Arkansas Office of Motor Vehicles eases registration renewals with online data access

“Before our implementation of STAR, the automobile owner needed four separate forms to renew a registration. Now they don’t need any”
-- Fred Porter, Administrator, Office of Motor Vehicles

At a glance

The Challenge
To streamline the automobile registration renewal process by linking insurance, county property tax assessment and payment records online

The Solution
Outsourcing the implementation and operation of Internet and telephone renewal systems for automobile owners

The Benefit
Faster renewals with virtually no errors or payment problems, resulting in enthusiastic support from both automobile owners and government officials

Background:

In the state of Arkansas, renewal of an automobile registration includes providing proof of insurance and proof that county property tax has been paid. Historically, the Arkansas Office of Motor Vehicles (OMV) had no way of gathering this information from a single place. With 75 counties collecting taxes and more than 1.5 million vehicles registered, the renewal process was complex and paper-intensive. Consumers had to either renew by mail or go to an OMV facility and wait in line to have the necessary forms reviewed and to pay the registration renewal fee.

There were several problems inherent in this system:

• It was time-intensive and inefficient for both the OMV and automobile owners.
• If paperwork was found to be incomplete or incorrect, those automobile owners who came into the OMV facility had to return with the correct paperwork. Those using the renewal-by-mail process had their incomplete or incorrect forms returned by mail. Both situations
complicated the renewal process.
• Payment by personal check resulted in some checks being returned for insufficient funds, requiring follow-up collection procedures.

Clearly change was needed, and streamlining the renewal process was mandated by the Arkansas state legislature in 1997, explains Fred Porter, Administrator of the OMV. “We began the process in March of that year,” he says. “The new system had to be in place on January 1, 1999.”

The OMV had to find a technology partner to help develop the new system and to assist with the conversion. “We used the competitive bid process,” says Porter. “We sent out an RFP and received bids from six vendors. After the five-member technical committee reviewed the bids, IBM Global Services was awarded the contract based on price, the leading edge technical solution, and service and support expertise.”

Once selected, IBM began working with the OMV and developed what became known as STAR (STreamline Auto Renewal program), through which automobile owners could renew their registration online or by telephone. Vehicle data traditionally has been stored on the OMV’s mainframe, and that hasn’t changed. With STAR, IBM’s Netfinity® and RS/6000® servers, and IBM’s MQ Series® messaging software now handle all of the front-end data entry received from automobile owners and continually update the OMV’s mainframe.

**Implementing STAR**

STAR was implemented in three phases:

Phase I was the insurance verification process. Every insurance company licensed to sell automobile liability insurance in Arkansas is now required to send monthly updates to the OMV’s insurance database. These updates include identification information for each vehicle covered and whether coverage is current and paid for. This information is stored and can be matched against other data related to the vehicle.

Phase II was the verification of personal property tax information for each automobile in the state. There are 75 counties in Arkansas, and each has an assessor and a collector system. When an automobile is assessed or the tax is paid, that data is put into the messaging system, and the OMV mainframe is updated. Before STAR was implemented
there was no communication between the state network and the county systems. Now property assessment and tax information can be matched against other data stored in the OMV’s mainframe.

Implementing both of those phases posed significant challenges, says Porter, because prior to the STAR implementation there were no insurance or personal property tax databases. “In fact,” he says, “some county assessors and county tax collectors didn’t even have automated assessment or collection systems. Legislation was passed to require development of insurance and personal property tax databases, provide the funding to build them, build the county infrastructure and connect all counties to the property tax database. We had roughly 18 months to accomplish what the technology experts were telling us was a four-year project.” This infrastructure deployment included the installation of a Netfinity server in every county to collect the data from the assessors’ and collectors’ offices. MQ Series software manages the flow of information.

Phase III was the enablement of Internet and telephone renewals, which went live, on time, on January 1, 1999. Here’s how it works:

An automobile owner receives the annual renewal notice in the mail, which includes:

• Status of the vehicle’s county assessment
• Status of the county personal property tax payment
• Status of the vehicle’s liability insurance

If any of these is shown as “NO,” the notice gives the owner instructions on how to correct it. Once the owner has “YES” for all three the renewal can be completed by phone or the Internet.

The owner then logs onto the STAR Web site or calls the toll-free number, is connected to the IBM server and is prompted to enter the Renewal Identification Number and the Verification Code from the renewal notice. The system verifies that all the renewal requirements have been met. If so, it sends pertinent data from the record back to the IBM server. If not, it sends back an error message with instructions on what the owner must do.

When all the renewal conditions are met, the IBM server prompts the owner to continue the renewal process. The owner is given the option to enter any address changes and to enter the vehicle’s odometer reading. The IBM server then returns a vehicle summary, the amount
owed and displays the renewal payment options. STAR offers payment by using one of the four major credit cards or by electronic check (Web-based renewals only).

After the close of business (11:50 p.m.), end-of-day messages are generated by the IBM server and transmitted to the OMV’s mainframe. These messages contain a summary listing of all vehicles that were renewed the previous day. The mainframe system prepares the renewal certificates which are delivered to the OMV’s office at 8:00 a.m. the next day. A new decal is attached to each certificate, and the renewed registrations go out in that day’s mail. In most cases, the owner receives a new decal and registration certificate within 48 hours of renewing.

State funds from the operating budget were used to develop and support STAR, says Porter. “On-going funding comes from a fee charged for all registrations and renewals,” he explains. The impetus for creating STAR,” he adds, “was to save our citizens time and effort, and to that end it has been a 100-percent success. In the long run, as it lightens the workload within our field offices it will give us the ability to adjust staffing to meet the reduced demand for in-person service.”

**STAR shines brightly**

The use of STAR has grown steadily since its introduction. In 2001, 155,225 registrations were processed either online or by telephone, representing just over $4 million in sales revenue. When automobile owners who used STAR were surveyed about their experience, more than 98% said that STAR was more convenient than mail or in-person renewal. They would not only use it again, but also would recommend it to their friends. Porter understands their approval. “Before STAR, automobile owners needed four pieces of paper to renew a registration. Now they don’t need any.”

The OMV has not purchased any media advertising, but STAR is promoted on both the state’s and the OMV’s home pages. “STAR has received a great deal of public-interest news coverage, in print and on radio and television,” says Porter, “and we promote it heavily within our own mailings.

“The response has been very positive,” Porter adds. “The program is considered a major success in the legislature, and the Governor, who supported it throughout, is extremely pleased. STAR does everything we wanted it to do, and more.”
Lessons learned

What would Porter recommend to his counterparts in other states considering a similar program? “To have a successful product, they should approach its design from the perspective of the end user, the taxpayer,” he says. “Simple things, like using only numerics for the codes the customer uses to access the renewal record, make a big difference. When people are asked to enter letters on a telephone touch pad, the error rate, their frustration and the dropout rate all increase significantly. That is not the result you or your customers are looking for. Nothing is more appropriate than the old KISS (Keep It Simple, Stupid) theory when designing interactive technology to be used by the general public.”