing Enforcement



# NEWS

Ministry of Government and Consumer Services

## Stronger Rules for Towing and Vehicle Storage Services

December 17, 2015 2:59 P.M.

The Ontario government is strengthening consumer protection by introducing new rules for towing and vehicle storage services. These new rules will help Ontario's drivers make informed decisions and have confidence that they will be dealt with in an honest and fair way when their vehicle is towed and/or held in a vehicle storage facility. The rules will also help keep auto insurance affordable for Ontario consumers by helping to reduce fraud and abuse in the auto insurance system.

The government is taking action to respond to concerns raised by consumers and industry stakeholders. Exaggerated or inflated fees, questionable and intimidating roadside practices, and unsafe driving and vehicle operation were identified as concerns in the tow and storage sectors.

### Consultation results

The government surveyed over 500 Ontario consumers about their experiences with tow trucks and vehicle storage lots in the province:

- 97 per cent of respondents said that a tow truck driver/business should be required by law to post identifying information on its truck(s)
- 96 per cent of respondents stated that a list of fees for each service the driver/business provided should be included on the consumer's invoice
- 96 per cent said a tow truck driver/business should be required by law to accept credit cards (in addition to cash payments)
- 87 per cent stated that a tow truck driver/business should be required by law to post their prices at their offices and on their website, if one exists
- 85 per cent of respondents said that a tow truck driver/business should inform consumers if they are getting a financial reward or incentive for towing a vehicle to a particular storage or repair shop
- 84 per cent stated that a tow truck driver/business should be required by law to provide prices to consumers in writing before the consumer's vehicle is towed

### Regulating Ontario's Vehicle Towing and Storage Sectors

Changes to the Consumer Protection Act and its regulation will take effect on January 1, 2017, and will establish tow and storage-specific consumer protection measures. They will require tow and storage providers to:

- Get permission from a consumer or someone acting on their behalf before providing tow and storage services
- Record the name and contact information of the consumer, along with the date and time of authorization
- Disclose certain information to the consumer or the person acting on their behalf, in writing, such as the provider's business name, contact information and address where the vehicle will be towed
- Accept credit card payments, in addition to cash, from consumers
- Provide an itemized invoice, listing services provided, the cost for each service, and the total cost before demanding or receiving payment
- Make available a current statement of rates at their place of business and on any existing website
- Post other information, for example, the provider's name and telephone number on the side of a tow truck, at all business premises and on any website
- Provide a consumer (or someone acting on their behalf) with access to the towed vehicle, at no charge, so that they may remove personal property from the vehicle between 8 a.m. and 5 p.m. on business days
- Prohibit tow and storage providers from recommending repair and storage facilities, legal service providers or health care service providers unless a consumer or a person acting on their behalf specifically asks, or the provider offers to make a recommendation and the consumer (or authorized person) agrees
- Disclose to a consumer whether the provider is getting a financial reward or incentive for providing a recommendation for towing a vehicle to a particular storage or repair shop
- Establish minimum insurance coverage including general liability insurance of \$2 million, customer vehicle insurance of \$100,000 and \$50,000 cargo insurance
- Maintain authorization and disclosure records, invoices, copies of insurance policy, and current statement of rates for three years

Some exemptions will be made for certain tow and storage providers. For example, certain disclosures, authorization, invoices, and related record-keeping requirements will not be required if services are provided under a prepaid agreement or membership in an association, such as the Canadian Automobile Association (CAA) where the consumer is not being charged for the specific service being provided. These exemptions will also apply when the tow and storage services are provided when a vehicle is purchased or leased and the consumer is not charged for the specific service being provided.

In addition, when a vehicle is towed and stored for law enforcement purposes or detained or impounded under other statutes, regulations or municipal by-laws, or as a result of a lawful power of seizure, a limited number of the new rules will apply. While these tows are not initiated by a consumer, the consumer is generally responsible for charges. The new regulation will protect the consumer, for example, by requiring the provider to make available publicly a current statement of rates, post identifiers and other information, and provide the consumer with the option to pay by credit card.

## Addressing Vehicle Storage Issues

The Repair and Storage Liens Act deals with the rights of repairers and storers to claim a lien against vehicles they repaired and/or stored. Most of the changes to the Repair and Storage Liens Act will take effect on July 1, 2016.

Changes to the Repair and Storage Liens Act and its regulation will:

- Reduce the notice period from 60 days to 15 days for vehicles registered in Ontario. Currently a storer is required to give written notice of a lien to the owner and other interested parties within 60 days after the day it receives the vehicle (subject to the lien), if the vehicle was brought in for storage by someone other than the owner or without the owner's authority. The new rules are expected to improve storage practices and remove associated costs from the auto insurance system.
  - If the notice is not provided, a lien is limited to the unpaid amount owing for the period of 15 days from the day of receiving the vehicle.
- Provide guidance to courts in determining the "fair value" of repair or storage where no amount has been agreed upon. A list of discretionary factors (e.g., fixed costs, variable costs, direct costs, indirect costs, profit and any other relevant factors) is set out for consideration.

## Regulating Tow Trucks

The government is adding regulations under the Highway Traffic Act that will include tow trucks in the definition of commercial motor vehicles under the Commercial Vehicle Operator's Registration (CVOR) system. Vehicles commonly known as tow trucks and other vehicles used for towing, such as the flatbed trucks known as "tilt and loads", will require a CVOR certificate.

This new regulation will come into effect on January 1, 2017. This will allow time for tow truck operators to prepare for and apply for a CVOR certificate before the requirement comes into force.

The CVOR system is used to track the safety of truck and bus operators in Ontario. Its effective monitoring and intervention system for operators helps improve road safety. The Ministry of Transportation monitors each operator enrolled in CVOR, and assigns a Carrier Safety Rating, available to the public, based on collisions, inspections, convictions and the results of facility audits. A single CVOR certificate covers an operator's entire fleet.

Under CVOR, tow operators will be responsible for all the drivers and vehicles in their operation. These responsibilities include:

- Monitoring the conduct and safety performance of drivers
- Resolving driver safety issues when they are identified
- Keeping vehicles in good, safe condition at all times
- Ensuring load security

Tow trucks will continue to be exempt from some requirements faced by other classes of vehicles under the CVOR system, such as hours of service limits, daily inspection, detailed recordkeeping requirements and entering truck inspection stations, until the government has concluded consultations with the towing industry and other stakeholders on an effective regulatory regime for tow trucks.

---

**Lauren Souch** Minister's Office  
416-212-3721  
**Andreas Kyprianou** Communications Branch  
647-961-5951

[Available Online](#)

**SCHEDULE 27**  
**OWNERS OF VEHICLE POUND FACILITIES**

6.1

(amended by 360-07, 427-08, 178-10, 240-11)

1. Every person Licensed under this By-law and this Schedule shall:
  - (1) Ensure that the Vehicle owner or his or her agent is aware of the Storage Fee to be charged in association with the storage of the Vehicle prior to the Vehicle entering into the Vehicle Pound Facility, except where the storage of the Vehicle is the result of the Vehicle being seized by a Peace Officer or government authority; (427-08)
  - (2) Before demanding payment for the storage of a Vehicle, present the Vehicle owner or his or her agent an invoice for the storage of the Vehicle, such invoice to detail the time and day the Vehicle first entered the Vehicle Pound Facility and total cost for the storage of the Vehicle;
  - (3) repealed by 427-08
  - (4) Maintain a copy of the invoice referred to above for a minimum of one year from the date the Vehicle is removed from the Vehicle Pound Facility;
  - (5) Comply with all the appropriate provisions of the *Repair and Storage Liens Act* when disposing of an unclaimed Vehicle;
  - (6) Ensure that the Vehicle owner or his or her agent shall be able to obtain the release of the Vehicle at any time (24 hours a day, 7 days a week, 365 days a year), provided payment of the Storage Fee is made.
  - (7) Maintain a sign at the Vehicle Pound Facility, visible from the entrance to the Vehicle Pound Facility, detailing the daily hours of operation of the Vehicle Pound Facility, the telephone number to use for after hours Vehicle release service and the Storage Fee to be charged for the storage of a Vehicle;
  - (8) Ensure that sufficient staff are available during normal business hours as well as after hours, 365 days a year in order to release a Vehicle;
  - (9) Keep all buildings and fences in good repair;
  - (10) Ensure all landscaped areas are well maintained;
  - (11) Keep the Vehicle Pound Facility and any sidewalk or street upon which the premises abut, in a clean and neat condition, free from debris, snow, ice, dirt, rubbish or other foreign substances, including but not limited to tires and Vehicle parts derived from the licensed premises or resulting from the use of the licensed premises;



**SCHEDULE 27**  
**OWNERS OF VEHICLE POUND FACILITIES**

- (12) Maintain compliance with all aspects of the zoning requirements for a Vehicle Pound Facility;
  - (13) Comply with all relevant legislation pertaining to the storage and disposal of hazardous materials on the premises; and
  - (14) Ensure that where a daily Storage Fee is charged, it shall be based on each 24-hour period that the Vehicle has been held in storage or any part thereof. Charges shall commence from the time the Vehicle is placed in the Vehicle Pound Facility.
2. No person Licensed under this By-law and this Schedule shall:
- (1) Charge a Storage Fee in excess of sixty dollars (\$60.00) per twenty-four hour period, plus applicable taxes. (427-08, 240-11)
  - (2) Deposit any snow or ice on any public sidewalk or on any roadway upon which the Licensed premises abut;
  - (3) Permit the premises to be used for the purpose of servicing or repairing Vehicles except while in an enclosed building; (178-10)
  - (4) Charge a Storage Fee for any period of time that the Vehicle owner or his or her agent was unable to obtain the Vehicle as a result of some fault on the part of the Vehicle Pound Facility Owner or their staff; (178-10)
  - (5) Charge a Storage Fee for any Vehicle that is stored at the Vehicle Pound Facility while in transit to the destination of the Hirer's choice as indicated on the Permission to Tow a Vehicle Form; or (178-10)
  - (6) Accept any Work Order, for any Vehicle towed to the Vehicle Pound Facility, that: (178-10)
    - (i) is not signed by the Hirer; or
    - (ii) is signed by the Hirer and does not contain an itemized written estimate of the total cost of the work required to repair the Vehicle from the Automobile Service Station to which the Vehicle has been towed.