

# **TORONTO** STAFF REPORT

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May 10, 2006

To: Planning and Transportation Committee  
From: Shirley Hoy, City Manager  
Subject: Implementation of an On-Line Bicycle Licensing System

Purpose:

To evaluate the economic feasibility of implementing an on-line bicycle licensing system, whereby the additional capital money can be used for enhancing bike rings, upgrades or signage.

Financial Implications and Impact Statement:

There are no financial implications arising from the adoption of this report.

Recommendations:

It is recommended that this report be received for information.

Background:

Toronto City Council, at its meeting, December 8, 9, and 12, 2005 amended the Parks, Forestry and Recreation Programme Budget, as recommended by the Policy and Finance Committee, by adding that, “the City Manager be requested to report to the Planning and Transportation Committee on an on-line licensing system through which additional Capital money can be used for enhancing bike rings, upgrades or signage, funded through licensing bicycles.”

The idea of licensing cyclists and/or bicycles is not new. In 1935, the former City of Toronto required bicycles to be licensed and to display a licence plate. The by-law was repealed in 1956.

Over the past 25 years, licensing cyclists and/or bicycles has been investigated on at least three separate occasions by the former City of Toronto to address specific concerns:

1984 – concern with bicycle theft

1992 – concern with sidewalk cycling and compliance with the Highway Traffic Act

1996 – concern with sidewalk cycling and compliance with the Highway Traffic Act

The former City of Toronto Council previously rejected licensing cyclists/bicycles for a variety of reasons, including, the high cost to develop and administer a licensing programme; the difficulty in dealing with cyclists crossing the municipal boundary into the city; the challenge of licensing children, as well as adults; and, the lack of support by the Toronto Police Service and the Ontario Ministry of Transportation.

#### Comments:

The City has authority under the *Municipal Act, 2001*, to require all residents owning and using bicycles to obtain a bicycle licence before using such on any City street, to regulate the issuing of licences, and set and collect annual fees.

There are an estimated two million bicycles owned by residents of the City of Toronto. The feasibility of implementing an on-line licensing system for bicycles to generate revenue must be evaluated on the following points: the cost to implement such a programme, public education, practicality for enforcement of the programme, jurisdictional challenges, and, the effectiveness of such a programme for generating on-going revenue.

#### Cost of Implementation and Administration

Municipalities (including Kingston, Oshawa, Tillsonburg, and Orangeville) that currently enforce a bicycle licensing by-law have licensing fees ranging from free, or with a life time charge of three to five dollars, to annual renewals of three to five dollars. However, the main purpose of these programmes is to aid in theft recovery and to promote cycling safety on the roadways.

An on-line registration system for bicycles could require the development and maintenance of a web-based program that would enable registrants the option to pay the fee on-line, using a major credit card or via mail. This means that clerical support would be necessary to process each application, ensure that payment has been received and to issue a licence (an initial plate with annual sticker renewals). Renewal notices would also have to be processed and mailed.

Registrant information would need to be collected and maintained in a bicycle database, and updated as necessary.

As with any licensing initiative, there are costs associated with its implementation, on-going maintenance and enforcement. The initial start-up costs include a web developer/programmer to develop the registration site as well as a bicycle database, and support staff. The number of full-time support staff required for this project is calculated based on a projection of initial registrants. It is reasonable to project that 10 per cent, or 200 000 bicycles may be registered within the first year.

An estimated 35 full-time clerical staff and associated office space would be necessary to process the initial volume. For every one per cent increase (on the estimated two million bicycle owners) in registrant volume, an additional 3.5 full-time clerical staff, with associated costs would be required (Schedule "A").

#### Education and Enforcement

In the Highway Traffic Act (HTA), the definition of a "bicycle" includes tricycles and unicycles; it is a vehicle that has steering handlebars and is equipped with pedals; is designed to be propelled by muscular power; has no age restriction for operators; can be operated on most roadways; and, cannot be operated across a roadway within a pedestrian cross-over.

Because the City is attempting to license bicycles, and not cyclists, unless specific parameters, such as wheel diameter is taken into consideration should a by-law be drafted, the licensing requirement would capture children's bicycles, recreational bicycles, and bicycles used for work purposes (for example, couriers).

An effective advertising campaign to inform residents of the licensing requirement would be important and necessary. Information on the new licensing programme could be made available through bicycle vendors (second-hand and new), various pages on the City of Toronto website, local newspapers, and through the Cycling Ambassador initiative.

However successful a media campaign, it would be impractical to expect 100 per cent voluntary compliance; strict and consistent enforcement would be necessary.

Enforcement of a mandatory bicycle licensing programme is not only impractical, but also impossible. The costs associated with hiring dedicated bicycle enforcement officers (the number of officers would be directly proportional to the level of enforcement desired), and ensuring a storage facility for seized unlicensed bicycles would negate any profit that could be generated. Without consistent enforcement, this programme would certainly fail. Another option would be to have Toronto Police Services assist with the enforcement strategy. However, the Toronto Police Service must prioritize its enforcement strategies and as a result, bicycle licensing would likely not be considered a high priority.

## Jurisdictional Challenges

Cyclists using streets within the City of Toronto may not be City residents, and therefore would not have licences. Enforcement officers would have no way of knowing which bicycles are owned by City residents. Jurisdictional challenges alone would make it impractical to implement a local bicycle licensing programme due to the number of bicycles that cross municipal boundaries.

To address the issue of jurisdictional challenges, the City had previously approached the Province in establishing a provincial bicycle licensing programme. The Ontario Ministry of Transportation (MTO) advised the former City of Toronto in 1996 that they did not support a provincial bicycle licensing scheme because “such schemes (were) administratively and financially burdensome....”

## Cost of Licence and Effectiveness for Revenue Generation

In order to recover the administrative costs of the programme and to ensure that sufficient revenue is generated on an on-going basis, the cost of the licence would need to be set at a value that may be considered exorbitant. This is especially true if a bicycle was sold at a garage sale for \$20.00, and the required licence cost is double, or triple that amount.

Other municipalities have looked into the costs of implementing and administering a mandatory bicycle licensing requirement. In 1991, the former City of Ottawa evaluated the financial feasibility of licensing bicycles to generate revenue to fund on-going cycling projects. Its investigation determined that it was unlikely to cover the administrative costs of running the programme, let alone to generate sufficient revenue, and the idea was abandoned.

## Conclusions:

Of the municipalities that have issued bicycle license plates (including Toronto, Ottawa), only a few remain today (including Kingston, Orangeville, Oshawa and Tillsonburg). These are operated through the local police service, free of charge, or with a small registration fee intended to offset the cost of administering the programme.

In order to recover the administrative costs and to generate revenue to fund capital projects, the cost of the bicycle licence would need to be established at a rate that may be considered exorbitant for many of the City’s residents.

While there appears that an on-line bicycle licensing system could generate revenue for enhancing bike rings, upgrades or signage, it is believed that the administrative work, advertising campaign and enforcement costs required to implement a mandatory licensing programme for bicycles would require a significant fee to be established thus potentially discouraging the use of bicycles, particularly by casual or new users.

A bicycle licensing programme may also reduce the number of cyclists, which would be contrary to long-standing Council policy and the Toronto City Cycling Committee mandate of encouraging bicycle transportation. It may also undermine Toronto's Official Plan and the Toronto Bike Plan vision of making Toronto a more bicycle-friendly city, by indirectly deterring bicycle use.

Staff have advised and received comments from members of the Toronto Cycling Committee, as well as the Parks, Forestry and Recreation Division.

This report has been prepared in consultation with the City Solicitor.

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Shirley Hoy, City Manager

List of Attachments:

Schedule "A"

Schedule "A"

There are an estimated two million bicycles owned by residents of the City of Toronto. In determining the initial requirements for support staff of an on-line bicycle licensing programme, the number was calculated based on a projection of initial registrants.

It is reasonable to project that 10 per cent, or 200,000 bicycles may be registered within the first year.

If we then assume that it would take approximately 15 minutes for each application to be processed:

Estimated number of applications in the first year:	200,000 applications
Number of work hours/employee per year:	1,437 hours
Est. number of minutes to process an application:	0.25 hours
Number of applications processed per employee per year:	5,748 applications
Number of full-time employees required to process 200,000 applications:	<b>35</b>

For every one per cent increase, (20,000), using the above calculations, an additional **3.5** full-time support staff would be required.

Note:

This does not include costs associated with the need to hire dedicated bicycle by-law enforcement officers, or additional Police officers to aid in enforcement.