The NCVTS Success Story

How Farragut Helped Deliver the Most Successful Statewide System in NC's History

The Problem

By the early 2000's, NC local governments had seen a steady decline in voluntary compliance with motor vehicle renewal & registration fees. NC local government agencies recognized they had a problem on their hands.

The evidence was certainly there: 30%-40% of citizens paid their registration and taxes late, inefficiencies and duplication in the billing and collections process was costing the state and counties precious time and money, and inconsistency in valuation and local data led to frequent discrepancies.

Acknowledging that there were issues with the existing collection methods, they began searching for a creative solution; one that would bring in more revenue and increase efficiency for both the citizens and the local government offices around the state.

Change In Legislation

In 2005, a plan to improve the citizen's experience, eliminate the need for delinquent motor vehicle collections, and share costs across local government agencies was presented and unanimously passed in House Bill 1779.

The primary goal of this new legislation was to create a combined notice – later referred to as "The Tag & Tax Together" project - that would allow motor vehicle property taxes and vehicle registration renewals to be collected simultaneously. This would save NC taxpayers the expense of duplicate mailings while improving compliance and increasing collection rates.

> "The North Carolina Tag and Tax system has been a great success and saved taxpayer money, increased compliance and increased revenues. The project was very complicated and took a great effort by three State Agencies, 100 counties and a software vendor to successful implement the system. Farragut was the vendor chosen to write, implement, and maintain the Vehicle Tax System."
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> **David Baker, MPA , PPS**
> **Director, Local Government Division**
> **North Carolina Department of Revenue**

Implementing New Legislation

The next hurdle NC faced was implementing the new legislation. Several delays slowed the project from moving forward: the original design called for building the system into the state titling and registration system.

Years were spent on joint application and design sessions, but the DMV system was old and there were concerns with the effectiveness of this approach.

In 2010, a memorandum from the NCDOR stated, "The NCDOT, NCDMV, representatives from counties and our office have been working tirelessly since October 2008 to develop the computer program necessary to implement HB 1779… but just recently NCDMV raised some concerns about the timeline of the project and issues around the computer system being able to handle the new property tax system."

After several meetings between state agencies and local government representatives to discuss and address these concerns, the conclusion reached in this memorandum was "that inserting the tax functions into the existing vehicle registration computer system was more precarious than expected, putting the entire system at risk…Failure of the new system to function would jeopardize the registration and property tax collection for 30,000 vehicles a day."

NCDOT began looking for an alternative to building the system in-house and decided to hire an independent consultant to evaluate and recommend the optimum architecture and design needed to carry out the legislative mandate.

Soon after, it became evident that a new motor vehicle system would be necessary for this mission and a two-year delay in implementation was anticipated to assess the need and build the optimal solution.

The Solution

The next challenge was to find a vendor who could achieve the monumental task of developing their optimal software application - a system to fit the needs of 100 county offices.

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NC was looking for an innovative organization that could migrate data sent from each county's legacy vehicle tax system, work quickly, and stay within their budget.

In 2012, the NC Department of Transportation (NCDOT) selected Farragut Systems, Inc. to create their ideal solution, now known as the NC Vehicle Tax System (NCVTS). NCVTS is a statewide web-based application that interacts with the DMV state titling and registration system, in real time.

Farragut's 20-year history of providing local government software had well-prepared them to tackle the problem at hand – as the new application was designed based off of their existing property tax system (NCPTS).

NCPTS, a collaborative software system designed to support the internal processes of individual county offices, foster uniformity and promote best practices, was at that time already in use by ten NC counties.

After a tight turnaround, training for the new, user-friendly vehicle tax system officially kicked off across the state in early February, 2013, with the goal of effectively readying all county offices for the go-live date of July 1, 2013, the start of the new fiscal year.
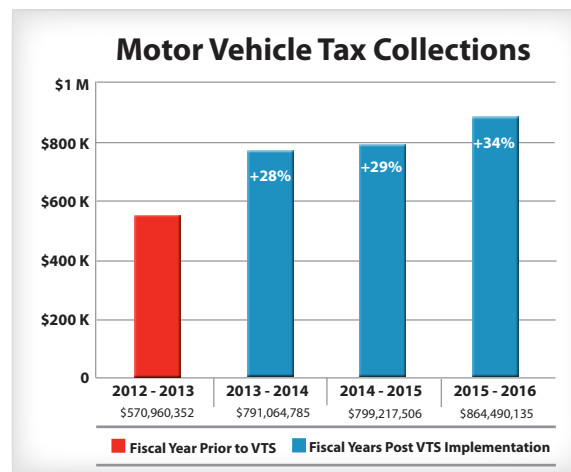
NCVTS is now in use by all 100 NC counties. Offered via internet connection, users of this software gain the

simplicity of effectively working from anywhere that offers a secure connection and a standard process that cuts through county lines. Furthermore, with accessibility to NCVTS as a cloud-based service, county offices are able to save on hardware and IT support costs.

Program Results

Since its implementation, NCVTS has aided the state in collecting millions more in motor vehicle tax revenue than ever before, accumulating over $200 million more than the prior year in the first fiscal year after go-live.

Under the previous method of RMV collections, counties collected approximately 85% of all motor vehicles billed. With the new program in place, NC is now looking at a 99.1% motor vehicle collection rate.

Efficiency gains, brought by the new software technology available with NCVTS, are also clearly visible in county offices. Whereas it once took counties a week to process and calculate the monthly RMV file for billing, today it takes just one afternoon.

The Tag & Tax Together project, and the computer system that made it all possible, represent a historic collaboration between state agencies, a software vendor, and representatives from county tax offices around the state.

NC local government agencies achieved success by using advances in modern technology to do more with an existing tax structure, essentially maximizing revenues through an improved process without raising the tax rates of citizens.

With the help of Farragut as a technology partner, NC was able to produce an affordable and successful statewide system that fits their needs, increases state revenue, and is capable of adapting with changes in laws and technology for years to come.

Motor Vehicle Tax Collections

	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016
	$570,960,352	$791,064,785	$799,217,506	$864,490,135
		+28%	+29%	+34%

■ Fiscal Year Prior to VTS   ■ Fiscal Years Post VTS Implementation