**Section 653.350 Downstate Transit Improvement Fund**

a) *Except as otherwise provided in* Section 2-15 of the Act, *all funds that remain in the Downstate Public Transportation Fund or the Metro-East Public Transportation Fund after the payment of the fourth quarterly payment to participants other than Metro-East Transit District participants and the last monthly payment to Metro-East Transit participants in each fiscal year shall be transferred to the Downstate Transit Improvement Fund. Transfers shall be made no later than 90 days following the end of the fiscal year. Beginning fiscal year 2010, all moneys each year in the Downstate Transit Improvement Fund, held solely for the benefit of the participants in the Downstate Public Transportation Fund, shall be appropriated to the Department to make competitive capital grants to the participants of the respective funds. However, such amount as the Department determines to be necessary for allocation to participants for the purposes of* Section 2-7of the Act *for the first quarter of the succeeding fiscal year and an amount equal to 2% of the total allocations to participants in the fiscal year* that *just ended to be used for the purpose of audit adjustments shall be retained in such funds to be used by the Department for such purposes.* (Section 2-15 of the Act)

b) Competitive capital grants shall not be available for projects, purchases or purposes that are not:

1) required for the provision of public transportation;

2) identified in the Department's annual Capital Needs Assessment, which can be obtained from the Division of Public and Intermodal Transportation;

3) identified in the comprehensive long range or short range planning documents in the region for which the applicant is a part; and

4) in accordance with the guidelines set forth in the Department's Procedural Handbook for Public Transportation Capital Improvement Grants, which can be obtained from the Division of Public and Intermodal Transportation.

(Source: Added at 34 Ill. Reg. 13142, effective August 24, 2010)