

CHAPTER 324A
TRANSPORTATION PROGRAMS

Referred to in §23A.2, 28M.1, 307.26, 321.145

This chapter not enacted as a part of this title; transferred from chapter 601J in Code 1993

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324A.1 Definitions.

For purposes of this chapter, unless the context otherwise requires:

- 1. "Department" means the state department of transportation.
2. "Federal aid" means any federal grants, loans, or other federal assistance whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

3. "Private aid" means any grants, loans, or other assistance available from nonprofit corporations, foundations, and all private or nongovernmental sources, whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

4. "Public transit system" means an urban or regional transit system providing transit services accessible to the general public and receiving federal, state or local tax support.

5. "Regional transit system" means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor except as agreed upon by the county and the department. Each county, through the county board of supervisors, within the region shall be responsible for determining the service and funding within its own county. However, the administration and overhead support services for the regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members.

6. "Transportation" means the movement of individuals in a four or more wheeled motorized vehicle designed to carry passengers, including a car, van, or bus, between one geographic point and another geographic point. "Transportation" does not include emergency or incidental transportation or transportation conducted by the department of health and human services at its institutions.

7. "Transportation disadvantaged persons" means persons with physical or mental disabilities, persons who are determined by the department to be economically disadvantaged and other persons or groups determined by the department to be disadvantaged in terms of the transportation services that are available to them.

8. "Urban transit system" means a system designated by the department in which motor buses are operated primarily upon the streets of cities for the transportation of passengers who present themselves for transportation without discrimination up to the limit of the capacity of each motor bus. "Urban transit system" also includes motor buses operated upon the streets of adjoining cities, whether interstate or intrastate for the transportation of passengers without discrimination up to the limit of the capacity of each motor bus. A privately chartered bus service or interurban carrier subject to the jurisdiction of the state department of transportation is not an urban transit system.

[C77, 79, 81, §601J.1]

84 Acts, ch 1200, §1

C93, §324A.1

96 Acts, ch 1129, §80; 2023 Acts, ch 19, §1079

Referred to in §321.1, 321.377, 321E.11, 423.3

Subsection 6 amended

324A.2 Technical assistance.

The department shall, at the request of a state agency, political subdivision, or public transit system or organization affected by [this chapter](#), provide to them the following technical transportation assistance:

1. An evaluation of existing public transit systems, including but not limited to an evaluation of rolling stock, the costs of operation including the costs of fuel, maintenance and personnel and the development of common management and operating systems and procedures.

2. An analysis of existing urban and rural transit system services provided for transportation disadvantaged persons and the service needs of transportation disadvantaged persons, including an evaluation of specialized equipment required to meet the service needs of transportation disadvantaged persons.

[C77, 79, 81, §601J.2]

[83 Acts, ch 60, §1](#); [84 Acts, ch 1200, §2](#)

C93, §324A.2

[2002 Acts, ch 1112, §1](#)

324A.3 Fiscal and service plan.

The department shall at the request of a political subdivision, or public and private providers of transportation services affected by [this chapter](#) assist the providers in the development of a fiscal and service plan which may be used by them to coordinate and consolidate all forms of urban and rural transportation services except public school transportation, including but not limited to, the following:

1. Senior citizen transportation.

2. Head start transportation.

3. Services for persons with disabilities.

4. Cab companies.

5. Common carriers.

6. Transportation services provided by private nonprofit agencies to their clients or the general public.

[C77, 79, 81, §601J.3]

[84 Acts, ch 1200, §3](#)

C93, §324A.3

[96 Acts, ch 1129, §81](#)

324A.4 Federal, state, local, and private aid — report.

1. The department shall compile and maintain current information on the use of federal, state, local, and private aid affecting urban and rural public transit programs. Public, private, and private nonprofit organizations applying for or receiving federal, state, or local aid for providing transit services shall annually report to the department the costs of their transportation programs, depicting funds used for public transit programs and such other information as the department may require prior to receiving any federal or state funds or any aid from a political subdivision of the state. The report shall list all of the funding sources of the organization along with the listing of funds expended by that organization during the preceding fiscal year. The department, in cooperation with the regional planning agencies as the responsible agency for annual updating the regional transit development programs, shall compile this information annually. A state agency or organization administering funds for transit services is required to submit all funding requests through the regional and state clearinghouse and the department. An organization, state agency, political subdivision, or public transit system, except public school transportation, receiving federal, state, or local aid to provide or contract for public transit services or transportation to the general public and specific client groups, must coordinate and consolidate funding and resulting service, to the maximum extent possible, with the urban or regional transit system.

2. *a.* Upon request, the department shall provide assistance to political subdivisions, state agencies, and organizations affected by [this chapter](#) for federal aid applications for urban and rural transit system program aid. The department, in cooperation with the regional

planning agencies, shall maintain current information reflecting the amount of federal, state, and local aid received by the public and private nonprofit organizations providing public transit services and the purpose for which the aid is received. The department shall biennially prepare a report to be submitted to the general assembly and the governor prior to December 15 of even-numbered years. The report shall recommend methods to increase transportation coordination and improve the efficiency of federal, state, and local government programs used to finance public transit services and may address other topics as appropriate. The department of health and human services and the officers and agents of the other affected state and local government units shall provide input as requested by the department.

b. The department shall use the following criteria to adopt rules to determine compliance with and exceptions to [subsection 1](#):

(1) Elimination of duplicative and inefficient administrative costs, policies, and management.

(2) Utilization of resources for transportation services effectively and efficiently.

(3) Elimination of duplicative and inefficient transportation services.

(4) Development of transportation services which meet the needs of the general public and insure services adequate to the needs of transportation disadvantaged persons.

(5) Protection of the rights of private enterprise public transit providers.

(6) Coordination of planning for transportation services at the urban and regional level by all agencies or organizations receiving public funds that are purchasing or providing transportation services.

(7) Management of equipment and facilities purchased with public funds so that efficient and routine maintenance and replacement is accomplished.

(8) Training of transit management, drivers, and maintenance personnel to provide safe, efficient, and economical transportation services.

c. Eligibility to receive or expend federal, state, or local funds for transportation services by all agencies or organizations purchasing or providing these services shall be contingent upon compliance with these criteria as determined by the department.

3. The department shall receive and distribute federal aid to public transit systems unless precluded by federal statute; however, the department shall not retain or redirect any portion of funds received by the department for a particular public transit system except that the department may redirect unused funds after a project is completed in order to prevent the lapse of funds. The department may designate the public transit systems as the direct recipients of federal aid.

[C77, 79, 81, §601J.4]

84 Acts, ch 1200, §4, 5; 91 Acts, ch 27, §5

C93, §324A.4

2002 Acts, ch 1112, §2, 3; 2009 Acts, ch 23, §62; 2011 Acts, ch 38, §31; 2023 Acts, ch 19, §1080

Referred to in [§324A.5](#)

Subsection 2, paragraph a amended

324A.5 Coordination of transportation services.

The department of health and human services and the officers and agents of other state and local governmental units shall assist the department in carrying out [section 324A.4](#), [subsections 1 and 2](#), insofar as the functions of these respective officers and departments are concerned with the health, welfare and safety of any recipient of transportation services.

1. Any agency or organization found to be in noncompliance with [section 324A.4](#) shall be notified in writing by the department of those activities which are not in compliance. The notice shall also provide for a period of thirty days during which compliance with [section 324A.4](#) can be accomplished without penalty or sanction.

2. If noncompliant activities continue after the period of thirty days, the department shall, in cooperation with the attorney general and the director of the department of administrative services, initiate the following actions:

a. If the activities that are not in compliance with [section 324A.4](#) are funded with state or federal funds which are administered by the state and can be used by agencies

or organizations that are in compliance with [section 324A.4](#), then upon notice by the department, the director of the department of administrative services shall not permit the expenditure of ten percent of the funds during the fiscal year immediately following the notice, an additional twenty percent of funds during the following year, an additional thirty percent during the third year, and the remaining funds in the fourth year that the activities remain in noncompliance. Any funds retained by the director of the department of administrative services shall be returned to the originating state agency for redistribution to agencies and organizations eligible to receive the funds for transportation purposes.

b. If the activities that are not in compliance with [section 324A.4](#) are funded with state, federal or local funds which are not administered by the state or cannot be used by agencies and organizations that are in compliance with [section 324A.4](#), then upon notice by the department, the attorney general shall file an action to enjoin agencies or organizations from expending funds for transportation purposes until and unless compliance with [section 324A.4](#) is achieved. If federal funds are involved in such cases, then the attorney general shall notify the responsible federal agency of the actions and request its cooperation.

c. The department of inspections, appeals, and licensing shall establish an appeal process pursuant to [chapters 10A and 17A](#) which allows those agencies or organizations determined to not be in compliance with [this chapter](#) an opportunity for a timely hearing before the department of inspections, appeals, and licensing. A decision by the department of inspections, appeals, and licensing is subject to review by the state department of transportation. The state department of transportation's decision is the final agency action. Judicial review of the action of the department may be sought in accordance with [chapter 17A](#).

d. The department shall, in accordance with [chapter 17A](#), adopt and enforce rules setting minimum standards for determination of compliance and certification. The rules and standards required by [this section](#) shall be formulated in consultation with all affected state agencies, local government units with professional and consumer groups affected, and shall be designed to further the accomplishment of the purposes of [this chapter](#).

[84 Acts, ch 1200, §6](#)

[C85, §601J.5](#)

[89 Acts, ch 273, §40; 90 Acts, ch 1233, §35](#)

[C93, §324A.5](#)

[2002 Acts, ch 1112, §4, 5; 2003 Acts, ch 145, §286; 2009 Acts, ch 23, §63; 2023 Acts, ch 19, §1081, 1984](#)

Unnumbered paragraph 1 amended
Subsection 2, paragraph c amended

324A.6 Public transit assistance moneys.

1. a. Moneys appropriated for purposes of public transit assistance under [this chapter](#) shall be expended for providing assistance to public transit for the development, improvement, and maintenance of public transit systems. Moneys received by the department by agreements, grants, gifts, or other means from individuals, companies or other business entities, or cities and counties for the purposes stated in [this section](#) shall be credited to the general fund of the state.

b. Moneys received by the department by agreements, grants, gifts, or other means and deposited into the state general fund as a result of [this subsection](#) are appropriated to the department for purposes of [this subsection](#).

2. The department may enter into agreements with public transit systems, the United States government, cities, counties, business entities, or other persons for carrying out the purposes of [this section](#).

3. The department may accept federal funds to carry out [this section](#). Federal funds received under [this section](#) are appropriated for the purposes set forth in the federal grants.

4. Notwithstanding [chapter 8](#), funds appropriated for public transit purposes to implement a state assistance plan shall be allocated in whole or in part to a public transit system prior to the time actual expenditures are incurred if the allocation is first approved by the department. A public transit system shall make application for advance allocations to

the department specifically stating the reasons why an advance allocation is required and this allocation shall be included in the total to be audited.

[84 Acts, ch 1151, §1](#)

[C85, §601J.6](#)

[86 Acts, ch 1245, §1968; 91 Acts, ch 260, §1249](#)

[C93, §324A.6](#)

[93 Acts, ch 131, §13; 94 Acts, ch 1107, §52; 2010 Acts, ch 1061, §180](#)

324A.6A Public transit infrastructure grant fund.

A public transit infrastructure grant fund is established within the department. Moneys in the fund shall be awarded to public transit systems within the state for construction and infrastructure projects that meet the definition of “*vertical infrastructure*” in [section 8.57, subsection 5](#), paragraph “c”. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. In awarding grant assistance, the office of public transit within the department shall, by rule, specify certain criteria that must be included in a grant application, which shall include but not be limited to information on the feasibility of completion of an individual infrastructure project. Notwithstanding [section 8.33](#), moneys in the public transit infrastructure grant fund shall not revert to the fund from which they are appropriated but shall remain available indefinitely for expenditure under [this section](#).

[2006 Acts, ch 1179, §55; 2012 Acts, ch 1021, §138](#)

324A.7 Urban public transit systems — intent.

An urban public transit system shall, to the extent practicable, utilize private-sector operators in the planning and provision of transit services.

[2003 Acts, ch 8, §23](#)