



**CITY OF RICHMOND**

REPORT TO COMMITTEE

**TO:** Community Safety Committee

**DATE:** May 8, 2001

**FROM:** Sandy Tokarczyk  
Manager, Community Bylaws

**FILE:** Vehicle For Hire Bylaw

**RE: VEHICLE FOR HIRE REGULATIONS - REVIEW OF THE VARIOUS TOW RATES**

STAFF RECOMMENDATION

That the City Solicitor prepare an amendment to the Vehicle For Hire Bylaw No. 6900 that would align Richmond's Impound, Vehicle Release, and Storage Fees with the Provincial Motor Carrier Branch Schedule, as outlined in the report dated May 8, 2001 from the Community Bylaws Manager.

Sandra Tokarczyk  
Manager, Community Bylaws  
ATT:

FOR ORIGINATING DIVISION USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Business Development .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
R.C.M.P. ....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

## **STAFF REPORT**

### **ORIGIN**

In February, 2000, and March, 2001, meetings were held to discuss various issues related to towing. The two main Richmond towing companies and their association representative were present:

- Mr. Gary Tonks of Boyce Towing / Rusty's Auto Towing Ltd. & Storage,
- Mr. Paul Sihota of City Wide Auto Towing Ltd.
- Mr. Lloyd Stamm, of the Automobile Retailers Association,
- Mr. Kelly Davis of Abbotsford Towing.

**The Automotive Retailers Association (ARA) have the following three goals they wish to achieve:**

- Goal 1           to standardize the towing rates/fees within the Lower Mainland;**
- Goal 2           to introduce a mechanism by which towing rates/fees would be regularly reviewed; and**
- Goal 3           to review Richmond's current towing rates/fees:**
- a) impound rates;**
  - b) storage fees; and**
  - c) vehicle release (drop) fees.**

The Automotive Retailers Association's (ARA) three goals are in keeping with Richmond's "Blow Out Bureaucracy" strategic initiative which is based on the "well managed" portion of the City's vision.

### **ANALYSIS**

#### **Goal 1 - Standardizing Towing Rates/Fees in the Lower Mainland**

The ARA indicated that the differing towing rates from community to community confuse both the towing companies and the public. Consistency in the setting of rates/fees within a geographical area, such as the Lower Mainland is a desirable goal.

There are currently three players involved in the setting of tow rate/fees:

City of Richmond  
ICBC  
Provincial Motor Vehicle Branch

It is suggested that the rate schedule contained in the Provincial Motor Vehicle Act Regulations be used as the basis for the setting of the standard towing rates/fees. It is considered to be preferable to use the more senior government regulations as a basis for these rates.

This approach is not without precedent as ICBC uses the Provincial Motor Vehicle Act Regulations upon which to base their rates. Richmond's bylaw already defers to ICBC for the setting of rates for towing from the *scene of an accident or a damaged/disabled vehicle*.

Richmond is the first community to be approached by The Automotive Retailers Association (ARA). A successful bid with Richmond would assist them in approaching other Cities and ultimately help them to achieve their goal.

The pros and cons of using the Provincial Motor Vehicle Act Regulation Rate Schedule are as follows:

Pros:

- Pursues the City's "Blow Out Bureaucracy" strategic initiative by reducing the number of groups involved in setting towing rates/fees by one.
- Opportunity created, and precedent set, for moving towards standardizing the Lower Mainland towing rates/fees.
- Rates are reviewed by the same parties (for both private and motor vehicle accident /disabled vehicles).
- Future rate change considerations are left with the Provincial Government.

Cons:

- Council loses the ability to directly set the towing rates/fees to the Province.

**Goal 2 – Reviewing the Towing Rates/Fees Regularly**

Changes in gas prices and labour costs in any given year can affect the viability of a towing company business. The rates charged for vehicle impounding, storing, and dropping are critical sources of revenue to the towing companies. The activity of towing is seen by the community as both a negative and positive type of business, however still a business. For these reasons, issues related to maintaining current and relevant income streams require review in a timely and predictable way.

There are two ways of achieving a regular annual review of these types of towing rates/fees:

- a) Deferring the review to the Provincial Government or
- b) Reviewing the rates at City Council.

**a) Provincial Review**

The Provincial rate structure used by ICBC is developed and revised through liaison with the Automotive Retailers Association (ARA). The rate review process has traditionally come about through this liaison and has no set review period, however, the ARA and ICBC are working towards having a set review period instituted.

Changes to these rates also effect changes in the Office of the Superintendent of Motor Vehicles' (OSMV) Program (Motor Vehicle Act Regulations ). With all the different groups regulating vehicle towing fees: individual communities, cities, ICBC, ARA, and Office of the

Superintendent of Motor Vehicles, the goal is to have the whole Lower Mainland under one rate structure: the OSMV Program.

**b) City Council Review**

City Council has traditionally set the rates/fees for towing through its Vehicle for Hire Regulations Bylaw 6900. This option would see Council remain involved in reviewing and setting of the towing impound, storage, and vehicle release rates/fees, except on a regular basis.

The request to review the rates regularly can be either initiated by the local tow companies or automatically initiated by City staff based on Council's preferred review schedule. An annual review of the rates is suggested and is in keeping with the City's own business practices.

The preferred approach is to have the rates set and reviewed at the Provincial level. The pros and cons of using the Provincial Government for regular rate reviews are as follows:

Pros:

- Towing businesses have an opportunity to have the towing rates reviewed regularly.
- Council retains the ability to directly set the towing rates/fees from private parking lots.

Cons:

- Does not pursue the City's Blow out Bureaucracy initiative.
- Lose the opportunity to standardize towing rates and reduce public and operator confusion on rates within the Lower Mainland.

**Goal 3 – Reviewing Richmond’s Rates**

Regardless of whether Council pursues the first two goals (of standardized rates or regular reviews), the towing rates/fees contained in Richmond’s Vehicle for Hire Bylaw 6900 should be reviewed as they were last amended in November 1998. A periodic review of the various fees charged for the:

- a) impounding;
- b) storing; and
- c) releasing (drop)

of vehicles is necessary to maintain currency of the bylaw. It has not been our past practice to review annually.

The proposed rate/fee changes reflect the suggested new rates based on the Provincial approach. A comparison between the current and proposed rates are provided for each of the rate/fee areas (a-c above).

**a) Impounding**

The Provincial schedule is tied to a different weight structure than currently uses in our Vehicle for Hire Bylaw and also allows for a per kilometre charge. The Provincial schedule is detailed in the following table:

Distance & Amounts	Item	Category I (up to 3,628 kg/gvw)	Category II (3,629 – 7,257 kg/gvw)	Category III (7,258 kg/gvw & over)
	Base Tow Rate	\$53.00	\$61.85	\$103.15
up to 6 km	add per km	2.00	2.35	2.90
6.1 to 16.0 km	add per km	1.64	2.15	2.50
16.1 to 32.0 km	add per km	1.45	1.70	2.00

Category I (up to 3,628 kg/gvw) generally includes automobiles, vans, pickups, motorcycles  
 Category II (3,269-7,257 kg/gvw) generally includes medium duty trucks  
 Category III (7,258 kg/gvw and over) includes heavy trucks.

The impound rates are reflective of the type of tow truck and equipment required to tow the subject vehicle.

Based on the Provincial schedule, the current towing charges would change based on a new vehicle weight structure. An additional mileage fee would be added to the base towing rate. The impact of the changed rates are shown in the table below:

Current Bylaw	Proposed	Change
\$50.00 – up to 5,000 kg/gvw	\$53.00 - up to 3,628 kg/gvw	\$3 increase (plus mileage) up to 3,628 kg/gvw
	\$61.85 – 3,629-7,257 kg/gvw	\$11.00 increase (plus mileage) from 3,629-5,000 kg/gvw \$28.15 decrease from 5,000-7,257 kg/gvw (plus mileage)
\$100.00 – over 5,000 kg/gvw	\$103.15 – 7,258 plus kg/gvw	\$3 increase (plus mileage) over 5,000 kg/gvw

If Council chooses not to go the Provincial approach (Goal 1) then it would still be reasonable to consider amending our current bylaw tow rates to reflect the Provincial rates.

**b) Storing**

The Motor Vehicle Act Regulation’s schedule of rates addresses storage fees. Using the Motor Vehicle Act Regulations schedule would provide consistency in storage fees. The changes would be as follows:

<b>Current Bylaw</b>	<b>Proposed</b>	<b>Change</b>
\$7.00 – vehicles up to 5,000 kg's gvw \$10.00 – vehicles over 5,000 kg's gvw	\$12.35 per day regardless of weight	Per day increase ranging from \$2.35 to \$5.35

Currently our bylaw uses a 24 hour clock, to calculate storage fees which relates to the time of the tow. The Automotive Retailers Association (ARA) have suggested that a per day (midnight to midnight clock) be considered. This is consistent with ICBC and the Motor Vehicle Act Regulations.

If Council chooses not to go the Provincial approach then it would still appear reasonable to consider amending our current bylaw. The changes would reflect the \$12.35 daily storage rate calculated using a midnight clock.

**c) Releasing (Drop)**

The City's bylaw currently provides for a vehicle release (or drop) fee which is charged if the vehicle owner returns, prior to vehicle removal, and wishes to have the vehicle released.

The vehicle release fees can be tied to the Provincial Schedule. The ARA have suggested that the release fee be the same as the base rate tow (based on vehicle weight) as the tow truck operator and equipment have been called to tow a vehicle for which they have incurred substantial costs.

The increase in the vehicle release fee would serve as an incentive to the tow truck operator to find the vehicle driver versus tow to off-site storage. The private vehicle operator would save on any additional per kilometre fees, vehicle storage fees, and the additional expenses and frustration incurred by collecting the vehicle at the impound yard. The release fee rate would continue to change as it could be tied to the Provincial base tow rate.

The impact of the changed rates are shown in the table below:

<b>Current Bylaw</b>	<b>Proposed</b>	<b>Change</b>
\$25.00 – up to 5,000 kg/gvw	\$53.00 - up to 3,628 kg/gvw	\$28 increase up to 3,628 kg/gvw
	\$61.85 – 3,629-7,257 kg/gvw	\$36.85 increase from 3,629-5,000 kg/gvw
\$30.00 – over 5,000 kg/gvw	\$103.15 – 7,258 plus kg/gvw	\$73.15 increase over 5,000 kg/gvw

One further bylaw change is suggested around vehicle releases. The amendment would bring clarity and reduce conflict around the issue of releasing an occupied vehicle.

Currently our bylaw, for safety purposes, prohibits the towing of an occupied vehicle. Consequently, some vehicle owners will "jump" back into their vehicle in order to avoid a tow. This often leads to confrontation between the tow and vehicle operators and can result in the need for the RCMP to attend the scene.

To remedy this issue, it is suggested that the vehicle drop fee apply when a vehicle is RE-occupied. This approach is similar to the City of Abbotsford.

Regardless of Council's chosen approach to vehicle release fees, it would still appear appropriate to review the release fees in light of the cost to tow vehicle operators. In addition clarity around the bylaw provision for re-occupancy of vehicles as it applies to drop fees is desirable.

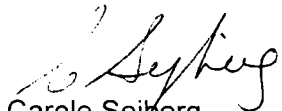
FINANCIAL IMPACT

None to the City.

CONCLUSION

The suggested amendments to the Vehicle for Hire Bylaw 6900 would address both the issue of regularly reviewing and setting of the towing and related fees; and would be consistent with the City's Blow Out Bureaucracy strategic initiative.

A positive precedent could be set by Richmond which would support and allow the ARA to work towards establishing uniform rates and bylaws in other jurisdictions within the Lower Mainland.

  
Carole Sejberg,  
Bylaw Liaison Officer