



SAFETY OR SUBSIDY?

The Case for Eliminating Texas' Passenger Vehicle Safety Inspection Program



By Bill Peacock & Don Huffines

About the President



Don Huffines

Former Texas State Senator Donald B. Huffines is a strong Christian, proud fifth-generation Texan, husband, father, grandfather, and self-made businessman.

Don Huffines fought fearlessly for fiscal restraint and government accountability in the Texas State Senate while representing Dallas County.

During his time in the Senate, Senator Huffines served as the Vice-Chairman of the Border Security Committee. Huffines also earned a reputation as one of Texas's most conservative lawmakers.

Don Huffines now serves as President of the Huffines Liberty Foundation and leads the Texas First movement by promoting the values we all cherish that make Texas great.

Executive Summary

The Texas Department of Public Safety's home page for vehicle safety inspections states, "Motorist's safety is a top priority in Texas; as a result, vehicles registered in Texas are required to pass an annual inspection to ensure compliance with safety standards." However, the experiences of other states and accident data call into question whether Texas' annual safety inspections do anything to protect the safety of Texas motorists.

Historically, only a minority of states have required regular vehicle safety inspections. That number has shrunk today to only 15, including Texas. The reasons for this are both the programs' high costs (\$288 million in Texas last year) and the lack of evidence that the inspections improve public safety. For instance, one study found, "There is little recent empirical research on the relationship between vehicle safety inspection programs and whether these programs reduce crash rates. What is available has generally been unable to establish any causal relationship."

Texas should eliminate its Motor Vehicle Inspection Program and the fees that go with it. This is an out-of-date program that is no longer needed. Vehicles are safer than ever.

The Cost of the Texas Motor Vehicle Inspection Program

Texas is one of only 15 states requiring regular vehicle safety inspections (Kelley Blue Book). First mandated by the Texas Legislature in 1951, the state’s vehicle inspection program has served as a growing source of income for the state.

Figure 1: State Revenue from Motor Vehicle Inspection Fee

Year	Revenue
1972	3,579,169
1982	18,913,640
1992	64,120,839
2002	109,414,719
2012	185,934,957
2022	288,288,939

Source: Texas Comptroller of Public Accounts

The increase in state revenue from Texas’ vehicle inspection program has averaged 9.2% annually since 1972, increasing from \$3.6 million to \$288.3 million in 2022. This increase has been driven by the increased number of cars on Texas roads and multiple fee increases over the years. The Texas Legislature increased the fee in 1977, 1979, 1983, 1987, 1989, 1991, and 1993 as the Legislature sought to increase state revenue available for spending (Texas Comptroller).

Figure 2: Fees Associated with Texas’ Motor Vehicle Inspection Program

Activity	Fee	Fee Recipient
Inspection of new cars sold in Texas	\$21.75	Inspecting Station: \$7 Texas Mobility Fund: \$12.75 Clean Air GR Account: \$2
Annual inspection of motor vehicles, motorcycles, and certain trailers or mobile homes	\$12.50	Inspecting Station: \$7 Texas Mobility Fund: \$3.50 Clean Air GR Account: \$2
Annual inspection for all mopeds	\$5.75	Inspecting Station: \$0.25 Texas Mobility Fund: \$5.50
Certification as an official inspection station	\$100	Texas Mobility Fund
Appointment as inspector	\$25	Texas Mobility Fund
Inspection of commercial motor vehicles	\$50	Inspecting Station: \$40 Texas Mobility Fund: \$10

Source: Texas Comptroller Manual of Accounts

Not all of the fees associated with the program are paid by vehicle owners, and not all fees are paid to the state. For instance, vehicle inspectors must pay a \$25 fee to become certified. Then out of the \$12.50 inspection passenger vehicle owners pay each year, \$7 goes to the company that inspects the vehicle, and \$5.50 goes to two different state funds. When a new car is inspected before it is sold, the inspector still gets \$7, but the state receives \$14.75.

The cost to passenger vehicle owners adds up over time, as does the revenue to the state. A 2016 Texas Public Policy Foundation study found that for the ten years from 2005 to 2014, Texas received \$1.1 billion in revenue while inspection stations received \$1.2 billion. The total cost to passenger vehicle owners was \$2.4 billion ([Ginn, p 2](#)).

Recent Attempts to Eliminate the Program

Several attempts have been made to eliminate Texas’ Motor Vehicle Inspection Program in recent years. In the current

session of the Texas Legislature, three bills have been filed to end the program. Of the three, HB 3297 (Harris) is the only one that has received a hearing. It recently was passed out of the House Homeland Security & Public Safety on a 5-1 vote. In 2019, three bills were also filed; none received a hearing. In 2017, the two bills that were filed both received public hearings. SB 1588 (Huffines) passed the Texas Senate and the Texas House Transportation Committee but failed to receive consideration by the full House.

In the case of HB 3297 and SB 1588, those who favor and oppose the bills generally line up based on financial considerations. Opponents of eliminating the program are typically associated with those providing inspections, such as the Texas State Inspection Association. Those favoring eliminating the program typically represent consumers (Texas Public Policy Foundation) or automotive interests (Texas Independent Auto Dealers).

Highlighting the financial interests in this debate is that HB 3297 and SB 1588 were drafted to replace the state revenue lost by eliminating the program with revenue from other sources. The Legislative Budget Board's Fiscal Note for HB 3297 explains, "The bill would eliminate the Vehicle Safety Inspection Program for non-commercial vehicles and establish an equivalent vehicle inspection replacement fee to be paid at the time of vehicle registration." While passenger vehicle owners would be relieved of the hassle of getting their cars inspected, and vehicle

inspection station owners would lose revenue, the state would be made whole by fees paid by passenger vehicle owners.

One other group that has consistently opposed ending the state's Motor Vehicle Inspection Program is law enforcement. Law enforcement's opposition is based on safety concerns. The Texas Police Chiefs Association, the Houston Police Officers' Union, and the Sheriffs' Association of Texas are three groups in this category, which brings us to the next question.

Do Vehicle Safety Inspections Improve Vehicle Safety?

In the Highway Safety Act of 1966, Congress required that "vehicle inspection be a part of each State's highway safety program" ([U.S. Comptroller General, 1](#)). At that time, only 21 states had vehicle inspection programs (4). Such programs "are based on the premise that vehicle owners cannot detect or choose not to voluntarily correct unsafe vehicle conditions." Under the threat of losing federal highway funds, 32 states had programs in 1976 (5). That appears to have been the high water mark that began to drop after Congress, in May 1976, eliminated the ability of the National Highway Traffic Safety Administration to withhold federal funds for states without programs. By June 1977, only 29 had programs that required regular inspection of all passenger vehicles. That number has dropped to 15 today.

Many states have concluded that pas-

senger vehicle safety inspections do not contribute to public health and safety. Or at least the costs of such programs outweigh the benefits. Nebraska is one of those states. The Nebraska Legislature repealed its program in 1982. The Nebraska State Highway Patrol and Department of Transportation “monitored crash data in which mechanical defects were a contributing factor” both before and after the program was eliminated. The “three-year average of reported crashes involving a vehicle defect was 1,759 before the program was repealed.” After the program was canceled, the three-year average was 1,486 ([North Carolina General Assembly, 16](#)).

North Carolina is one of the states that continues to have a vehicle safety inspection program. Yet, its General Assembly’s Program Evaluation Division found that “no evidence exists showing the safety inspection program is effective” and recommended that the state “reevaluate the need for a safety inspection program” ([North Carolina General Assembly, 1](#)). The study could not find a connection in North Carolina between “lower rates of traffic accidents, injuries, and deaths stemming from faulty vehicle equipment [and] the existence of a valid and reliable safety inspection program.”

The fact that North Carolina, Texas, and 13 other states still have vehicle safety inspection programs proves that there are constituencies for maintaining these programs. This paper has noted that these constituencies include those with

financial interests, such as owners of inspection stations and state legislators. The U.S. General Accounting Office (GAO) adds that another constituency is “among the state inspection program officials” ([GAO, 9](#)). Yet, despite the consensus among these constituencies, the GAO found in 2015 that “research remains inconclusive about the effect of safety inspection programs on crash rates.”

The GAO report continues:

There is little recent empirical research on the relationship between vehicle safety inspection programs and whether these programs reduce crash rates. What is available has generally been unable to establish any causal relationship. Since GAO last conducted a review on vehicle safety inspection programs in 1990, there have been three econometric studies conducted examining the relationship between vehicle inspections and crashes in the U.S. and three studies examining these programs in other countries. Among the three studies of U.S. vehicle inspection programs, none were able to establish a statistically significant effect of safety inspection programs on crashes involving either fatalities or injuries. Specifically, the studies examined crash rates in all 50 states and did not find statistically significant differences in crash rates in states with inspection programs compared to those without. International studies have also not been able to establish a link between safety inspection programs and crash rates involving either fatalities or injuries.

Supporting this conclusion, a 2018 University of Toronto study examined the effects of New Jersey's decision to end its vehicle safety inspection program in 2010. The study analyzed "the effects of this policy change on both the frequency and trend of accidents due to car failure." In summarizing their findings, the authors wrote, "We conclude that discontinuing the law resulted in no significant increase in either fatalities due to car failure or the percentage of accidents due to car failure" ([Hoagland and Woolley, 1](#)).

Of course, some studies buck this trend and suggest that safety inspections reduce accidents due to vehicle defects. One such study was produced by the Center for Transportation Research at the University of Texas. After examining Texas' program, it was found that the program "saves lives and enhances safety" ([CTR, 2](#)). However, two of the study's findings call into question the study's conclusion and the effectiveness of Texas' current program.

First, the study found that "Vehicles with defects that were involved in crashes are three years older than the average registered vehicle, which is nine years old" (20). In other words, the average age of cars with defects involved in crashes is 12 years. Second, "defective or slick tires" are the most common defect found in vehicles with defects involved in crashes. This accounts for 33% of vehicles with defects in all crashes and 70% of fatal crashes. Both findings undermine the rationale for requiring safety inspections for newer

cars, especially for new cars being sold by dealers. At best, these results might support the inspection of cars that are at least nine to twelve years old.

Conclusion

Vehicle safety inspections cost consumers hundreds of millions of dollars every year. Yet study after study shows little connection between the inspections and public health and safety improvements.

Look at the groups that are working to keep this worthless and out-of-date program: Gulf States Toyota (billionaires), Alliance for Automotive Innovation, and all of the state inspection shops making money on Texas car owners (with the government!)

I am quite familiar with the car business, and trust me when I tell you: vehicle inspections are a scam. You are being ripped off. Texas is the only Republican state to still have this policy. Right now, people from neighboring states and 32 other states can drive into Texas without inspections. This is not about safety or just about money; it's about the most irreplaceable thing you have: your time wasted while getting an inspection.

Given the high costs and few, if any, benefits, Texas should eliminate its passenger vehicle safety inspection program.



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