



Motor Vehicle System Replacement

Department of Revenue

Overview

Governor Noem's recommended budget includes \$25,000,000 in one-time funding to replace the state's motor vehicle registration and titling system at the Department of Revenue.

The Department of Revenue's Motor Vehicle Division (MVD) is responsible for the collection of Motor Vehicle Excise taxes and fees which fund highways and bridges across South Dakota. The MVD partners with counties and vehicle dealers to license and register approximately 1.6 million vehicles in South Dakota.

The current titling and registration system, SDCARS, is nearly 15 years old and relies heavily on outdated and brittle technology. Both MVD staff and county treasurers rely on SDCARS daily to perform dozens of mandated duties that are essential to South Dakotans. The SDCARS system is unable to keep up with new innovations in response to legislative changes and industry best practices. Simply put, SDCARS has reached the end of its useful life and must be replaced.

Project Description

The new motor vehicle system replacement will improve the technical functionality, infrastructure, and data security necessary to protect sensitive motor vehicle information. The new system will also provide stronger financial controls, reconciliation, and distribution of over \$300 million in annual motor vehicle fees. Finally, the new system will provide modern solutions for citizens, such as electronic titling and integration into South Dakota's Citizen Portal.

Funding

The Department of Revenue conducted a modernization study and collected data from potential vendors, as well as other states that have recently replaced aging systems. Based on this study, the department estimates the total one-time cost of the motor vehicle system replacement will be \$25 million.