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SYNOPSIS:

Currently, the Port of Mobile is managed by the Alabama State Port Authority; however, there is no state agency responsible for facilitating and coordinating the development of Alabama's inland ports and waterways.

This bill provides for the allocation of funds to the Alabama Department of Economic and Community Affairs to facilitate growth in the state's system of inland ports and transfer facilities and for the coordination of a transportation system for inland waterways.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to inland ports; to authorize the Alabama Department of Economic and Community Affairs to facilitate and coordinate the development, improvement, maintenance, and construction of inland ports and transfer facilities within the state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature finds and declares all of





57 access to the facilities of the Alabama State Port Authority,  
58 combined with the recent completion of the Panama Canal  
59 expansion, should lead to greater imports and exports for the  
60 State of Alabama and infrastructure enhancements are needed to  
61 handle the increased volume of freight traffic.

62 (g) It is the intention of the Legislature to authorize  
63 the transfer of funds to the Alabama Department of Economic  
64 and Community Affairs from the State General Fund to  
65 facilitate and improve the system of inland ports and  
66 intermodal transfer facilities in the state.

67 Section 2. When used in this act, the following words  
68 and phrases have the following respective meanings unless the  
69 context clearly indicates otherwise:

70 (1) INLAND PORTS. Inland ports, including ports owned  
71 or operated by the Alabama State Port Authority, are physical  
72 sites located away from traditional land, air, and coastal  
73 borders with the vision to facilitate and process  
74 international and domestic trade through strategic investment  
75 in multi-modal transportation assets and by promoting  
76 value-added services as goods move through the supply chain.  
77 This definition specifically excludes the Port of Mobile.

78 (2) INTERMODAL FACILITY. A transportation element that  
79 accommodates and interconnects different modes of  
80 transportation and serves intrastate, interstate, and  
81 international movement of people and goods and facilitates the  
82 movement of goods on two or more modes involving either direct  
83 transfer or intermediate storage.

84 (3) PORT FACILITY. Any authority, municipality, county,



85 or publicly-owned inland port through which cargo is  
86 transported by way of waterborne ship, barge, or railroad, to  
87 or from destinations inside or outside this state and which  
88 handles cargo owned by third parties.

89 Section 3. (a) The Inland Ports and Intermodal  
90 Development Fund is created within the Alabama Department of  
91 Economic and Community Affairs to receive appropriations from  
92 the State General Fund for the purpose of financing  
93 improvements to existing publicly-owned inland ports and  
94 intermodal facility infrastructure. Funding for the grant  
95 program shall be awarded on a competitive bid basis for inland  
96 port and intermodal facility projects that will have a  
97 significant local or regional impact. Priority of funding  
98 shall be given to inland ports and intermodal facilities that  
99 have proven performance in reducing congestion on public  
100 highways, proven performance to increase tonnage at port  
101 facilities, and that will enhance regional competitiveness for  
102 port operators and users. The minimum participation for local  
103 funds is 20 percent of the project amount.

104 (b) To receive funds under this article, an inland port  
105 or intermodal facility shall file an application with the  
106 department describing how the funds will be used and any other  
107 information the department may require. No application shall  
108 be approved or funds distributed unless the expenditure of  
109 funds are:

110 (1) Directly related to capital improvements, dredging  
111 for project development in the immediate vicinity of an  
112 existing inland port, economic development of an inland port



113 facility, or the rebuilding or rehabilitation of basic  
114 waterway and port infrastructure; or

115 (2) For a project or use directly related to intermodal  
116 infrastructure development; or

117 (3) For a purpose outside the normal operating budget  
118 of an inland port or intermodal infrastructure facility or a  
119 river-related community; or

120 (4) For purpose of assessment or planning.

121 (c) Funding shall not be approved for routine  
122 maintenance, administrative and operational expenses, or for  
123 the dredging of waterways within the state that are not in the  
124 immediate vicinity of an inland port facility. Additionally,  
125 the use of funding to establish or construct new inland ports,  
126 or to acquire land for new inland ports, shall not be eligible  
127 for funding unless a feasibility study and competitive  
128 analysis have been conducted and submitted for review to the  
129 department.

130 Section 4. (a) Notwithstanding any other provisions of  
131 law to the contrary, the Legislature shall annually  
132 appropriate two million dollars (\$2,000,000) from the State  
133 General Fund to the Alabama Department of Economic and  
134 Community Affairs to establish a grant program to facilitate  
135 and coordinate inland port and transfer facility development,  
136 improvement, maintenance, onsite storage, moorings, and  
137 construction. The appropriation shall be effective beginning  
138 fiscal year 2026 and continue through the 2028 fiscal year,  
139 unless continued by an act of the Legislature.

140 (b) Upon appropriations, the monies shall be kept in



141 the Inland Ports and Intermodal Development Fund created in  
142 Section 3 and shall be subject to audit by the Department of  
143 Examiners of Public Accounts in the same manner as all other  
144 department funds. Any unexpended monies remaining in the fund  
145 at the end of the fiscal year shall remain in the fund and  
146 shall not revert to the State General Fund. The amount of the  
147 appropriation for the upcoming fiscal year appropriation shall  
148 be reduced by the amount carried forward such that the  
149 department will have no more than five million dollars  
150 (\$5,000,000) in any single fiscal year to administer the grant  
151 program. Any monies which remain unexpended at the end of the  
152 third fiscal year shall revert to the State General Fund. Any  
153 unencumbered funds remaining pursuant to this act after three  
154 years shall revert to the State General Fund.

155 Section 5. (a) This article shall not apply nor have  
156 any effect on any state agency currently having control over  
157 local port or infrastructure commissions or authorities.

158 (b) This article shall not change any existing laws  
159 that apply to any existing port or infrastructure commission  
160 or authority, or to powers presently provided for conducting  
161 and developing the water transportation industry, and all such  
162 existing laws are hereby expressly preserved and shall not be  
163 preempted by this article.

164 (c) No provision of this article shall be construed to  
165 authorize any diversion from local port or infrastructure  
166 commissions or authorities of fees, funds, donations, grants,  
167 or monies to which the commission or authorities are otherwise  
168 entitled.



169           Section 6. The department shall adopt rules,  
170 regulations, restrictions, and eligibility requirements as are  
171 necessary to implement and administer the provisions of this  
172 bill.

173           Section 7. This act shall become effective on October  
174 1, 2024.