

Department of Natural Resources: Electronic Licensing System

Special Examination
Released April 8, 2026

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Special Examination

- Initiated outside the regular cycle due to circumstances requiring heightened oversight:
 - Legislative or policymaker request
 - Complaints
 - Issues or concerns identified
- Goes beyond OLA's typical control and compliance audits
- Real-time audit

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Electronic Licensing System (ELS) Modernization Project

- Project to modernize and replace DNR's longstanding ELS
- Implement digital licenses and mobile app
- Originally planned to launch March 2025
- Launch delayed *indefinitely*

Objectives:

- Identify the factors contributing to the delays in the system's launch
- Identify ongoing concerns that could impact the project's overall success.

Electronic Licensing System Background

- DNR's system to:
 - Sell hunting and fishing licenses
 - Manage hunting lotteries
 - Sell ski passes, trail passes, and various permits
 - Title and register watercraft and other recreational vehicles
- More than \$90 million annually in license sales through more than 2.3 million license transactions
- Current ELS has been in place for more than 25 years

Electronic Licensing System Vendor

- DNR and MNIT Contracted with Sovereign Sportsman Solutions (S3) in April 2023
- PayIt acquired S3 in May 2023
- Implementing PayIt’s Outdoors Core platform
- PayIt also has a government payments platform

Project Financials

- \$300,000 for custom enforcement application
- Transaction fees once live
 - \$0.75 per hunting and fishing license transaction
 - \$1.24 per title and registration transaction
- Major project expense is DNR and MNIT staff time
 - Approximately \$4.2 million in expenditures through the end of FY2025
 - Current spend rate is approximately \$93,000 per month
- Overall contract obligation not to exceed \$16.4 million

OLA Conclusions

- Significant concerns regarding the project and its upcoming spring 2026 launch
- 7 ongoing concerns that may jeopardize the overall project and continue to cause system launch delays

Concern 1: Critical success criteria not met (p. 12)

- Key indicators of readiness
- As of February 27, 2026, 6 of 11 had not been met
- DNR and MNIT have noted improvement in the last month

Recommendation: Prior to beginning launch preparation activities for the Electronic Licensing System, DNR and MNIT should ensure that all project critical success criteria are met.

Concern 3: Service level agreement with vendor not finalized (p. 15)

- Define performance expectations and remedies
- Best practice and MNIT requirement
- Contract clause: “...any failure to mutually agree to a service level agreement shall not result in a delay in the ELS go-live or give rise to any right of termination under this contract.”

Recommendation: DNR and MNIT should finalize a detailed service level agreement with the Electronic Licensing System vendor prior to launching the system.

Concern 4: Phased implementation does not align with statutes (p. 16)

- 2024 statutory changes related to the new ELS
- Effective upon full implementation of the new ELS
- Phased implementation makes it unclear when statutory changes are effective

Recommendations:

- DNR should determine which statutory changes are necessary for each Electronic Licensing System project phase.
- DNR should work with the Legislature to ensure that statutory changes are effective based on the phased rollout of the Electronic Licensing System.

Concern 7: Ongoing need for legacy systems (p. 20)

- Initial launch will not replace existing systems
- Risk of future support and migration issues
- Risk of process complexities

Recommendations:

- DNR and MNIT should consider ways in which known risks with legacy systems can be mitigated prior to their replacement.
- DNR and MNIT should identify opportunities to reduce operation complexities and prioritize project tasks that simplify ongoing operations and reduce legacy systems risk.

Conclusion

- Major functional gaps
- Missed deadlines
- Incomplete testing
- Unclear statutory changes
- Unfinalized service-level agreement
- Unrealized legacy system replacement

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