

**FISCAL NOTE**  
LEGISLATIVE FISCAL ANALYST ESTIMATE

**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	300,000	0	0	300,000
FY2027-2028	0	150,000	0	0	150,000
FY2028-2029	0	150,000	0	0	150,000
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB1098 would add a new State Rail Plan Act to the Nebraska statutes, to be administered by the Nebraska Department of Transportation (NDOT). This bill would direct NDOT to create and maintain a State Rail Plan by June 30, 2027, adhering to 49 U.S.C. 22702 as it existed on January 1, 2026. The State Rail Plan must meet Federal Railroad Administration (FRA) requirements and shall include: improvement recommendations and a list of tracks that need upgrading after an examination of existing rail infrastructure. Plus, a current assessment of passenger rail service in Nebraska and suggestions for improving the quality or increasing the usage of the service. The State Rail Plan should also include ideas for increasing the capacity of both freight and passenger rail in and through Nebraska. Additionally, NDOT will be required to consider feedback from the public, the rail transportation advocacy groups, passenger rail advocacy groups, NDOT's studies, economic development, and both intrastate and interstate transit opportunities while developing this State Rail Plan. Finally, NDOT would be required to conduct a passenger rail survey by November 1<sup>st</sup> of each year, then produce a report from the findings to be delivered electronically by December 31<sup>st</sup> of each year to the Clerk of the Legislature.

LB1098 would make the Governor or a designee for the Governor the approval authority for the State Rail Plan. The bill gives NDOT 10 days after preparing or revising the State Rail Plan to provide it electronically to the Governor or a designee for an approval or denial. The Governor has 30 days after receipt to approve or deny the State Rail Plan and electronically notify both NDOT and the Clerk of the Legislature. Within 10 days after receiving approval, NDOT shall submit the State Rail Plan to the U.S. Secretary of Transportation as specified in 49 U.S.C. 22702, as such section existed on January 1, 2026.

Expenditures:

The Nebraska Department of Transportation (NDOT) is estimating completing the required passenger rail service study and developing the State Rail Plan would cost the department approximately \$300,000 in the first year, FY2026-27. In FY2027-28 and subsequent years, the expenditures would likely drop to around \$150,000 per year. As there is no revenue source mentioned in this bill, NDOT is assuming that this would be paid for with a corresponding appropriation increase from the Highway Cash Fund (which is comprised of motor and diesel fuel taxes, motor vehicle registration fees, and motor vehicle sales tax).

The Nebraska Public Service Commission (PSC) has indicated no fiscal impact to their agency.

There is no basis to disagree with these estimates.

Note: This fiscal note will be revised if additional agency responses are received which would change the fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1098 AM:	AGENCY/POLT. SUB:	Nebraska Department of Transportation
REVIEWED BY:	Ashley Dempsey	DATE: 1/26/26
COMMENTS: Concur with the Nebraska Department of Transportation's estimated fiscal impact as a result of LB 1098.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1098 AM:	AGENCY/POLT. SUB:	Public Service Commission
REVIEWED BY:	Ashley Dempsey	DATE: 1/23/26
COMMENTS: Concur with the Public Service Commission's assessment of no fiscal impact from LB 1098.		

Please complete **ALL** (5) blanks in the first three lines.

**2026**

**LB<sup>(1)</sup>** 1098

**FISCAL NOTE**

**State Agency OR Political Subdivision  
Name:** <sup>(2)</sup>

Public Service Commission

**Prepared by:** <sup>(3)</sup> Laurie Casados

**Date Prepared:** 1/20/2026

**Phone:** <sup>(5)</sup> 402-471-0252

<sup>(4)</sup>

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

**FY 2026-27**

**FY 2027-28**

	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Explanation of Estimate:**

This bill has no fiscal impact for the Public Service Commission.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

	<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>	<b>2026-27 EXPENDITURES</b>	<b>2027-28 EXPENDITURES</b>
	<b>26-27</b>	<b>27-28</b>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL</b> .....			<b>0</b>	<b>0</b>

Please complete **ALL** (5) blanks in the first three lines.

**2026**

**LB<sup>(1)</sup> 1098**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Department of Transportation (NDOT)

Prepared by: <sup>(3)</sup> Lily Kathee Date Prepared: <sup>(4)</sup> 1/21/2026 Phone: <sup>(5)</sup> 402-479-4635

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<b>FY 2026-27</b>		<b>FY 2027-28</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>	<u>\$300,000</u>		<u>\$150,000</u>	
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<u>\$300,000</u>		<u>\$150,000</u>	

**Explanation of Estimate:**

LB1098 establishes the State Rail Plan Act. The act would require NDOT to conduct an annual passenger rail service study prior to November 1<sup>st</sup> of each year and generate a report with findings from the study which is submitted to the Legislature by December 31<sup>st</sup> of each year.

In addition, LB1098 would require NDOT to prepare a state rail plan by June 30, 2027, pursuant to 49 U.S.C. 22702 as that section existed on January 1, 2026. Following completion of the plan, NDOT must conduct an annual review and make revisions as necessary. Within ten days of preparing or revising the plan, NDOT must submit it to the Governor for approval. The Governor is required to approve or deny the plan within thirty days and notify the Legislature of the decision.

If enacted, NDOT estimates that \$300,000 would be expended in FY2026-27 to complete the required passenger rail service study and develop the state rail plan. Beginning in FY2027-28, and in each fiscal year thereafter, NDOT estimates ongoing costs of \$150,000 to conduct an annual study of passenger rail service and to review and update the state rail plan. The fiscal impact of \$300,000 in FY2026-27 and \$150,000 in FY2027-28 and subsequent fiscal years is assumed to be supported by a corresponding increase in the Highway Cash Fund appropriation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2026-27 EXPENDITURES</b>	<b>2027-28 EXPENDITURES</b>
	<b>26-27</b>	<b>27-28</b>		
Benefits.....				
Operating.....			<u>\$300,000</u>	<u>\$150,000</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$300,000</u>	<u>\$150,000</u>