

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect all adopted Select File amendments.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	675,000	0	0	675,000
FY2027-2028	0	1,350,000	0	0	1,350,000
FY2028-2029	0	1,350,000	0	0	1,350,000
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	(375)	2,795,090	0	0	2,794,715
FY2027-2028	(375)	5,597,305	0	0	5,596,930
FY2028-2029	(375)	5,597,305	0	0	5,596,930

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB1126 was amended by AM2432, AM2562, and AM2627 on General File; containing provisions of the following bills: amended provisions of LB1126, LB1107, amended provisions of LB1073, and LB1180. On Select File, the bill was amended by AM2752. AM2752 adds modified provisions of LB576 to LB1126. LB1126 as amended on select file would:

- Establish the Infrastructure Development Investment Program Act to help finance qualified construction, improvement, or enhancement of transportation infrastructure projects necessary for public purposes. The Nebraska Department of Transportation’s (NDOT’s) Highway Commission shall adopt rules and regulations by July 1, 2027, and administer the program;
- Give the Commission final authority to select the projects to finance via loans and other financial assistance to eligible entities;
- Let the Commission to enter into cooperative agreements with federal and state agencies, local governments, a contracting agency, or a private partner engaged in a public-private partnership; or combination of two or more acting jointly;
- Allow the Commission to craft an advisory committee to give guidance on project prioritization, credit policy, or compliance issues;
- Create a new Infrastructure Development Investment Program Fund administered by the Commission, to contain legislative transfers, federal money, state and local grants, contributions, donations, endowments, public and private grants, repayments, interest, fees, and bond proceeds. This fund may be used for financial assistance, reserves, administrative costs and refinancing;
- Permit pursuing any legal remedy to recover funds, including intercepting other state aid due to the borrower, or transferring collateral as per constitutional and federal limitations; if a borrower from this program were to default;
- Require that an independent financial audit be performed annually; and submit an Infrastructure Development Investment Program report electronically to the Clerk of the legislature by November 1st of each year;
- Authorize the Commission to issue bonds at any time and in any amount under the Infrastructure Development Investment Program Act. These would be separate and distinct from any bonds issued under the Nebraska Highway Bond Act;
- Compel the Commission to adopt and uphold internal control policies, investment standards, and risk management framework; which is to be shared on a public website, showing the Infrastructure Development Investment Program’s rules and regulations, published reports, and information on how to obtain this financial assistance;
- Expand the exemptions from prequalification requirements (under §39-1351(2)) for certain types of contract work such as: turf maintenance, vegetation control, fence work, ditch cleaning, erosion control, culvert work, intelligent transportation system devices, rest area or weight station work, and routine repairs and maintenance of roads, bridges, or appurtenance of any road or bridge;
- Eliminate a requirement for progressive design-build contracts under §39-2814(8);
- Give the Director-State Engineer the discretion to use public-private partnerships for “appropriate” transportation projects;
- Prohibit contracts for unsolicited proposals of simple highway repairs; while allowing submission of competing proposals until a contract is awarded;
- Require NDOT to establish procedures for receiving and evaluating unsolicited proposals; for an administrative fee of up to \$500;
- Authorize NDOT to use appropriated funds for reviewing, developing, and implementing any proposal determined to be in the State’s best interest; and allowing NDOT to enter into contract;
- Amend §13-2911 to include public-private partnerships contracts to the list of organizations which political sub-divisions must evaluate when determining bid proposals. Provides that unsolicited proposals deemed to have sufficient merit by the governing body (under the PSCAA) then a reasonable chance to compete must be provided for other private party proposals. The political subdivision may charge a fee of up to \$500 for evaluating the proposal. These public-partnership contracts may be utilized for water, wastewater, utility, or sewer construction, but not for road construction;
- Amend the Rural Road Improvement District Act in §39-1639 through §39-1653, and §39-1655 as follows:
 - Adds a definition of district to mean a rural road improvement district under the Rural Road Improvement District Act;
 - Establishes that counties may initiate road construction or improvements by a resolution specifically stating whether a special assessment will be levied within such district or the cost of the improvement will be a general charge to the county as a whole, during a County Board meeting;
 - Specifies that a road resolution cannot be adopted at the same County Board meeting when it is first proposed;
 - Updates that if special assessments levies are being proposed for a district, there would be a public hearing;
 - Allows for any person that owns real property in the proposed special assessment district to file a written objection to the formation of the district with the county clerk prior to the hearing time set. This must include their reason for objecting to the formation of such district;

- Clarifies that if one or more people file written objections whom own more than a combined 50% in the area of the real property for which the district is proposed, then the resolution shall not pass, with no hearing held;
- Amends that the County Board may pass the proposed resolution at or following a hearing, or at any subsequent County Board meetings, if no hearing was required;
- Adds the County Board may utilize bonding for these road improvements for such payment of costs from bond proceeds;
- Updates rules for the counties which create these districts, instructing that they also must create special funds for the management of these district finances;
- Decrees that special assessments including interest on unpaid special assessments shall be a lien on the property, with no interest accruing before the due date for such special assessment. The County Board shall establish the interest rate;
- Extends the maturity date of road district bonds issued under this act from 10 to 20 years; and
- Provides procedures for property owner petitions for the enlarging, withdrawing, consolidating, and dissolution of districts;
- Adjust the minimum dollar amount of the property damage threshold triggering reporting and license suspension under the Motor Vehicle Safety Responsibility Act, from \$1,500 to \$2,000, under §60-507;
- Increase the minimum security deposit required under §60-513 from \$1,500 to \$2,000;
- Change the requirements of the accident amount from \$1,500 to \$2,000 for an investigative officer or vehicle operator to report the accident to NDOT within 10 days (§60-695 & §60-699);
- Eliminate the confidentiality of age or birth year of a vehicle operator in specific vehicle accident reports, in §60-699(4);
- Require at least 30 minutes of human trafficking training in the commercial motor vehicle driver training courses offered beginning on or after January 1, 2027. The curriculum for the human trafficking training and materials shall be set by the Nebraska Attorney General by December 1, 2026; with the materials to be reviewed and updated at least once every 3 years;
- State bicycle traffic is controlled by the same traffic control signals and other traffic regulations as motor vehicles (§60-6,123);
- Update Nebraska's Rules of the Road to define a superload vehicle as being 16' wide, 192" high, 150" in length, and having a gross weight of 160,000 lbs;
- Increase permit fees in §60-6,298(7) from \$25 to not over \$50; including permits issued pursuant to §60-6,298((1)(a)(ii));
- Set fee caps for 90-day, 180-day, and 1-year oversized/overweight vehicles, and superload vehicle permits to be rise as follows:
 - 90-day permits are capped at \$50, 180-day permits are capped at \$100, and 1-year permits are capped at \$200; and
 - Superload single-trip permit fees shall not exceed the following caps:
 - \$250 cap for vehicles weighing 300,000 lbs. or less;
 - \$400 cap for vehicles weighing 300,001 lbs. to 500,000 lbs.; and
 - \$800 cap for vehicles weighing over 500,000 lbs;
- Add that an additional issuance fee may be charged by NDOT for administration costs associated with these permits;
- Raise a permit fee from \$10 to \$50 for vehicles moving a building or object needing specialized moving dollies (NE §60-6,299);
- Direct the Public Service Commission (PSC) under §75-118 to begin issuing licenses on January 1, 2027, for authorizing intrastate Medicaid nonemergency medical transportation services;
- Clarify that rates charged by motor carriers and regulated motor carriers set in agreements with state agencies, specified in §75-302, are not subject to regulation by the PSC;
- Redefine the terms 'common carrier', 'contract carrier', and 'regulated motor carrier' and specifies these do not include motor carriers engaged in intrastate Medicaid nonemergency medical transportation services (NEMTS);
- Under §75-311, this bill establishes the PSC may set the rules/regulations, make determinations on applicants, hold hearings, and revoke/suspend licenses. Also, the PSC may set the fees for these intrastate Medicaid nonemergency medical transportation service licenses up to a cap of \$250. These licenses would be valid for one year, and may renewed automatically every year. Additionally, this bill establishes under §75-342 that all transportation network companies or participating drivers must obtain an intrastate Medicaid nonemergency medical transportation service license if they engage in these services;
- Require commercial motor vehicle driver training courses or educational programs offered in Nebraska that begin on or after January 1, 2027, to include at least 30 minutes of human trafficking training;
- Direct the Attorney General to prescribe the curriculum and training materials by December 1, 2026;
- State the Attorney General must review and update these training materials at least once every 3 years to account for changing trends in human trafficking;
- Allow the Attorney General to adopt rules and regulations, and permits the collaboration with organizations specializing in commercial motor vehicle driver human trafficking training and materials;
- Remove the 50¢ maximum surcharge monthly cap currently in § 86-1070(1); that wireless carriers collect from customers whose primary place of use is in a county containing a city of the metropolitan class. These customers would be placed under the same 70¢ maximum surcharge cap as all the other 92 counties in Nebraska; with one surcharge collected monthly by wireless carriers, for all active telephone numbers or functional equivalents in Nebraska; and
- Directs the PSC to have an annual public hearing to determine the revenue amount needed for the 911 Service System Fund the following year; with the goal to maximize the operational support for all public safety answering points (PSAPs) in the state.

This bill would become effective three calendar months after the adjournment of the Legislature.

Expenditures:

The PSC has noted that additional agency duties are not likely from this bill. Additional revenues realized would be directed towards the operational expenditures of the 911 Service System in order to maximize the support for the Public Safety Answering Points (PSAPs) as required in the bill. Thus, PSC's total expenditures would equal their total revenues.

The Department of Administrative Services Office of the Chief Information Officer (OCIO) estimates that this bill would affect approximately 11,000 wireless phone numbers assigned to the State of Nebraska. The maximum surcharge cap would be raised for these customers from 50¢ up to 70¢. If the fees charged by the PSC were set to be the full maximum amount allowed under this bill, these 11,000 phones would be billed an extra 20¢ each per month. These 11,000 wireless phones are used by different agencies across the state. The OCIO would first pay the bill with revolving funds and then charge each agency accordingly.

LFO notes that the actual billed monthly rate may or may not be raised up the full 20¢ to the capped amount. If the actual billed rate was set at the cap, the monthly estimated increase in expenditures the OCIO would pay and pass on to the other agencies would only be \$2,200 per month or \$26,400 annually in revolving fund expenditures in FY2027-28, with half the amount or \$13,200 in FY2026-27. This small yearly expense would be charged to many different state agencies, and then the OCIO would be reimbursed. LFO assumes the effect on any individual agency's expenditures would be minimal and absorbed within existing appropriations.

Revenues:

The PSC estimates \$1,350,000 in additional cash fund revenue in FY2027-28 from raising the surcharge maximum on the wireless customers whose primary place of use is in a county containing a city of the metropolitan class. In the last half of FY2026-27, the cash fund revenue would be approximately \$675,00. These revenues would only be realized after the PSC would take formal action each year setting the surcharge as allowed in statute.

NDOT had estimated the proposed changes to the maximum oversized/overweight vehicle permit fees and superload vehicle permit fees (realized approximately 6 months after bill enactment) would amount to a \$2,127,215 increase in cash fund revenues in FY2026-27; with a \$4,254,430 increase in cash fund revenues in FY2027-28. The estimated number of permits issued during one full year and the estimated revenue breakdown are as follows:

Revenue Impacts for Changes in Permit Fees			
Permit Types	Number of Permits	FY2026-27	FY2027-28
Superload < 300,000 pounds	6,239	\$701,887	\$1,403,775
Superload 300,001 – 500,000 pounds	55	\$10,313	\$20,625
Superload >500,000 pounds	10	\$3,875	\$7,750
Other permits	117,979	\$1,411,140	\$2,822,280
Total Revenue Increases	124,283	\$2,127,215	\$4,254,430

Any revenues realized from this bill would be considered in NDOT's calculations during their setting of the gas tax rate; to ensure a variable rate adjustment will generate enough revenue to cover NDOT's Highway Cash Fund appropriation, as set by the Legislature.

The Nebraska Department of Motor Vehicles (DMV) had indicated this bill would likely reduce the number of reportable vehicle crashes, which would cause a like reduction in the number of driver records purchased. The estimated revenue losses would be \$7,500 in both FY2026-27 and again in FY2027-28. The revenue losses would be shared by various cash funds and the general fund as indicated in the table below:

LFO's Table of Revenue Losses as Estimated by the DMV for 500 less driver abstract records purchased @ \$15.00 each		
	FY2026-27	FY2027-28
General Fund	\$ (375)	\$ (375)
SOS Records Management Cash Fund	\$ (500)	\$ (500)
DMV Driver License Modernization Fund	\$ (2,000)	\$ (2,000)
DMV Cash Fund	\$ (4,625)	\$ (4,625)
Total Revenue Losses	\$ (7,500)	\$ (7,500)

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2026

LB⁽¹⁾ LB1126, AM2432, AM2562, AM2627, AM2752

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados

Date Prepared: ⁽⁴⁾ 4/1/2026

Phone: ⁽⁵⁾ 402-471-0252

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	675,000	675,000	1,350,000	1,350,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	675,000	675,000	1,350,000	1,350,000

Explanation of Estimate:

LB1126, as amended by AM2432, AM2562, AM2627 and AM2752 has the following fiscal impact, with the primary fiscal impact attributable to AM2752:

Under current law, the maximum monthly wireless 911 surcharge for active wireless telephone numbers in Nebraska is capped at \$0.70 statewide, except in Douglas County, where the maximum monthly rate is capped at \$0.50. LB1126 AM2752 would equalize the wireless 911 surcharge rate for residents in all Nebraska counties.

The wireless 911 surcharge is determined annually by the Public Service Commission following a public hearing. The surcharge is collected by wireless carriers and remitted to the Commission for deposit into the 911 Service System Fund. Monies in the Fund may be used solely to support the provision of 911 services statewide.

Rates are established annually for the upcoming calendar year, and the Commission reviews the surcharge level necessary to meet projected expenditures. As amended, this bill would authorize the Commission to establish a statewide rate of up to \$0.70; however, the Commission would still need to take formal action to set the rate for calendar year 2027. We estimate that the *potential* revenue increase could be up to approximately \$1,350,000 annually, beginning in January 2027.

The impact of the language directing the Commission to “maximize operational support” for PSAPs is unclear. However, any additional revenue would be applied toward operational costs of the 911 Service System, including increased overall support for PSAPs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Benefits.....				
Operating.....				

