



Lane Transit District Supports Senate Bill 1527

Like TriMet, Lane Transit District (LTD) is moving towards an electronic fare management system. Electronic fare management will improve the customer experience by allowing the selection of fare options that better meet customer riding needs, while also providing LTD efficiency and effectiveness in fare collection and validation. Customers can bypass cash in favor of an electronic swipe card tied to a protected user account. Although LTD's electronic fare system is in the scoping phase, the ability to adapt to changing technological environments will be limited if the law does not adapt as well.

Senate Bill 1527 will standardize the treatment of paper fares and electronic fares. In LTD's paper-only operation, customers may purchase a number of pre-paid fares, including monthly passes and 10-ride ticket books, or participate in group pass programs. The revenues from the pre-paid sales are treated as payment for service irrespective of if or when the customer redeems the fare.

Current law requires that pre-paid electronic fares, however, be treated as unearned revenue and subject to Oregon's unclaimed property laws and gift card regulations. This requirement would create an arduous administrative burden by mandating that transit agencies withhold money deposited into pre-paid electronic fare accounts, and potentially remit unused pre-paid fares to the State of Oregon.

The only difference between electronic and paper fare purchases is the manner in which the fare will be redeemed: via a paper ticket or an electronic swipe card. It makes little sense to discriminate in how these revenues are treated, and it creates greater administrative challenges for transit agencies that seek to modernize their fare operations.

LTD requests the legislature's assistance to modernize a law that did not foresee the potential for electronic transit fares; and in doing so, help transit agencies to provide the best possible service for their customers.

For more information, please contact LTD's lobbyist, Doug Barber at 541-221-3072 or Doug@LobbyOregon.com