



Costs of Texas' Passenger Vehicle Safety Inspection

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Key Points

- Because the safety of Texas drivers is a major concern for legislators and all Texans, the passenger vehicle safety inspection was enacted in 1951.
- Research provides little evidence that safety inspections help to improve a vehicle's mechanical conditions or to prevent accidents.
- Safety inspections cost Texans \$2.4 billion in the last 10 years through 2014.
- The costs of safety inspections likely outweigh the minimal benefits to vehicle safety, so Texas should join the other 34 states without a passenger vehicle safety inspection.

Introduction

The safety of Texas drivers is a major concern for legislators and all Texans. Multiple laws have been passed to keep Texas drivers safe, but do these laws achieve their goals? Could the burden of these laws on economic activity and job creation from higher taxes and fees outweigh the benefits?

There are two types of vehicle inspections required in Texas. One is the vehicle emissions inspection that is required annually in 17 non-attainment counties that have high pollutant levels according to the federal air quality standards under the Clean Air Act ([Texas Commission on Environmental Quality 2016](#)). The other is the vehicle safety inspection that is for passenger vehicles and commercial vehicles. To attempt to answer the questions posed above, this paper considers only the passenger safety vehicle inspection.

The 52nd Legislature in 1951 passed HB223 that directs the Texas Department of Public Safety (DPS) ([2016](#)) "to set up state-appointed inspection stations to inspect all vehicles to be registered in Texas and to establish vehicle safety standards in the hope of preventing accidents." Only 16 states now require periodic passenger vehicle safety inspections; Mississippi was the most recent state to eliminate their inspection program in 2015 ([AAA 2016](#)).

There is little evidence that passenger safety inspection programs improve the mechanical conditions of vehicles ([Poitras and Sutter 2002, 922](#)). Instead, the causes of crashes in Texas are dominated by factors related to the driver's malfeasance, such as inattention and speeding, rather than a vehicle's maintenance ([Texas DPS 2016a](#)).

This paper calculates the cost of the passenger vehicle safety inspection program and discusses whether eliminating this program can keep Texas a safe place to drive and reduce a potentially unnecessary cost to Texans.

Calculating the Passenger Vehicle Safety Inspection Cost

The cost of a passenger vehicle safety inspection for automobiles, trailers, and motorcycles to a driver for an annual inspection is \$14.50 and for a two-year inspection is \$23.75 ([Texas DPS 2016b](#)). These amounts can be separated into the following components as noted by the Texas Comptroller of Public Accounts ([2016](#)) and Texas DPS (2016c):

- One-year safety inspection cost: \$14.50
 - \$5.50 is state revenue (\$2 to the Clean Air Fund and \$3.50 to the Texas Mobility Fund)
 - \$2 is vendor fees (\$1.38 is vendor revenue and \$0.62 is state revenue)
 - \$7 is station revenue for services rendered
- Two-year safety inspection cost: \$23.75
 - \$14.75 is state revenue (\$4 to the Clean Air Fund and \$10.75 to the Texas Mobility Fund)
 - \$2 is vendor fees (\$1.38 is vendor revenue and \$0.62 is state revenue)
 - \$7 is station revenue for services rendered

From the FY 2014 data provided by the Texas DPS (2016c), there were 17,100,100 one-year safety inspections paid in attainment and non-attainment counties and 1,529,900 two-year inspections paid. Fees are paid to the vendor, NICUSA, Inc., for their services to the public-

private partnership overseeing Texas.gov with the Texas Department of Information Resources. The quantities of vendor fees paid in FY 2014 were 8,342,700 for one-year inspections in attainment counties, which the other 8,757,400 were in nonattainment counties where drivers continue to pay the vendor when they get emissions inspections, and 1,529,900 two-year inspections. Multiplying these quantities by the appropriate costs above and adding them together gives a total passenger vehicle safety inspection cost of \$267 million in payments to the state, vendor, and stations.

Table 1 provides data from DPS (2016c) for the last 10 fiscal years showing that the cost to drivers has increased by 23 percent since FY 2005.

Table 1: Texas Drivers Face a Rising Cost for Passenger Vehicle Safety Inspections

Fiscal Year	STATE INSPECTION REVENUE	VENDOR REVENUE FOR FEES	STATION REVENUE FOR SERVICES RENDERED	TOTAL SAFETY INSPECTION COST
2005	\$100,116,807	\$12,399,990	\$104,888,434	\$217,405,231
2006	\$103,416,696	\$11,900,681	\$108,793,993	\$224,111,370
2007	\$107,035,834	\$12,213,269	\$112,554,799	\$231,803,903
2008	\$106,594,614	\$12,213,348	\$113,109,255	\$231,917,217
2009	\$102,076,309	\$11,750,577	\$113,384,873	\$227,211,760
2010	\$109,320,255	\$12,469,056	\$120,192,247	\$241,981,559
2011	\$110,554,932	\$12,514,134	\$121,042,110	\$244,111,176
2012	\$115,932,920	\$12,973,780	\$124,560,730	\$253,467,430
2013	\$119,461,888	\$13,341,412	\$127,611,680	\$260,414,980
2014	\$122,737,587	\$13,624,188	\$130,410,000	\$266,771,775
TOTAL	\$1,097,247,843	\$125,400,436	\$1,176,548,121	\$2,399,196,400

Source: Texas Department of Public Safety (2016c)

In the 10 years through 2014, safety inspections cost Texas drivers \$2.4 billion. In addition, drivers lost many hours waiting to get an inspection that could go toward other more productive purposes that match Texans' desires. Ending these inspections would eliminate this substantial cost on Texas vehicle owners, cut down on hours wasted (though the required emissions inspections would remain), as well as eliminate the problem with making Texas drivers outlaws facing penalties for not getting a required safety inspection that provides minimal safety benefits.

While benefits of these inspections are minimal, the cost to Texans is significant.

Eliminating the Safety Inspection

The passenger vehicle safety inspection was implemented in 1951 to prevent accidents by keeping vehicles well maintained. However, research shows that this inspection does not lead to improved vehicle maintenance or driver safety, indicating that it is time to consider whether the costs of safety inspections outweigh their benefits.

While the benefits are minimal, the costs are significant; the inspections have taken close to \$2.4 billion out of the pockets of consumers over ten years. By eliminating the safety inspection burden, Texans will be given the opportunity to choose how best to spend their money to meet their needs and stimulate economic activity.

Because it is likely the costs of this program outweigh the minimal benefits to vehicle safety, Texas should join the other 34 states without a passenger vehicle safety inspection. ★

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