



Motor Vehicle Safety Inspections and Title Transfer Requirements for Dealerships

Executive Summary

The National Highway Traffic Safety Administration recommends that states implement a safety inspection program to prevent motor vehicles with defects from being on the road. According to Fatality Analysis Reporting System data, in 2019 about 2.1% of fatal crashes in the U.S. happened as a result of an identifiable pre-existing motor vehicle defect. When a vehicle is sold in Missouri, the vehicle must undergo a safety inspection. In addition, dealerships are required to transfer the certificate of title to the purchaser of a motor vehicle within thirty days, or else the sale is voidable by the purchaser. A purchaser is unable to register their motor vehicle in Missouri without a title or manufacturer's statement of origin.

Highlights

- As of 2015, 16 states required regular safety inspections.
- Safety inspections may reduce the number of motor vehicle safety complaints received by the National Highway Traffic Safety Administration.
- Missouri requires a safety inspection certificate less than 60 days old when selling a motor vehicle. Most other states do not have a similar requirement.
- Neighboring states to Missouri either have similar certificate of title transfer requirements during the sale of a motor vehicle, or are more strict, requiring the title to be transferred at the same time that the vehicle is delivered.

Limitations

- The research is inconclusive regarding whether or not safety inspections reduce motor vehicle accident rates or their intensity.
- Safety inspection program officers in different states have stated that difficulties in the oversight of inspection stations and unclear guidance on new safety technologies present challenges when operating these programs. These may affect the effectiveness of safety inspection programs.

Research Background

Safety Inspections

Safety Inspection Requirements around the United States

The National Highway Traffic Safety Administration (NHTSA) recommends that every state have a safety inspection program that performs periodic inspections of motor vehicles.¹ The

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intent is to reduce the amount of vehicles on the road with malfunctioning equipment and thereby reduce the number of motor vehicle accidents. In Missouri, some vehicles are required to undergo a biennial safety inspection. In 2019, SB89 expanded exemptions from the biennial inspection, allowing vehicles 10 years old or younger with fewer than 150,000 miles to be exempted. There are other exemptions, including for vehicles engaged in interstate commerce, historic motor vehicles, and vehicles registered in excess of 24,000 pounds for a period of less than 12 months. Inspection stations in Missouri may charge up to \$12.00 for vehicle safety inspections of passenger vehicles and trucks. Despite NHTSA's recommendation for safety inspections, 16 states required a regular safety inspection in 2015 (Fig. 1).¹ Since then, Utah has dropped its requirement. Regular safety inspections are typically performed either annually or biennially in states in which they are required.

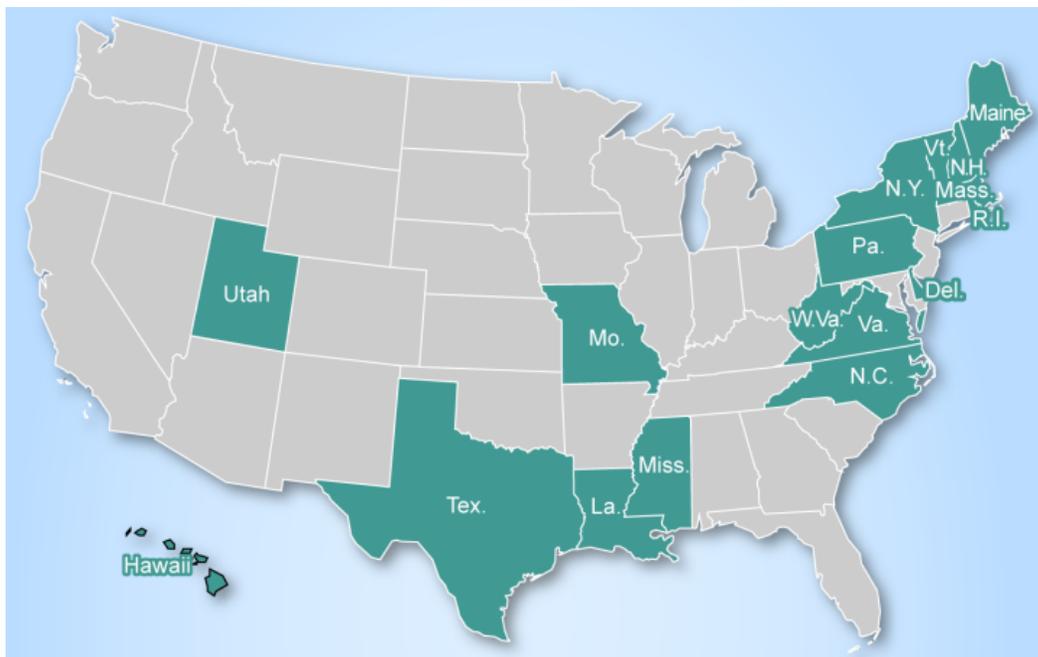


Figure 1. States with safety inspections programs in 2015. In 2015 Mississippi dropped its safety inspection requirement and in 2018 Utah removed its requirement. None of Missouri's neighbors currently require regular safety inspections.¹

Research on the Efficacy of Safety Inspection Requirements

Research on the efficacy of safety inspections for reducing motor vehicle accident rates and intensity is inconclusive. For instance, a study investigating traffic accidents in New Jersey before and after the repeal of safety inspection requirements found that there was no significant increase in the frequency or intensity of car accidents after the requirement was repealed.³ However, a study by Cambridge Systematics for the Pennsylvania Department of Transportation found that the Vehicle Safety Inspection program in Pennsylvania was effective.⁴ Based on their model, Pennsylvania experiences between 115 - 169 fewer fatal car crashes a year due to their vehicle safety inspection program.

The Government Accountability Office (GAO) investigated safety inspection efficacy, and because of factors that include differences in implementation and state traffic law enforcement between states, came to an inconclusive result in their 2015 report on safety inspections.¹ Safety inspection program officers interviewed by GAO cited difficulties in conducting oversight of safety inspection stations. Program officers also stated that it is not clear whether or how to inspect newer safety features such as tire pressure monitoring systems which are required by NHTSA. These issues may make safety inspections less effective than they otherwise would be.

The Fatality Analysis Reporting System (FARS) data is a federal database of fatal motor vehicle crashes. FARS data includes information about a vehicle's possible pre-existing defects that may have contributed to a crash. In 2019 about 2.1% of fatal crashes in the U.S. happened as a result of a possible pre-existing motor vehicle defect. NHTSA also collects complaints of vehicle safety issues from the public. A study in 2019 of the FARS data as well as vehicle safety complaints collected by NHTSA found that states with safety inspections have a smaller number of vehicle safety complaints. However, analysis of fatal crashes via the FARS data showed no evidence that safety inspections were related to a decrease in the rate of fatal crashes.⁵ Taken altogether, the research on the efficacy of safety inspections in reducing motor vehicle accidents and injuries is inconclusive, but inspections may be related to a decrease in the number of safety complaints received by NHTSA.

Motor Vehicle Sale: Inspection and Title Requirements

When selling a motor vehicle in Missouri, sellers are required to provide a safety inspection certificate less than 60 days old to the buyer.² Most states do not have this requirement during the sale of a motor vehicle. In Kansas, a vehicle inspection is required if the title was issued in another state; in Iowa, a damage disclosure is required; in Pennsylvania and Hawaii, they require that the current safety certificate is valid; and in many of the remaining states, there is no requirement regarding safety inspections.

According to [RsMO 301.200](#) a certificate of ownership (title), proof that a dealer has applied for a certificate of ownership, or proof that a prior lien has been satisfied by the dealer is required for all motor vehicles in a dealer's possession. However, during the sale of a motor vehicle, a dealer may deliver a motor vehicle to a purchaser without a certificate of ownership at the same time, as long as there is a written agreement to pass and assign the certificate of ownership to the purchaser within thirty days after delivery, inclusive of weekends and holidays. The Missouri Department of Revenue requires a surety bond for sale without a certificate of ownership of \$100,000 to cover any potential issues associated with the sale of a motor vehicle without a title, such as an undisclosed lien or cases where a duplicate title has been issued. If a certificate of ownership is not transferred to the purchaser within thirty days, the sale is voidable by the purchaser.

A title is a requirement for the registration of most vehicles in the U.S. Some states, including Illinois, Arkansas, and Oklahoma, require a title to be transferred to the purchaser within 20-30 days of transferring the vehicle. For Illinois and Oklahoma, part of the stated reason for the

delay is related to allowing time for financial institutions to perfect their lien. Other states, such as Kentucky, Iowa, and Kansas require a title to be transferred at the time of sale or delivery of the vehicle to the purchaser.

References

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