

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: KELLY BROWN, CTIO CHIEF TOLL OPERATIONS OFFICER
SUBJECT: CTIO REVENUE ADMINISTRATION POLICY AND GUIDELINES
DATE: MARCH 15, 2023

Purpose

Staff is presenting a new CTIO Revenue Administration Policy and related policy implementation guidelines. The Revenue Administration Policy is provided as Attachment A, and the Revenue Administration Policy Guidelines are provided as Attachment B.

Background

CTIO's Revenue Administration Policy ("Policy") is intended to provide a framework for CTIO's settlement, collection, and handling of revenue generated from CTIO's operation of its Express Lane System and other assets. The Policy aims to provide the following:

- **Equity:** Implementing consistent policies among both CTIO and its Contractors limits controversy and helps the public's acceptance of fees, fines, penalties, and other charges levied by CTIO for the privilege of using its assets;
- **Communication:** Educating the traveling public on CTIO settlement, collection, and revenue handling policies creates transparency and trust between the public and CTIO; and
- **Internal Administration:** This Policy seeks to provide general guidance for CTIO staff, vendors, and contractors who may be involved in the settlement, collection, and handling of revenue generated from CTIO assets. This Policy seeks to simplify and provide consistency in the administration and operation of revenue-generating activities by CTIO.

Action

Staff requests that the Board review, discuss and approve the CTIO Revenue Administration Policy and related guidelines.

Next Steps

The Revenue Administration Policy and Guidelines will be incorporated into the Safety Enforcement Program back office system's business rules. This back office system is under development by Blissway per Resolution #398, adopted at the October 19, 2022, board meeting. As per the new CTIO Revenue Administration Policy, CTIO Director, Nick Farber, will approve the business rules as they become finalized.

Attachments

Attachment A: Revenue Administration Policy

Attachment B: Revenue Administration Policy Guidelines

¹ The High-Performance Transportation Enterprise (HPTE) is now doing business as the Colorado Transportation Investment Office (CTIO). CTIO is how the enterprise refers to itself now and in the future. However, the HPTE name is retained for legislative and legal documents.



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ATTACHMENT A
CTIO Revenue Administration Policy



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Revenue
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Policy

[March 2023]

1. **Overview:** This policy shall apply to the settlement, collection, and handling of all fees, fines, penalties, charges, and other revenue (“Revenue”) levied and/or received by the Colorado High-Performance Transportation Enterprise, doing business as, the Colorado Transportation Investment Office (CTIO) in the ordinary course of business. CTIO is a government-owned business statutorily mandated to aggressively pursue innovative and efficient means of completing surface transportation infrastructure projects, and levy fees, charges, and penalties in accordance with the provisions of Sections 43-4-806 and 43-4-808, Colorado Revised Statutes, as amended.
- 1.1. **Purpose:** CTIO’s Revenue Administration Policy (“Policy”) is intended to provide a framework for CTIO’s settlement, collection, and handling of revenue generated from CTIO’s operation of its Express Lane System and other assets. The Policy aims to provide:
 - 1.1.1. **Equity:** Implementing consistent policies among both CTIO and its Contractors limits controversy and helps the public’s acceptance of fees, fines, penalties, and other charges levied by CTIO for the privilege of using its assets;
 - 1.1.2. **Communication:** Educating the traveling public on CTIO settlement, collection, and revenue handling policies creates transparency and trust between the public and CTIO; and
 - 1.1.3. **Internal Administration:** This Policy seeks to provide general guidance for CTIO staff, vendors, and contractors who may be involved in the settlement, collection, and handling of revenue generated from CTIO assets. This Policy seeks to simplify and provide consistency in the administration and operation of revenue-generating activities by CTIO.
2. **Authority:** CTIO staff is hereby instructed to generate and create specific guidelines, consistent with this Policy, to be approved by the CTIO Director and utilized by CTIO Staff and all vendors and contractors performing settlement, collection, and revenue handling services on behalf of CTIO. The Board recognized CTIO projects and operations are complex and may present unique challenges. If it is necessary to deviate from the guidelines approved by the CTIO Director as contemplated herein, CTIO staff will document the reason for deviation, and seek approval of the CTIO Director, and the practice will be incorporated into the guidelines, if necessary.

3. **Payment Plans:** The Board hereby determines it is in the best interest of State and shall be the policy of CTIO to allow users of CTIO assets to pay large fees, fines, penalties, and other charges owed to CTIO in full through a series of smaller payments. The Board believes these payment plans will allow CTIO to collect a higher percentage of revenue and defray potential collection fees resulting from unpaid revenue collection activities. The Board instructs CTIO staff to generate guidelines for payment plans offered by CTIO that provide instructions for applicability, acceptable terms and conditions, length, and all other related topics deemed necessary by the CTIO Director. Once approved by the CTIO Director, the guidelines shall be shared with all staff and used by all third-party vendors and contractors performing revenue settlement, collection, and/or handling activities on behalf of CTIO.

4. **Debt Settlement:** The Board hereby determines to ensure third-party vendor compliance with the Colorado Fair Debt Collection Practices Act (C.R.S. § 5-16-101 *et seq.*) and ensure consistent treatment of users of CTIO assets, it shall be the policy of CTIO to allow third party vendors and contractors charged with the collection of CTIO revenues to settle user debts (excluding applicable service fees). The Board has determined debt settlement shall only apply after an outstanding debt has been sent to collections and shall only be available in exchange for a lump sum payment by the debtor. The Board instructs CTIO staff to generate guidelines for debt settlement offered by CTIO during the collections process, which provides instructions for applicability, acceptable discount rates, and all other related topics deemed necessary by the CTIO Director. Once approved by the CTIO Director, the guidelines shall be shared with all staff and used by all third-party vendors and contractors performing collection activities on behalf of CTIO.

5. **Revenue Handling:** The Board hereby determines to ensure the secure handling and transmission of revenue due to CTIO, and minimize the staffing costs associated with such activities, it shall be the policy of CTIO to utilize third parties, cash payment networks, and collection firms to collect revenue due to CTIO. The Board instructs CTIO staff to generate guidelines and a standard operating procedure for any revenue-handling activities performed by third-party vendors or contractors on behalf of CTIO, and any all other related topics deemed necessary by the CTIO Director. Once approved by the CTIO Director, these guidelines and standard operating procedure shall be used by all third-party vendors and contractors performing revenue-handling activities on behalf of CTIO.



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ATTACHMENT B

CTIO Revenue Administration Policy Guidelines



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**Revenue Administration
Policy Guidelines**

[March 2023]

CTIO Safety Enforcement Program		Payment Plan Guidelines
Approved by:	Rev. 1	Effective Date:

Purpose:

The Payment Plan will establish a formal agreement between CTIO and Registered Vehicle Owners (ROVs) to pay their Civil Penalty Notices (Notices) and any associated fees in full in a series of smaller payments. The plan will allow CTIO to collect on multiple Notices incurred by one ROV.

Overview:

The ROV must sign CTIO’s formal agreement and accept the stated terms and conditions of the agreement. CTIO will pause the civil penalty escalation process until the Notice is paid in full. If the ROV misses a payment plan payment, the pause on the civil penalty escalation is removed and the escalation process resumes. The payment plan shall not exceed twelve (12) months (refer to Table 1). These guidelines shall be reviewed and updated annually to remain current.

Guidelines:

The Registered Vehicle Owner shall:

1. Sign and submit the agreement for payment of all civil penalties on the Notice(s) and any associated fees applied prior to the payment plan execution.
2. Pay the initial payment as stated on the payment plan to pause the escalation process.
3. Pay the balance through defined scheduled periodic installments. Not to exceed (12) twelve months (refer to Table 1), unless otherwise approved by CTIO.
4. Submit the periodic installments promptly to have the payment posted on or before the due date (30 days) to prevent the default of the payment plan.
5. Pay any user fees associated with making payments.
6. Pay any banking, credit, or debit fees associated with returned payments.
7. Notify CTIO of any changes (bankruptcies or ROV death) preventing the ROV from participating in the agreed payment plan.
8. Provide CTIO with a change of address if the ROV relocates during the payment plan term.

CTIO or a Representative of CTIO shall:

1. Manage the Payment Plan program.
2. Allow the ROV to enter into a payment plan at any stage of the Notice workflow.
3. Establish the payment plan approval hierarchy and process.
4. Select the applicable periodic payment plan:

Table 1 Payment Plan Terms

DEBT OWED	INITIAL PAYMENT	PERIODIC PAYMENTS SCHEDULE
\$75 (ROV contact within 20 days of the Notice date)	\$50	1 (\$25)
\$75.01 up to \$200	\$50	2 (up to \$75 for each payment)
\$200.01 up to \$350	\$75	3 (up to \$91.67 for each payment)
\$350.01 up to \$500	\$75	4 (up to \$106.25 for each payment)
\$500.01 up to \$750	\$75	5 (up to \$135 for each payment)
\$750.01 up to \$1,000	\$100	6 (up to \$150 for each payment)
\$1,000.01 up to \$1,250	\$100	7 (up to \$164.30 for each payment)
\$1,250.01 up to \$1,500	\$100	8 (up to \$175 for each payment)
\$1,500.01 up to \$1,750	\$100	9 (up to \$183.33 for each payment)
\$1,750.01 up to \$2,000	\$125	10 (up to \$187.50 for each payment)
\$2,000.01 up to \$2,250	\$125	11 (up to \$193.18 for each payment)
Greater than \$2,250.01	\$125	12 (total debt minus \$125 divided by 12)

5. Execute the payment plan and provide a copy of the agreement to the ROV in a timely manner.
6. Pause the Notice escalation process to prevent additional fees, including sending the ROV to a collection agency and/or placing a Vehicle Registration Hold through the Department of Motor Vehicles.
7. Apply the early discount to the Notices in the plan, if the ROV requests a payment plan within the early-pay discount period.
8. Send monthly reminder Notices prior the due date of every payment.
9. Provide a communication platform for the ROV to contact the CTIO representative.
10. Provide payment channels for the ROV to make payments at the call center (self-service and via an agent), online via a web portal, and third parties (retail and apps).
11. Accept multiple payment types: ACH, cash, credit, and debit cards, checks and money orders.
12. Offer an automatic reoccurring payment method.
13. Provide a 15-day grace period after the installment due dates before placing the Notice(s) in default.
14. Notify the ROV of potential Notice to default on day one of the grace periods.
15. Place the Notice in default and resume the civil penalty escalation process.
16. Notify the ROV of default.

CTIO Safety Enforcement Program	Debt Settlement Agreement Guidelines	
Approved by:	Rev. 1	Effective Date:

Purpose:

The Debt Settlement Agreement will establish an agreement between the ROV and CTIO for a one-time payment toward outstanding civil penalty Notice(s) and associated fees in return for forgiveness of the remaining debt. The plan will allow CTIO to negotiate collection for multiple violations incurred by one registered vehicle owner in a lumpsum (refer to Table 2). Debt settlement agreements are subject to approval by the Office of the State Controller. Debt settlement can only occur during the collection agency stage of the Notice workflow. Debt settlement is allowed only once for a specific ROV.

Overview:

The registered vehicle owner must sign CTIO’s formal agreement accepting the stated terms and pay the agreed amount as stated in the agreement. After receipt of the lumpsum payment, CTIO will process payment and waive the remaining balances. The early-pay discount does not apply to the debt settlement plan. These guidelines shall be reviewed and updated annually to remain current.

Guidelines:

The Registered Vehicle Owner shall:

1. Sign and submit the debt settlement agreement.
2. Pay the agreed lumpsum payment on or before the agreed due date.
3. Pay any user fees associated with making payments.
4. Pay any banking, credit, or debit fees associated with returned payments.
5. Debt settlement is allowed only once for a specific ROV.

CTIO or a Representative of CTIO shall:

1. Manage the Debt Settlement Agreement program.
2. Allow the ROV to enter into a debt settlement agreement at the collection agency stage of the Notice workflow.
3. Establish the debt settlement agreement approval hierarchy and process.
4. Select the applicable debt settlement plan:

Table 2 Debt Settlement Agreement Terms

DEBT OWED	ESCALATION PHASE	SETTLEMENT AGREEMENT
\$200 up to \$2,250	Notice(s) have been sent to Collection Agency	Pay 50% of Notice(s) Amount Due + 100% of Fees + 100% of collection costs
Greater than \$2,250.01	Notice(s) have been sent to Collection Agency	Pay 50% of Notice(s) Amount Due + 100% of collection costs + 0% to 100 % of fees waived at the discretion of the Office of the State Controller.

5. Execute the debt settlement agreement and provide a copy of the agreement to the ROV in a timely manner.
6. Pause the Notice escalation process to prevent placing a Vehicle Registration Hold through the Department of Motor Vehicles.
7. Upon receipt of payment, waive remaining Notice(s) balance, post payment and send payment receipt to ROV.
8. Provide a communication platform for the ROV to contact the CTIO representative.
9. Provide payment channels for the ROV to make payments at the call center (self-service and via an agent), online via a web portal, and third parties (retail and apps).
10. Accept multiple payment types: ACH, cash, credit, and debit cards, checks and money orders.
11. Flag ROV in the CTIO back office system to indicate that ROV has used their 1X use of the Debt Settlement Agreement option.

Appendix A -- Definitions

Term	Definition
Adjustments	Financial exception processing including Account and transaction adjustments, refunds, payment reversals, and Account credits.
Automated Clearing House (ACH)	A network that coordinates electronic payments and automated money transfers. ACH is a way to move money between banks without using paper checks, wire transfers, payment card networks, or cash.
Collection Agency	Third party entity that has been engaged by CTIO to collect outstanding Safety Enforcement Civil Penalty Notices amount due and other amounts (such as fees) on behalf of CTIO.
Debt Settlement Agreement	Refers to debt reduction based on a lump sum payment debt settlement agreement administered by an approved CTIO process and approved by the Office of the State Controller.
Dismissal	Refers to waiving Violations and/or fees based upon established CTIO SOPs.
Dispute	Refers to ROV contesting Notices based on a defined set of Dispute Reasons and CTIO SOPs, and any related fees.
Notice	Refers to Notice of Civil Penalty Assessment Summary that contains one or multiple Civil Penalty(ies).
Payment Plan	A formal agreement between CTIO and Registered Vehicle Owners (ROVs) which allows an ROV to pay their Civil Penalty Notices (Notices) and any associated fees in full in a series of smaller payments.
Registered Vehicle Owner (ROV)	The Individual or Business to which a vehicle is registered, as provided by a Department of Motor Vehicles.
Responsible Party	Defined as the registered owner of the vehicle with any state.
ROV Account	An Account created by CTIO on behalf of the Registered Vehicle Owner where Civil Penalty Notices, Fees and Payments are tracked, managed, and aggregated. An ROV Account may be created on behalf of an Individual or Business Registered ROV, Rental Car Service Provider, or Intermediary Service Provider.

Term	Definition
Safety Enforcement Program (SEP)	Refers to the program established by CTIO improve travelers' safety on the CTIO Express Lanes Network.
Safety Enforcement System (SES)	Account management and financial accounting system including all business interfaces to post safety violations and fee transactions, process payments, invoice customers, and maintain Customer/ROV Accounts. The SES also interfaces with specialized third-party aggregators such as mobile applications, fleet, or commercial drivers. The SES operates as a subsidiary ledger in the general ledger and interfaces all External Interfaces.
Safety Enforcement System (SES) Business Rules	Procedural definitions and conditions that enforce CTIO policies and operational decisions related to the SEP System. Business rules are intended to assert business structure or to control or influence the behavior of the business.
Safety Violations	<p>Refers to driving behavior for which a safety violation Notice of Civil Penalty (Notice) can be issued and can be classified into four different categories including:</p> <ul style="list-style-type: none"> (1) Oversize vehicle violations (i.e., vehicles over 25 ft or over 2 axles) using the I-70 Mountain Express Lane (MEXL) whether the MEXL is Open or Closed. (2) Usage violations (using the I-70 Mountain Express Lane (MEXL) when closed), (3) Weaving violations (weaving in and out of the express lane when not in a legal ingress or egress zone as indicated by lane striping), and (4) License plate obstruction violations (having an obfuscated license plate).
System	Safety Enforcement System and all associated External Interfaces.
Users	Staff who use the System (e.g., Customer Service Representatives).