

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	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	2,127,215	0	0	2,127,215
FY2027-2028	0	4,254,430	0	0	4,254,430
FY2028-2029	0	4,254,430	0	0	4,254,430

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

LB1126 establishes the Infrastructure Development Investment Program Act to help finance qualified construction, improvement, or enhancement of transportation infrastructure projects that are necessary for public purposes. The Nebraska Department of Transportation's (NDOT's) Highway Commission would implement and administer the new program; with rules and regulations to be adopted by July 1, 2027. The Commission would have the final authority to select the projects to finance via loans and other financial assistance to eligible entities. The Commission may enter into cooperative agreements with federal agencies, state agencies, local governments, or private entities. Additionally, the Commission would be allowed to establish an advisory committee for the purpose of providing guidance on project prioritization, credit policy, or compliance matters.

This bill creates 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. If a borrower from this program were to default, the program may pursue any legal remedy to recover the funds, to include intercepting other state aid due to the borrower or transferring collateral as per constitutional and federal limitations. An independent financial audit shall be performed annually, with an Infrastructure Development Investment Program report electronically submitted to the Clerk of the legislature by November 1st of each year. The Infrastructure Development Investment Program Act would authorize the Commission to issue bonds in any amount and at any time; these bonds would be separate and distinct from any authority or limitation to issue bonds under the Nebraska Highway Bond Act. The Commission will adopt and uphold internal control policies, investment standards, and risk management framework. In addition, a public website shall be maintained showing the Infrastructure Development Investment Program's rules and regulations, the published reports, and information on how to obtain this financial assistance.

LB1126 expands the exemptions from prequalification requirements for certain types of contract work including: turf maintenance, vegetation control, fence work, ditch cleaning or 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. This bill would eliminate a requirement for progressive design-build contracts under §39-2814(8). In §39-2825, the bill would authorize the Director-State Engineer the discretion to use public-private partnerships for transportation projects deemed appropriate. In §39-2825 this bill would prohibit contracts for unsolicited proposals regarding simple highway repairs, while allowing for the submission of competing proposals until a contract is awarded. Additionally, the Nebraska Department of Transportation would be required to establish procedures for receiving and evaluating unsolicited proposals and may charge an administrative fee of up to \$500. Additionally, NDOT is authorized to use appropriated funds to review, develop, and implement these proposals. If one of these contracts is determined to be in the State's best interest, NDOT may enter into the contract.

This bill increases the minimum dollar amount of property damage threshold which triggers reporting and license suspension from \$1,500 to \$2,000. In §60-513, the minimum security deposit requirement would change from \$1,500 to \$2,000. In §60-695 and §60-699, the bill requires reports from both an investigation officer or a vehicle operator to NDOT within 10 days, if the accident amounted to \$2,000 damage or more, from the previous \$1,500. Additionally, in §60-699(4) the year of birth or age of a vehicle operator would no longer be confidential in specific vehicle accident reports.

LB1176 states in §60-6,123 that bicycle traffic will be controlled by the same traffic control signals as motor vehicles.

This bill updates 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. Under §60-6,298(7) permit fee limits are increased from \$25 to no more than \$50 (this increase includes those permits issued pursuant to §60-6,298((1)(a)(ii)). Further fees caps are increased for 90 day, 180 day, and 1 year oversize or overweight vehicles, and superload vehicle permits. For these specific permits, the caps will be as follows:

- 90 day permits are capped at \$50;
- 180 day permits are capped at \$100;
- 1 year permits are capped at \$200;
- 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.

Additionally, an issuance fee may be charged by NDOT for administrative costs associated with these permits.

LB1126, in §60-6,299, would raise the permit fee for vehicles moving a building or object, which requires specialized moving dollies, from \$10 to \$50.

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

Expenditures:

NDOT has indicated that any expenses related to this bill can be absorbed by their current appropriation.

Revenues:

NDOT is anticipating LB1126 would bring additional revenue (realized approximately 6 months after bill enactment) in the amount of \$2,127,215 Cash Funds in FY2026-27 and \$4,254,430 Cash Fund revenue in FY2027-28. The agency estimates issuing 6,304 superload permits each year (1/2 the full yr. amt. or 3,152 in the second half of FY2026-27); and 117,979 other permits annually (58,989.5 in first 6 months). The increase in revenues to the agency would be as follows:

Estimated Fee Increase Revenue to NDOT	FY2026-27	FY2027-28
Superload Permit Fees	\$ 716,075	\$ 1,432,150
Other Permits	\$ 1,411,140	\$ 2,822,280
Total Increase in Revenues as Proposed	\$ 2,127,215	\$ 4,254,430

If LB1126 were to pass, NDOT would consider this revenue increase in their calculations during the gas tax rate setting, with a corresponding adjustment to the variable rate in order to generate revenue based on NDOT's Highway Cash Fund appropriation, as set by the Legislature.

The Nebraska State Patrol, Lancaster County, the Lancaster County Treasurer, the Lincoln Police Department have all indicated no fiscal impact. There is no basis to disagree with these estimations of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1126	AM: AGENCY/POLT. SUB: Nebraska Department of Transportation	
REVIEWED BY: Ashley Dempsey	DATE: 1/30/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Nebraska Department of Transportation's estimated fiscal impact as a result of LB 1126.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1126	AM: AGENCY/POLT. SUB: Nebraska State Patrol	
REVIEWED BY: Ashley Dempsey	DATE: 1/30/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Nebraska State Patrol's assessment of no fiscal impact from LB 1126.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1126	AM: AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Lancaster County's assessment of no fiscal impact from LB 1126.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1126	AM: AGENCY/POLT. SUB: Lancaster County Treasurer	
REVIEWED BY: Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Lancaster County Treasurer's assessment of no fiscal impact from LB 1126.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1126	AM: AGENCY/POLT. SUB: Lincoln Police Department	
REVIEWED BY: Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Lincoln Police Department's assessment of no fiscal impact from LB 1126.		

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

2026

LB⁽¹⁾ 1126

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lincoln Police Department

Prepared by: ⁽³⁾ Captain Todd Kocian #940 Date Prepared: ⁽⁴⁾ 01/22/2026 Phone: ⁽⁵⁾ 402-441-1871

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

At this time, it does not appear there would be a fiscal impact to the Lincoln Police Department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

<u>Personal Services:</u>	<u>NUMBER OF POSITIONS</u>	<u>2026-27</u>	<u>2027-28</u>
<u>POSITION TITLE</u>	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____
Operating.....	_____	_____	_____
Travel.....	_____	_____	_____
Capital outlay.....	_____	_____	_____
Aid.....	_____	_____	_____
Capital improvements.....	_____	_____	_____
TOTAL.....			

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

2026

LB⁽¹⁾ 1126

FISCAL NOTE

**State Agency OR Political Subdivision
Name:** ⁽²⁾

Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: 1/26/2026

⁽⁴⁾

Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2026-27

FY 2027-28

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		N/A		
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB1126 creates an optional state infrastructure financing program available to political subdivisions. Lancaster County would not experience a fiscal impact unless it elects to participate in the program and enters into a financing agreement. The County does not issue oversize or overweight permits; therefore, permit fee changes do not affect County revenue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

Benefits.....

Operating.....

Travel.....

**Capital
outlay.....**

Aid.....

**Capital
improvements.....**

TOTAL.....

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

2026

LB⁽¹⁾ 1126

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver

Date Prepared: ⁽⁴⁾ Jan. 28, 2026

Phone: ⁽⁵⁾ 402-441-7425

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2026-27

FY 2027-28

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0		0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

No Fiscal Impact for the County Treasurer's Office.

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.....

Travel.....

Capital outlay.....

Aid.....

Capital improvements.....

TOTAL.....

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

2026

LB⁽¹⁾ 1126

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: 01/27/2026

⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2026-27

FY 2027-28

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

No Fiscal Impact.

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.....

Travel.....

Capital outlay.....

Aid.....

Capital improvements.....

TOTAL.....

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

2026

LB⁽¹⁾ 1126

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Transportation (NDOT)

Prepared by: ⁽³⁾ Lily Kathee

Date Prepared: ⁽⁴⁾ 1/26/2026

Phone: ⁽⁵⁾ 402-479-4635

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		<u>\$2,127,215</u>		<u>\$4,254,430</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		<u>\$2,127,215</u>		<u>\$4,254,430</u>

Explanation of Estimate:

LB1126 establishes the Infrastructure Development Investment Program Act, creating a new infrastructure development investment program administered by the State Highway Commission with the Department of Transportation providing day-to-day administrative support. Political subdivision and other eligible entities may apply for loans, and all loan agreements must include unconditional repayment obligation from pledged sources.

The bill requires rules and regulations to be adopted by July 1, 2027, mandates an annual independent audit, and directs that an annual report be submitted no later than November 1 of each year.

LB1126 updates the list of contract types exempt from prequalification requirements and removes the requirement to consider historic reasonableness for progressive design-build contracts.

The bill authorizes the use of public-private partnerships for transportation projects deemed appropriate by the Director of NDOT. It prohibits contracts for unsolicited proposals involving simple highway repairs but allows submission of competing proposals until the contract is awarded. The bill requires NDOT to establish procedures for receiving and evaluating unsolicited proposal, and allows an administrative fee of up to \$500. NDOT may use appropriated funds to review, develop, and implement unsolicited proposals and enter into contracts determined to be in the State's best interest.

The bill increases the accident damage threshold for license suspension from \$1,500 to \$2,000, and raises the minimum security deposit requirement under the Motor Vehicle Safety Responsibility Act to \$2,000. It requires accidents causing more than \$2,000 in damage to be reported to NDOT within 10 days by the investigating officer or vehicle operator.

As proposed, the bill updates the Rules of the Road to define a superload as a vehicle sixteen feet in width, 192 inches in height, 150 inches in length, and has a gross weight of 160,000 pounds. In addition, extends traffic control signal requirements to bicycle operators.

Finally, the bill increases NDOT permit fee limits to no more than \$50 (previously \$25), with updated fees for 90 day, 180 day, one year permits. Superload permit fees are capped at \$250 for vehicles weighing up to 300,000 pounds, \$400 for 300,000 to 500,000 pounds, and \$800 for vehicles weighing exceeding 500,000 pounds.

The fiscal impact of all provisions can be managed within the existing appropriation. However, the proposed changes to the maximum permit fee and superload permit fees will generate additional revenue once the Nebraska Rules and Regulations are updated. The regulatory update process is anticipated to require approximately six months following the bill's enactment, after which the adjusted fees will take effect.

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	124,283	\$2,127,215	\$4,254,430

Based on historical permit data, it is anticipated approximately 6,304 superload permit fees will be issued annually, generating an estimated \$1,432,150. In addition, permit fee increases applied to an estimated 117,979 permits are expected to generate approximately \$2,822,280 annually. During FY2026-27, FY 2027-28, and subsequent fiscal years the Department of Transportation would consider the increased fee revenue during the motor fuels tax setting process and adjust the variable rate accordingly to generate revenue based on the Highway Cash Fund appropriation set by the Legislature.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

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