



Lane Transit District

March 10, 2015

Rep. Shemia Fagan
House Committee on Consumer Protection
and Government Effectiveness
900 Court Street, N.E., H-383
Salem, OR 97301

Re: HB 3062

Dear Chair Fagan and Members of the Committee:

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

HB 3062 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 those pre-paid sales are treated as payment for service irrespective of if or when the customer redeems his/her fare.

Current law requires that pre-paid electronic fares, however, be treated as unearned revenue and be 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 update their fare operations.

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

Sincerely,

A handwritten signature in black ink that reads 'AVobora'.

Andy Vobora
Director, Customer Service and Planning

