IOWA | DOT

Driver & Vehicle Services Modernization

Why is Modernization Needed?

The Iowa Motor Vehicle Division's software, ARTS, needs replacement. ARTS collects $1.2 billion in annual transportation revenue, contains over 30 million driver and vehicle records, and has 15,800 active users who complete 1.5 million weekly transactions.

ARTS is responsible for the issuance, testing, record keeping, financials, and third-party access/input for the following functions:

- VEHICLE TITLING & REGISTRATION
- DRIVER'S LICENSE & ID CARDS
- PERSONS W/ DISABILITIES PRODUCT ISSUANCE
- LICENSE PLATE MANAGEMENT
- CAR DEALERSHIP LICENSING
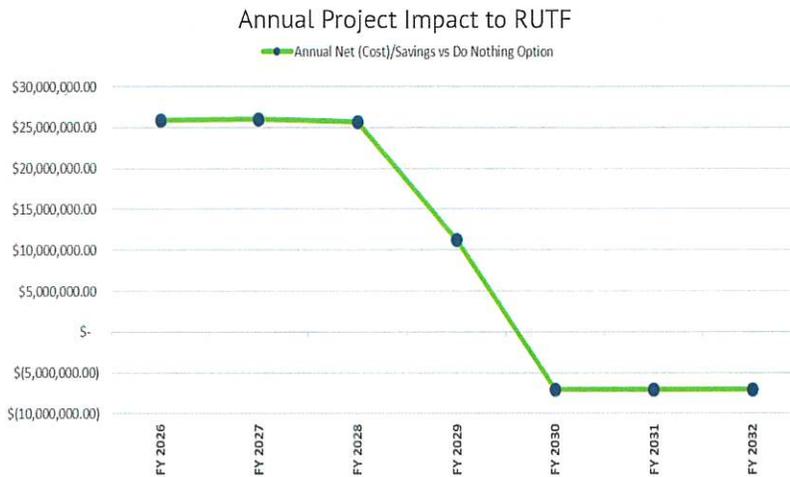- INTRASTATE MOTOR CARRIER AUTHORITY

Why Modernize?

	OUTDATED & COMPLEX	INEFFICIENT	UNABLE TO INNOVATE & IMPROVE SERVICE	FINANCIAL & ENFORCEMENT GAPS	UNMET STAKEHOLDER NEEDS
ISSUE	At 20 years old, ARTS is a collection of many separate products. It is self-supported, on-premise, and custom-coded, contrary to modern enterprise cloud-based best practices.	The DOT and all 99 county treasurers must supplement ARTS with multiple disparate systems to provide functionality that ARTS cannot accommodate.	ARTS lacks support for modern, online, integrated services and relies heavily on paper-centric operations, increasing wait times and security risks.	ARTS has limited tools for generating reports and reconciling financials, and cannot leverage modern technology to maximize revenue collection and enforcement.	ARTS cannot accommodate increasing demand from stakeholders who rely on the system, including auto dealers, banks, insurance companies, and law enforcement.
EXAMPLE	A $1 overcharge on blackout plates took five years to fix, requiring county staff to manually correct each affected vehicle registration renewal.	Numerous online scheduling systems are used around the state. A customer who finds closer availability at a county location can't modify or cancel an appointment they already made at a state location.	The customized web-portal is unable to allow teen drivers to upgrade their learner's permit to a school/work license without visiting the DMV, an efficiency that can be leveraged without any legislative change.	Attempting to run any county financial report for more than one week at a time crashes the system. Commercial vehicle enforcement must call DOT staff to verify a truck's intrastate authority, as the system doesn't integrate with roadside lookup tools.	Iowa law allows cities to pause vehicle registrations for unpaid parking tickets, but a growing number of cities are on a waitlist due to the system's lack of capacity to accommodate new requests.

Costs & Benefits

MVD's system modernization is estimated to cost approximately $60 million for implementation costs over a three-year period, with ongoing costs of approximately $5.5 million annually. The costs required to replace this system will be recouped via long-term revenue collection improvements, operational efficiencies, and technical cost-savings totaling over $12.5 million per year.

Annual Project Impact to RUTF

— Annual Net (Cost)/Savings vs Do Nothing Option

- **Annual Net Cost Savings vs. Do-Nothing option reached FY29-FY30 upon go-live of new system.**
- **RUTF fully paid back six years after implementation.**

FINANCIAL SIGNIFICANCE

$45.2M — Annual federal highway funding contingent on the system's compliance with CDL mandates.

$1.2B — Amount of state transportation revenue collected annually by the system.

$40M — Annual licensing and vehicle fees collected by the system that directly support local county treasurer operations

Iowa faces potential revenue loss due to the current system's inability to identify fraud and the under-reporting of vehicle purchase prices, reducing the amount of the "fee for new registration" collected.

ANNUAL COST SAVINGS

Improved registration fee collection	**$6M/year**
Reduction of IT staff costs	**$2M/year**
Consolidation of software	**$2M/year**
Increased online services	**$1.3M/year**
CDL skills test fee and employer/insurance reporting	**$235k/year**
County treasurer software savings	**$1M/year**
= $12.5M ANNUAL SAVINGS	

Stakeholders' Benefits

Over 15,800 active users access the system to complete critical daily business using a variety of desktop applications and web-based portals. Users will experience benefits from the new system, including:

STAKEHOLDER	BENEFITS OF A MODERN SYSTEM
Iowans	Expanded online DMV services, electronic notifications, reduced wait times, and less red tape during transactions
Legislature	Flexibility to quickly adopt legislative changes to driver's license and vehicle title/registration services
County treasurers	Accurate reporting, less manual processing, and consolidation of multiple software that support driver/vehicle services
Auto Dealers	An expanded and improved electronic registration and titling (ERT) system that can adapt to evolving industry needs
Law enforcement	Faster, integrated roadside lookup tools
Banks, financial institutions, and insurance industry	Better options for adding and releasing vehicle leans, reduced title fraud, and integrated submission/retrieval of high-risk driver insurance information
Iowa state government	Real-time data sharing state services, including: verification of benefits (Dept. of Health and Human Services), revenue collection (Dept. of Revenue), and voter registration application/verification (Secretary of State)

Timeline

2026	2027	2029
Project kickoff	**Driver's license system launch**	**Vehicle title/registration system launch**