Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 924
"Public Transit Infrastructure Grant Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 324A.6A

State or federal law(s) implemented by the rulemaking: Iowa Code sections 8.57, 324A.1 and 324A.6A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 22, 2025 2 to 2:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 979 856 872#

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kristin Haar
800 Lincoln Way
Ames, Iowa 50010
Email: kristin.haar@iowadot.us

Purpose and Summary

This chapter is intended to implement Iowa Code sections 8.57, 324A.1 and 324A.6A, providing applicant eligibility and project requirements for the Public Transit Infrastructure Grant Program.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

No classes of persons will bear the costs of this proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Iowa's public transit agencies will benefit from knowing the eligibility and application requirements for this program in order to apply to receive vertical infrastructure funding.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

This program ultimately results in improvements to facilities or building new facilities to store or maintain public transit vehicles, administer public transit services or shelter public transit passengers while waiting for their bus. The storage and maintenance facilities extend the useful life of public transit vehicles, ensuring vehicle capital replacement dollars are stretched as far as possible.

- **Qualitative description of impact:**

The improved or new facilities resulting from the funding that comes as a result of the applications detailed in this proposed chapter protect the vehicles providing public transit services, increasing their reliability, especially in cold weather months, and protect the vehicles from vandalism. Passenger

stations offer public transit riders shelter from the elements as well. This program helps make public transit even more reliable, dependable and pleasant for the traveling public.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no implementation or enforcement costs borne by the agency or any other agency.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Without the proposed rulemaking, the Department and public transit agencies would not have guidance on the use of the vertical infrastructure dollars appropriated by the legislature, and distribution requirements of those dollars would be unclear.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly or less intrusive methods for achieving the purpose of this proposed rulemaking.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered by the Department.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Application guidance and expectations are necessary for fair distribution of the Public Transit Infrastructure Grant Program dollars.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed chapter would not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 924 and adopt the following **new** chapter in lieu thereof:

CHAPTER 924
PUBLIC TRANSIT INFRASTRUCTURE GRANT PROGRAM

761—924.1(324A) Purpose. The purpose of the public transit infrastructure grant program is to provide funding for the improvement of the vertical infrastructure of Iowa's designated public transit systems.

761—924.2(324A) Definitions. The definitions in Iowa Code sections 324A.1 and 8.57(3)*"c"* apply to this chapter.

761—924.3(324A) Information and forms. Information, instructions and application forms are available from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; by telephone at 515.233.7870; or from the department's website at iowadot.gov/modes-travel/transit.

761—924.4(324A) Project eligibility. Projects may be considered for funding if:

924.4(1) The project is included in a locally approved transportation improvement program and in the statewide transportation improvement program.

924.4(2) A local match for the project is currently available.

924.4(3) The project is capable of being substantially completed within 18 months of project selection.

761—924.5(324A) Eligible project activities. Activities eligible for reimbursement include but are not limited to:

924.5(1) Construction, expansion or renovation of facilities, including associated design, land acquisition, grading and foundation work, for administration of public transit operations; servicing, maintenance or storage of public transit vehicles; transit vehicle fueling; or passenger waiting.

924.5(2) Relocating an existing administrative or maintenance facility, if necessary, to correct violations of safety or design standards. Such a project may include any associated design, land acquisition, grading and foundation work.

761—924.6(324A) Ineligible project activities. A transit facility may be incorporated into a larger project, such as an intermodal facility, a headquarters for the umbrella organization sponsoring the transit program or a public works facility. Any costs attributable to the nontransit elements of the larger project are not eligible under this program.

761—924.7(324A) Funding.

924.7(1) Program funds may reimburse up to 80 percent of transit-related project costs. Assistance from the public transit infrastructure grant program, when combined with federal or other state resources, may not exceed 80 percent of the project's transit-related costs.

924.7(2) At least 20 percent of transit-related project costs must be provided from local sources by the sponsoring transit system in cash or value of real property.

924.7(3) No single public transit system may receive more than 40 percent of the funding available in one year.

761—924.8(324A) Project applications.

924.8(1) Project applications shall be submitted to the department.

924.8(2) Each application shall contain:

a. General information, including the transit system name, contact person, mailing address, email address and telephone number.

b. A project data sheet, including:

(1) A brief description of the project, its purpose and anticipated benefits to the transit program.

(2) Cost information including total project cost and an itemized breakdown of project components (including transit vs. nontransit costs).

(3) The proposed implementation schedule.

(4) A statement of the applicant's ability to complete the project.

(5) A sketch of the project.

c. Documentation of project justification.

d. A resolution from the governing body of the sponsoring transit system endorsing the project and authorizing the necessary local funding match.

761—924.9(324A) Review and approval. Department staff will review project applications and submit recommendations to the transportation commission. The transportation commission is responsible for approving the projects to be funded.

761—924.10(324A) Project priorities. The transportation commission shall consider the following in project selection:

924.10(1) Benefits of project to the transit program in terms of:

a. Enhancement of the life of the transit vehicle fleet.

b. Enhancement to transit services.

c. Increased ridership.

924.10(2) Readiness to proceed.

924.10(3) Feasibility of timely completion of the proposed project.

924.10(4) Ability of the project to leverage other funds.

761—924.11(324A) Project agreement, administration and ownership.

924.11(1) *Agreement.* After a project has been approved, the department will enter into an agreement with the transit system sponsoring the project.

924.11(2) *Payments.* Payments to the transit system sponsor for eligible project costs will be made on a cost reimbursement basis.

924.11(3) *Ownership.* The transit system must retain ownership of the new, renovated or repaired structure or facility for its useful life. If the structure or facility is transferred or sold before the useful life has expired, the transit system must repay the prorated state interest to the department. Useful life thresholds can be found in the department's transit manager's handbook, which is available on the department's website at iowadot.gov/modes-travel/transit.

These rules are intended to implement Iowa Code sections 8.57, 324A.1 and 324A.6A.