

**Testimony Before Ohio House Government Accountability and Oversight Committee  
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Chairman Blessing and members of the committee, thank you for giving me the opportunity to submit testimony on this important issue.

My name is Jesse Hathaway. I am a research fellow with the Center on Budgets and Taxes at [The Heartland Institute](http://www.heartlandinstitute.org), a 34-year-old national nonprofit research and education organization. Heartland's mission is to discover, develop, and promote free-market solutions to social and economic problems. The Heartland Institute is headquartered in Illinois and focuses on providing national, state, and local elected officials with reliable and timely research and analysis on important policy issues.

Road safety is an issue that affects everyone. Maintaining a safe environment on public roadways is essential for Ohio's economy and the well-being of the state's citizens. The rules governing motor vehicles do not exist in a vacuum; mandates ostensibly designed to promote safety can have wide-ranging effects.

One recent proposed rule that could cause significant problems aims to limit the sale "unsafe" tires. The rule would make the sale of an unsafe tire, as classified by the state, subject to a fine of no more than \$1,000 per violation. The sale would also constitute a violation of the Consumer Sales Practice Act. The rule defines an "unsafe tire" broadly, including worn-out tires with tread depths measuring 2/32nds of an inch or less; tires with damage on the body plies, steel belts, or inner liner; or tires with improper repairs.

Tire blowouts are just one of many reasons vehicles crash. According to the National Highway Traffic Safety Administration, tire blowouts are estimated to cause about 400 deaths and more than 78,000 crashes each year nationwide. While any death is tragic, there were more than 222 million drivers on U.S. roads in 2016, which means, statistically speaking, there is no epidemic of tire blowouts. Despite the relatively few tire-blowout-related crashes, there is currently an effort underway to address this issue by keeping used tires off Ohio's roads.

The current push is based on several false assumptions. First, it assumes used tires cause many tire blowouts. There are no statistics that show this to be true. No one is arguing that used tires are safe 100 percent of the time, there is a degree of risk involved, but this risk is nowhere near as dire as proponents of these restrictions claim. In fact, new tires aren't 100 percent safe, either. Further, many of the blowout accidents were undoubtedly caused by weather, road obstructions or objects on the road, or a simple lack of attention to tire maintenance.

Second, the effort to limit the sale of used tires assumes a large portion of used tires sold are unsafe. While some bad tires are undoubtedly sold to consumers, this is not the norm. No

business that sells poorly performing or unsafe merchandise to consumers will last long in the marketplace; their damaged reputation will cost them their business, or they will face the legal consequences of their malfeasance, if any exists.

The end result of the proposed restrictions on used tires will negatively affect hundreds of small businesses across the state, with no assurance that road safety will be improved. While the new regulations continue to allow the sale of used tires, they force tire retailers to detect flaws in used tires that can only be found using equipment that's too expensive for small tire shops. Further, numerous business owners are likely to find the proposed regulations difficult to follow. Even an honest proprietor could face a class-action lawsuit and/or a fine of up to \$1,000 for failing to identify hard-to-find flaws in used tires.

In addition to the problems created for small businesses, it's important to remember tires are expensive, so any proposal that increases the costs associated with tires would harm consumers, especially low-income consumers. The average cost of a new tire is \$80 to \$150, according to Cost Helper. Used tires are often the only option for lower-income families.

It's possible the proposal could lead to substantially more safety problems. By making purchasing a replacement tire more expensive, additional lower-income families who cannot afford purchasing a new tire might be forced to continue to drive on tires that are already unsafe, which means the proposed restrictions could end up hurting those who they are supposed to be protecting.

While framed as a safety issue, this proposal would only benefit tire manufacturers and some businesses who rely on selling new tires. This brand of crony capitalism is designed to help big businesses by severely limiting access to more affordable used tires. While some larger tire shops might be able to afford the time and equipment needed to fully inspect used tires, most mid-range and small shops will not. It is not a surprise then that many of the biggest supporters of these regulations are representatives of well-funded industries, especially those that would profit because of increased new-tire sales.

It is easy to overlook the wider effects of a regulatory change when public safety is involved, but upon close examination, it's clear the effort to limit the sale of used tires is a solution in search of a problem. The market and legal system already do a good job of handling the issue of unsafe tires. Attempting a quasi-ban of these products will only hurt consumers, small business owners, low-income families, and drivers – and all to the benefit of large tire manufacturers and retailers, whose fingerprints can be found all over this unnecessary effort.

Thank you for your time

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