

CHAPTER 923
CAPITAL MATCH REVOLVING LOAN FUND

[Prior to 6/3/87, Transportation Department[820]—(09,B)Ch 4]

Chapter rescission date pursuant to Iowa Code section 17A.7: 4/22/31

761—923.1(71GA,ch265) General information.

923.1(1) *Scope of chapter.* The general assembly appropriated money from the petroleum overcharge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund enables public transit systems to obtain the matching funds needed to qualify for capital purchases under state-funded or federally funded programs. The fund provides interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall demonstrate the ability to repay the loan from budgeted funds or revenues.

923.1(2) *Information.* Requests for information and assistance with the preparation and submission of loan requests should be directed to the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by telephone at 515.233.7870. Information is also available on the department's website at iowadot.gov/modes-travel/transit.

923.1(3) *Definitions.*

"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.

"Van pool" means the same as defined in Iowa Code section 325A.12.

[ARC 0158D, IAB 3/18/26, effective 4/22/26]

761—923.2(71GA,ch265) System eligibility. A public transit system is eligible to request a capital match revolving loan provided that the public transit system complies with all of the following criteria:

923.2(1) Abides by all applicable state and federal laws and regulations.

923.2(2) Maintains primary documentation for all revenues and expenses for a period of at least three years following contract closeout.

923.2(3) 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 0158D, IAB 3/18/26, effective 4/22/26]

761—923.3(71GA,ch265) Project eligibility.

923.3(1) A project is eligible if it meets all of the following criteria:

a. The project is a transit-related capital purchase (e.g., new or replacement vehicles, facilities or both).

b. The project is an identifiable transit need and is included in the public transit system's adopted transportation improvement program.

c. The local funding needed for the project justifiably exceeds the public transit system's capital match funding capability.

923.3(2) A project to purchase vans for a van pool may be submitted by an individual or a group through the appropriate local public transit system. A van pool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated as of July 1 each year.

[ARC 0158D, IAB 3/18/26, effective 4/22/26]

761—923.4(71GA,ch265) Procedure.

923.4(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, depending on the type of funding requested.

923.4(2) *Loan request.* The appropriate time for a public transit system to submit a request for a revolving fund loan to the department is with the annual grant application, but a request may be submitted at any time if a specific need arises. The request is to include but not be limited to:

- 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.

923.4(3) *Criteria for selection.* The department will review each loan request and evaluate the project for funding. Based on the following criteria (in no particular order), preference is given to public transit capital projects that:

- a. Foster coordination among transit services.
- b. Enhance local or regional economic development.
- c. Increase federal funding to the state.
- d. Extend services to the transportation disadvantaged.
- e. Promote energy conservation.
- f. Use the loan as only a portion of the local matching funds required.

923.4(4) *Approval.* Based on available funds, the department will approve loans for projects meeting the criteria in rule 761—923.3(71GA,ch265).

923.4(5) *Agreement.* Upon approval, the department will prepare a loan contract and send it to the public transit system for execution.

923.4(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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