

APPENDIX 1 – Summary of Proposed Regulatory Requirements

The government introduced the [Towing and Storage Safety and Enforcement Act, 2021](#) (TSSEA) as Schedule 3 to the *Moving Ontarians More Safely Act, 2021*. The Act received Royal Assent on June 3, 2021. The TSSEA is enabling legislation, which grants the government authority to develop regulations to implement the Act. The Act is intended to come into effect once these regulations have been finalized.

The TSSEA establishes a certificate system for the towing sector: tow operators, tow truck drivers, and vehicle storage operators will be required to obtain a provincial certificate to operate in Ontario. Contraventions of the Act can result in intervening actions, including enforcement, adding certificate conditions, and certificate suspension and cancellation. The Ministry anticipates approximately 6,400 applicants for the three different certificate types.

Below is a description of proposed regulatory requirements, all subject to change (this excludes legislative requirements already under the TSSEA). Regulations that have already been filed are identified in blue, with the additional requirements that are the subject of this regulatory registry posting shown in black.

The regulatory oversight of the towing and storage industry will continue to evolve after initial program implementation. For example, TSSEA allows for additional oversight that is not included in this proposal such as setting maximum rates for towing or storage services and administrative monetary penalties (AMPs). Any future modifications to the program will be consulted upon prior to implementation.

Exemptions

To help ensure that the requirements found below do not apply to services outside of the intended scope of TSSEA, MTO is considering exemptions to all or part of the requirements.

Regulation 417/22 under TSSEA already includes the following exemptions:

- Tow truck operated under the authority of a service permit and number plate, for example a test drive of a tow truck after or during repair
- The following motor vehicles are not required to be operated under a tow certificate:
 1. An off-road vehicle, as defined in section 1 of the *Off-Road Vehicles Act*.
 2. A motor vehicle that is used for personal purposes only and that is used infrequently to tow, for no compensation, another motor vehicle that is also used for personal purposes only.
 3. A motor home that is used for personal purposes only and that is towing another motor vehicle that is for the use of the driver of the motor home for personal purposes only.
 4. A commercial motor vehicle, as defined in subsection 1 (1) of the *Highway Traffic Act*, towing one or more motor vehicles using the saddlemount configuration.

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Additional exemptions in this proposal may include:

- Tow operators and tow truck drivers meeting these conditions would not require a TSSEA certificate:
 - When the origin of the towing trip commences in a jurisdiction outside of Ontario and tow trucks are passing through or dropping off a vehicle in Ontario.
 - When directed by a police officer to clear a highway in an emergency situation.
- Vehicle storage facilities meeting these conditions would not require a TSSEA certificate:
 - Where the storage facility exclusively provides long-term storage (30-days or more) with an upfront contract for storage.
 - Vehicle repair facilities that do not charge for storing the vehicle while it is waiting to be repaired.
- Partial exemptions from TSSEA requirements (for example, related to consent and invoicing) for certificate holders meeting the following conditions:
 - Towing is performed pursuant to an existing membership-type towing or roadside assistance contract.
 - Vehicles stored at no cost to a vehicle owner or insurance provider.

Certificate Fees

If approved, MTO will charge the following fees for certificate applications and renewals:

- Tow operator certificate: \$575 per year
- Vehicle storage operator certificate: \$575 per year
- Tow truck driver certificate: \$195 per three years

The fee may be fully refunded or fully credited towards a subsequent fee payable by the person if the person applied for an incorrect certificate type or under the incorrect legal name.

Between July 1, 2023 and July 1, 2024, MTO anticipates there will be no certificate application fee.

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Requirements for the Industry

Certification	Record keeping	Vehicle requirements	Industry standards	Customer protection
Tow Operator				
<p>To obtain a certificate, must:</p> <ul style="list-style-type: none"> • Submit an application in a form approved by the Director • Provide legal name and contact information • Pass a criminal record and judicial matters (CRJMC) check (all company officers) • Hold a Commercial Vehicle Operator Registration (CVOR) certificate (or valid safety fitness certificate if exempt from the requirement of a CVOR certificate) • Pay application and renewal fees • Maintain insurance coverage • Be a fit and proper person to be a tow operator (includes 	<p>To keep the following records:</p> <ul style="list-style-type: none"> • List of all drivers and their qualifications • Inspection and maintenance logs for each tow truck • Proof of insurance • Lease agreements • List of vehicles covered under the insurance policy • For each tow completed: consent form, invoices, any receipts issued to the customer, photographs, and details of the tow (including origin, destination, time, vehicle plate number) • Documents related to customer complaints • Records of damage to a customer's vehicle • Schedule of rates <p>Records may be kept in an electronic format and are only to be submitted to MTO on request (e.g.,</p>	<ul style="list-style-type: none"> • Daily vehicle inspections and associated recordkeeping • Annual vehicle inspection completed by a Vehicle Inspection Centre • Load security requirements • Towing accessory component requirements • Installation and use of amber lights • Operator certificate carried in the vehicle. • Prescribed safety equipment i.e., flares or cones • Prominently displayed on both sides of each vehicle the 	<p>Must:</p> <ul style="list-style-type: none"> • Ensure that an appropriate vehicle and equipment are used and not attempt to provide service using inadequate or unsafe equipment • Maintain professional conduct – must act with competence, integrity, courtesy, good faith, and fairness toward the public and other service providers, including only providing services where the operator is capable and has sufficient competency, training and knowledge while fulfilling its duties to worker and public safety, advertising honestly and accurately, and otherwise complying with applicable laws • Accept multiple forms of payment: cash, 	<p>Charges:</p> <ul style="list-style-type: none"> • Must charge in accordance with the rate schedule provided to the Ministry and shall not charge more than these submitted rates <p>Consent:</p> <ul style="list-style-type: none"> • Consent can be given by the vehicle owner, a representative of the vehicle owner, driver, insurance representative, or owner of private property • Consent must contain prescribed information and a reference to the Ministry's towing website with information of operator's rates and a person's rights with respect to towing and vehicle storage • Consent to store a vehicle must be provided separately from a consent to tow • Consent form needs to contain certain information (e.g., contact information, tow destination, standard list of fees, signature line) • Exemptions include tows or impounds authorized by other provincial Acts or bylaws (to be

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<p>history of safety or previous non-compliance)</p> <p>Can appeal certain certificate decisions or actions against a certificate to the Licence Appeal Tribunal (LAT)</p>	<p>during an investigation or audit)</p> <p>Must notify MTO of:</p> <ul style="list-style-type: none"> • Substantial changes to information provided as part of a certificate application/renewal, or condition of a certificate 	<p>company name and TSSEA number</p>	<p>debit/credit card, and certified cheques</p> <ul style="list-style-type: none"> • Provide a copy of all documents signed by the customer to the customer • Ensure employees adhere to the Act <p>Shall not:</p> <ul style="list-style-type: none"> • Vary the fees charged for similar jobs based on how costs will be paid • Offer or provide a service under another operating or business name or contact information. • Permit an individual who has not been certified as a tow truck driver to offer or provide tows • Permit an employee to operate a tow truck while not legally permitted 	<p>aligned with current <i>Consumer Protection Act</i> regulations)</p> <p>Invoices:</p> <ul style="list-style-type: none"> • Must be provided at completion of tow • Must include location where vehicle was picked up and dropped off, applicable rates for services provided, and the total amount owed • Tow operators' consent forms can double as invoices if they contain a separate signature line indicating the work was completed <p>Referrals:</p> <ul style="list-style-type: none"> • No referrals may be provided to a customer for a legal service or healthcare service • No referrals may be provided to a customer for a salvage yard, repairer, storage yard, garage, rental car service, or vehicle sales operation unless requested by the customer • Certificate holders cannot receive or pay a fee in exchange for referring a client to a provider of identified services • If a customer requests a recommendation, a certificate holder must inform the customer

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				of any business relationship with the referred business, and of any benefit to the certificate holder arising from the recommendation
Tow Truck Driver				
<p>To obtain a certificate, must:</p> <ul style="list-style-type: none"> • Submit an application in a form approved by the Director • Provide legal name and contact information • Pass a CRJMC check • Hold a valid driver's licence (minimum Class G or equivalent from another jurisdiction) • Have completed Ministry-approved driver training before the date of application • Pay application and renewal fees • Be a fit and proper person to be a tow truck driver 	<p>Record keeping is the responsibility of the tow operator for which the driver provides service</p> <p>Must notify MTO of:</p> <ul style="list-style-type: none"> • Substantial changes to information provided as part of a certificate application/renewal, or condition of a certificate 	<p>Ensuring vehicles meet the requirements is the responsibility of the tow operator for which the driver provides service</p> <p>A driver is responsible to ensure the safe operation of the vehicle i.e., the vehicle meets regulatory requirements, inspections completed, proper use of equipment and lighting</p>	<p>Must:</p> <ul style="list-style-type: none"> • Carry the tow driver certificate, and must provide these to police/enforcement officers or investigators on request • Surrender the tow driver's certificate and documents related to the ownership of the tow truck, the towed vehicle, and the current trip to police/enforcement officers or investigators • Take precautions not to damage vehicles • Take the most direct route to the vehicle drop-off location • Maintain professional conduct – must act with competence, integrity, courtesy, good faith, and fairness toward the 	<p>Same requirements related to rates, consent, invoices, and referrals as the tow operator</p> <p>Other requirements:</p> <ul style="list-style-type: none"> • Must provide the person who requested the tow with written information including the driver's name, tow operator's name and contact information, and any customer awareness document that may be prescribed by the Director • Must take the vehicle to the location requested by the customer, except when the tow or impound is required by other Acts, bylaws or regulations. If the tow is initiated without the express consent of the vehicle owner, driver must deliver the vehicle to a nearby storage facility with a valid TSSEA certificate, notify the person who authorized the tow (if applicable), and record their contact information • May move a vehicle to an interim location for safety, but that

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			<p>public and other service providers, including only providing services where the driver is capable and has sufficient competency, training and knowledge while fulfilling their duties to public safety, and otherwise complying with applicable laws</p> <ul style="list-style-type: none"> • Take photographs of the vehicle prior to initiating the tow, or at the first safe opportunity <p>Shall not:</p> <ul style="list-style-type: none"> • Operate a tow truck that is unsafe, defective, or does not meet the prescribed vehicle standards 	<p>secondary location must be reasonably close, and additional fees cannot be charged related to the interim location</p> <ul style="list-style-type: none"> • Must contact vehicle owners if the vehicle is delivered to a location other than what was identified on a consent/ contract provided to the person who initiated the tow • Must provide storage operators with vehicle owner’s contact information • Must not allow a passenger in a tow truck who is attempting to sell other products or services • Must not charge additional fees when the tow destination is changed and contract amended, other than those related to the distance a vehicle is towed

Storage Operator				
To obtain a certificate, must:	To keep the following records:	N/A.	Must:	Notification:

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<ul style="list-style-type: none"> • Submit an application in a form approved by the Director • Provide legal name and contact information • Pass a CRJMC check (all company officers) • Pay application and renewal fee • Have an office with a physical location in Ontario • Maintain insurance coverage • Be a fit and proper person to be a vehicle storage operator <p>Can appeal certain certificate decisions or actions against a certificate to the LAT</p>	<ul style="list-style-type: none"> • Proof of insurance • Lease agreements • For each vehicle stored: vehicle details, invoices, any receipts issued to the customer, any notices sent to the customer, and photographs • Documents related to customer complaints • Records of damage to a customer's vehicle • Schedule of rates • Proof of compliance with any applicable municipal zoning and site requirements <p>Records may be kept in an electronic format and are only to be submitted to MTO on request (e.g., during an investigation or audit)</p> <p>Must notify MTO of:</p> <ul style="list-style-type: none"> • Substantial changes to information provided as part of a certificate application/renewal, or condition of a certificate • The location of all premises in Ontario 		<ul style="list-style-type: none"> • Post the operator certificate in a visible place at each business location • Maintain professional conduct – must act with competence, integrity, courtesy, good faith, and fairness toward the public and other service providers, including only providing services where the operator is capable and has sufficient competency, training and knowledge while fulfilling its duties to public safety, advertising honestly and accurately, and otherwise complying with applicable laws • Accept multiple forms of payment: cash, debit/credit card, and certified cheques • Provide a copy of all documents signed by the customer to the customer • Immediately release a vehicle if requested by 	<ul style="list-style-type: none"> • Must initiate steps to notify the vehicle owner within 24 hours of receiving a vehicle for storage. Only one day of storage fees may accrue before the steps to identify a vehicle owner are initiated <p>Access</p> <ul style="list-style-type: none"> • Must permit a vehicle owner, a person authorized by a vehicle owner, or an insurance provider with a policy covering the vehicle with access to the vehicle, unless prohibited under another Act, during regular business hours • Persons authorized to access the vehicle are also to be provided with a reasonable opportunity to photograph or assess the condition of the vehicle • Must permit Towing Inspectors, Police Officers, or other Provincial Offences Officers access to vehicles to conduct examinations that they are authorized to conduct under applicable laws or warrants • Must not permit any person who is not authorized under the TSSEA or another Act to access the vehicle without the express

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	<p>from which the holder provides vehicle storage services</p>		<p>the authorized party or owner and a bonafide attempt to pay the allowable outstanding fees is made</p> <ul style="list-style-type: none"> • Where an authorized person attends a facility in respect of a stored motor vehicle, a vehicle storage operator shall not require that a different person attend • Make reasonable efforts to meet the customer at the facility and facilitate the return of the vehicle within the same business day the customer requests it • Document information received from a tow truck driver or customer who drops off the vehicle • Be reachable by customers for at least 8 hours per day and operate for at least 5 business days per week • Be available by appointment 	<p>consent of the vehicle owner/ authorized party</p> <p>Charges:</p> <ul style="list-style-type: none"> • Must charge in accordance with the rate schedule provided to the Ministry • Must not charge fees for the movement of a vehicle around/within a storage yard, once delivered • Must not charge fees for storing a vehicle after a vehicle owner has made a bonafide attempt to retrieve the vehicle and pay for the storage service <p>Invoices:</p> <ul style="list-style-type: none"> • Must be provided at completion of storage period • Must include location where vehicle was stored, applicable daily rates, and the total amount owed • Invoices are provided to vehicle owners on the same day in which owners are identified/notified by a vehicle storage operator, as well as upon request <p>Referrals:</p>

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			<ul style="list-style-type: none"> • Ensure employees comply with the TSSEA Shall not: <ul style="list-style-type: none"> • Offer or provide a service under another operating / business name or contact information • Store a customer’s vehicle at or require customers to attend a location not identified to the Director Storage facility requirements: <ul style="list-style-type: none"> • Be in compliance with all applicable municipal permitting and zoning requirements • Be operated, maintained and kept in a state of good repair • Ensure areas accessible to public are kept clean and free of hazards • Be clearly signed to allow customers to find the storage site 	<ul style="list-style-type: none"> • No referrals may be provided to a customer for a legal service or healthcare service • No referrals may be provided to a customer for a salvage yard, repairer, storage yard, garage, rental car service, or vehicle sales operation unless requested by the customer • Certificate holders cannot receive or pay a fee in exchange for referring a client to a provider of identified services • If a customer requests a recommendation, a certificate holder must inform the customer of any business relationship with the referred business, and of any benefit to the certificate holder arising from the recommendation

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			<ul style="list-style-type: none"> • Have clearly visible signage and voicemail and email replies outlining facility hours • Have the hours of operation, business name, contact information, and fee schedule visible at the facility • Include adequate security features to protect the vehicles that are stored on site • Recommended best practise to take photographs upon the arrival of the vehicle 	

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Ministry Powers

Below is a description of Ministry/Director powers intended to be introduced through the proposed regulations. This excludes legislative powers already set out under the TSSEA. Regulations that have already been filed are identified in blue, with the additional powers that are the subject of this regulatory registry posting shown in black.

Category	Power
<p>Certificates</p>	<p>Issuance</p> <ul style="list-style-type: none"> • Director to issue certificates to applicants meeting all criteria • Director can refuse certificates to applicants who have: <ul style="list-style-type: none"> ○ Failed to comply with other federal or provincial Acts ○ Breached certificate conditions ○ Another certificate issued under TSSEA cancelled or whose past conduct leads the Director to believe they will not comply with the certificate requirements / conditions • Certificate will not be renewed if fees are not paid in full (no interest to be charged) <p>Conditions</p> <ul style="list-style-type: none"> • Director can set out any certificate conditions deemed necessary <p>Suspension/revocation</p> <ul style="list-style-type: none"> • The Director can suspend/ cancel certificates if: <ul style="list-style-type: none"> ○ Certificate conditions have been breached ○ Certificate holder fails to comply with Act/ Regulations ○ The conduct of the certificate holder leads the Director to believe they will not continue to meet certificate conditions <p>Related entities</p> <ul style="list-style-type: none"> • Director can refuse to issue a certificate to an applicant if the applicant is related to a person who does not meet qualifications and requirements to be a certificate holder related to having a qualifying record of convictions and being a fit and proper person to provide the services for which the certificate grants permission. • An applicant is related to a person if: <ul style="list-style-type: none"> ○ The applicant and the person are related individuals ○ Either the applicant or the person is a partner of the other or was a partner of the other or they have or have had partners in common ○ Either the applicant or the person, directly or indirectly, controls or controlled or manages or managed the other; or

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	<ul style="list-style-type: none"> ○ The applicant and the person have or have had common officers or directors, or they are or have been controlled, directly or indirectly, by the same shareholders
Record keeping	<ul style="list-style-type: none"> ● Director can demand the following to be submitted: <ul style="list-style-type: none"> ○ Any information required for certificate applications ○ Any information related to the driving records or CVOR registration of an applicant ○ Any information required during inspections ● Director must store copies of any documents provided in relation to a customer complaint ● Director has discretion as to when to destroy collected information
Publishing of information	<ul style="list-style-type: none"> ● Director <u>may</u> publish the following information: <ul style="list-style-type: none"> ○ List of certified tow and storage operators ○ Rate sheets / schedule of fees provided by certificate holders ○ Business operating names, contact information, locations ○ Suspensions/ cancellations made by the Director ○ Information respecting certificate holders which the Director wishes to share with the public
Other	<ul style="list-style-type: none"> ● Director may consider past municipal enforcement action when reviewing an application ● Director can refuse an unreasonable rate schedule and ask the operator to resubmit ● Director can handle customer complaints on a case-by-case basis ● Operators can be held accountable for the actions of a driver they employ, at the Director's discretion ● Interest on penalties to be charged in alignment with Ministry of Finance policies ● Director can set site-specific requirements for storage facilities, including fencing, illumination, and monitoring cameras with video recording