CHAPTER 923  
CAPITAL MATCH REVOLVING LOAN FUND  
[Prior to 6/3/87, Transportation Department[820]—(09.B)Ch 4]

761—923.1(71GA,ch265) General information.  
923.1(1) Scope of chapter. The general assembly appropriated money from the petroleum 
overcharge capital funds to the department to be used as a revolving loan fund for transit capital purchases by 
public transit systems. The revolving loan fund will enable public transit systems to obtain the matching 
funds required to qualify for capital purchases under state or federally funded projects. The fund will 
provide multiyear interest-free loans to public transit systems to allow faster capital acquisitions. Loan 
recipients shall be required to demonstrate ability to repay the loan from budgeted funds or revenues.  
923.1(2) Information. Requests for information about and for assistance with the preparation and 
submission of loan requests should be directed to the Office of Public Transit, Iowa Department of 
Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870. Information is also 
available on the department’s website at www.iowadot.gov.  
[Editorial change: IAC Supplement 2/23/11; ARC 3693C, IAB 3/14/18, effective 4/18/18]

761—923.2(71GA,ch265) Definitions.  
“Department” means the Iowa department of transportation.  
“Project” means a concerted set of actions that will develop, maintain or improve one or more 
elements of the public transit system’s service.  
“Public transit system” means the same as defined in Iowa Code section 324A.1.  
[ARC 3693C, IAB 3/14/18, effective 4/18/18]

761—923.3(71GA,ch265) System eligibility. A public transit system is eligible to request a capital 
assistance loan from the revolving loan fund provided that the public transit system complies with all of 
the following criteria:  
923.3(1) The transit system abides by all applicable state and federal laws and regulations.  
923.3(2) The transit system maintains primary documentation for all revenues and expenses for a 
period of at least three years.  
923.3(3) The transit system maintains the system’s policies, routes, schedules, fare structure, and 
budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, 
and fiscal solvency.  
[ARC 3693C, IAB 3/14/18, effective 4/18/18]

761—923.4(71GA,ch265) Project eligibility.  
923.4(1) A project is eligible if it meets all of the following criteria:  
a. The project is a transit-related project for a capital purchase, e.g., new or replacement vehicles, 
facilities, or both.  
b. The project meets an identifiable transit need that has been included in the public transit system’s 
planning or programming document.  
c. The project is part of a statewide program of transit projects which has been adopted by the 
transportation commission.  
d. The local funding needed for the project justifiably exceeds the public transit system’s annual 
capital match funding capability.  
923.4(2) A project to purchase vans for a vanpool, as defined in Iowa Code section 325A.12, may be 
submitted by an individual or a group through the appropriate public transit system. A vanpool project 
is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects 
have been allocated.  
[ARC 3693C, IAB 3/14/18, effective 4/18/18]
761—923.5(71GA,ch265) Procedure.

923.5(1) Funding request. The public transit system shall submit a funding application for the proposed project to either the department or to the Federal Transit Administration, as required by the type of funding requested.

923.5(2) Loan request. The public transit system shall normally submit a request for a revolving fund loan to the department when the annual grant application is made, but may submit a request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

a. A description and cost estimate of the proposed project.

b. An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.

c. An explanation and justification of need for the loan.

d. A proposed schedule of when funds will be needed for the project.

e. A proposed loan repayment plan with schedule and source of funds.

923.5(3) Criteria for selection. The department shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (in no particular order), preference shall be given to projects that:

a. Foster coordination among transit services, such as a ground transportation center, a joint maintenance facility, or cooperative vehicle usage.

b. Enhance local or regional economic development, such as a transit mall, passenger shelter facilities, or vehicles for extension of services.

c. Increase federal funding to the state, such as accelerating purchase of replacement vehicles.

d. Extend services to the transportation disadvantaged.

e. Promote energy conservation, such as fuel efficiency.

f. Require the loan as only a portion of the local matching funds required.

923.5(4) Approval. Based on available funds, the department shall approve loans for projects meeting the criteria in rule 761—923.4(71GA,ch265).

923.5(5) Agreement. Upon approval, the department shall prepare a loan contract and send it to the public transit system for execution.

923.5(6) Default. If a public transit system fails to make a loan payment as agreed in the contract, the department may, at its option, deduct the amount of any past due loan payment from state transit assistance payments allocated to that transit system.

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