



**House Ports, Waterways & Intermodal Transit
Reported Substitute for HB253**

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A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama State Port Authority; to amend Sections 33-1-2, 33-1-3, 33-1-5, 33-1-5.1, and 33-1-5.2, Code of Alabama 1975; to provide that the port authority is a body corporate with the ability to employ non-merit system employees.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 33-1-2, 33-1-3, 33-1-5, 33-1-5.1, and 33-1-5.2, Code of Alabama 1975, are amended to read as follows:

"§33-1-2

(a) There shall be a state agency known as the Alabama State Port Authority, hereinafter sometimes referred to as the port authority. Notwithstanding any other provision of law, whenever any act, section of this code, or any other provision of law refers to the Alabama State Docks Department, it shall be deemed a reference to the Alabama State Port Authority.

(b) The port authority shall promote, supervise, control, manage, and direct the state docks and all other state lands included within the jurisdiction of this chapter and shall maintain and operate all the improvements and



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29 facilities authorized by this chapter. The port authority is a
30 body corporate and shall be constituted as provided in this
31 chapter, ~~and it shall maintain and operate all the~~
32 ~~improvements and facilities authorized by this chapter.~~"

33 "§33-1-3

34 The chief executive officer of the port authority shall
35 be known as the Director of the Alabama State Port Authority.
36 The director may not have any financial interest in any harbor
37 facilities or property that the port authority or its
38 predecessors have acquired or may acquire or manage, and may
39 not have any financial or personal interest in any business or
40 enterprise of any sort which interferes or is inconsistent
41 with his or her duties as director. The duties of the director
42 shall be as follows:

43 (1) Exercise the chief executive authority of the port
44 authority, and exercise, consistent with this chapter and
45 other applicable law, all the powers, authority, and duties
46 vested by this chapter or other applicable law in the port
47 authority.

48 (2) Appoint, with the advice and consent of the board
49 of directors of the port authority, no more than 11
50 individuals as executive level employees. These individuals
51 shall be non-merit system employees and may replace current
52 Merit System executive level employees who retire or otherwise
53 leave the employment of the port authority. The director shall
54 fix the salaries of these non-merit system executive level
55 employees giving due consideration to the salaries of
56 comparable positions in other states and in private



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57 industries. These non-merit system executive level employees,
58 though not participants in the classified service of the state
59 under the Merit System Act, shall be entitled to the other
60 benefits, including, but not limited to, retirement, sick and
61 annual leave, and insurance benefits afforded other state
62 employees, except that the board of directors of the port
63 authority may provide and fund an alternate benefit package
64 for them. Regardless of whether the port authority funds an
65 alternate benefit package, the port authority shall pay to the
66 State Employees' Insurance Fund the monthly employer
67 contribution as defined by Section 36-29-1 for each of its
68 non-merit system executive level employees.

69 (3) Employ, with the advice and consent of the board of
70 directors of the port authority, all individuals necessary to
71 the efficient operation of the Alabama State Port Authority,
72 including a secretary-treasurer and other employees as Merit
73 System or non-merit system employees, fix their compensation
74 and other conditions of employment and tenure in office, and
75 be responsible for the efficient discharge of their duties.
76 Any non-merit system employees employed under this section,
77 though not participants in the classified service of the state
78 under the state Merit System, shall be entitled to the other
79 benefits, including, but not limited to, retirement, sick and
80 annual leave, and insurance benefits afforded other state
81 employees, except that the board of directors of the port
82 authority may provide and fund an alternate benefit package
83 for them. Regardless of whether the port authority funds an
84 alternate benefit package for them, the port authority shall



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85 pay to the State Employees' Insurance Fund the monthly
86 employer contribution as defined by Section 36-29-1 for each
87 of its full-time non-merit system employees."

88 "§33-1-5

89 (a) All employees and officers of the Alabama State
90 Port Authority, except the director, ~~executive level~~ non-merit
91 system employees hired or employed pursuant to Section 33-1-3,
92 and those exempt under Section 36-26-10, shall be subject to
93 the provisions of the state Merit System law with respect to
94 the method of selection, classification, and compensation of
95 state employees. Sections 33-1-5.1 and 33-1-5.2 shall apply to
96 the director and the non-merit system ~~executive level~~
97 employees hired or employed pursuant to Section 33-1-3,
98 including their spouses and dependents; ~~however, nothing in~~
99 ~~Act 2000-598 shall be construed to alter or modify Sections~~
100 ~~33-1-5.1 and 33-1-5.2.~~

101 ~~(b) Persons employed by the Alabama State Docks~~
102 ~~Department on August 1, 2000, shall continue to have precisely~~
103 ~~the same rights and benefits as they now have under the Merit~~
104 ~~System and under the State Employees' Retirement System and~~
105 ~~all other benefits that they had on August 1, 2000.~~

106 ~~(e)~~ (b) The Alabama State Port Authority may employ port
107 police officers at the Port of Mobile, **who shall be employed**
108 **pursuant to the state Merit System or pursuant to Section**
109 **33-1-3.** Port police officers employed pursuant to this
110 subsection are constituted peace officers of the State of
111 Alabama with full police power and jurisdiction to enforce the
112 laws of the state and the rules and regulations which may be



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113 ~~promulgated~~adopted by the port authority on property owned by
114 or otherwise within the jurisdiction of the Alabama State Port
115 Authority and the approaches thereto. Port police officers
116 shall meet the minimum standards for law enforcement officers
117 provided by law.

118 ~~(d)~~ (c) Notwithstanding any other provision of law to
119 the contrary, the board of directors of the port authority
120 ~~shall have the authority to~~ may adopt and implement an
121 employee compensation plan applicable to the director, the
122 non-merit system ~~executive level~~ employees hired or employed
123 pursuant to Section 33-1-3, and those employees employed
124 pursuant to the state Merit System that provides for
125 compensation to the employees solely out of funds of the
126 Alabama State Port Authority in addition to any other
127 compensation payable to any employees under existing law as an
128 incentive for achieving goals specified by the plan. The
129 employee compensation plan may compensate Merit System
130 employees in excess of, and in addition to, the normal
131 compensation received by the Merit System employee. The
132 compensation plan shall complement the existing pay plan
133 applicable to Merit System employees.

134 (d) Nothing in this section shall be construed to
135 change, alter, diminish, or amend the state Merit System laws
136 or regulations which shall continue to apply to all Merit
137 System employees employed by the port authority."

138 "§33-1-5.1

139 (a) The Alabama State Port Authority may establish and
140 fund retirement plans for ~~various~~ employees of the Alabama



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141 State Port Authority including, but not limited to, those
142 employees who are employed by the port authority under ~~Section~~
143 Sections 33-1-3 and 36-26-19, those employees who are "exempt"
144 under Section 36-26-19, those employees who are employed by
145 the port authority under Section 33-1-16 as locomotive
146 engineers, locomotive firemen, switchmen, ~~and~~ switch engine
147 foremen, and hostlers engaged in the operation of the terminal
148 railroads provided for by ~~said~~ that section, and those
149 employees of the port authority who are not otherwise covered
150 under the State Employees' Retirement System and pay the costs
151 of the establishment and funding of the retirement plans from
152 the revenues of the port authority.

153 (b) The retirement plans and benefits shall be in
154 amounts as defined in individual labor contracts and deemed
155 appropriate and desirable by the port authority for the
156 benefit of those employees of the port authority who are not
157 otherwise covered under the State Employees' Retirement System
158 and who have been declared eligible for disability or
159 retirement benefits by the U.S. Social Security Administration
160 or under the U.S. Railroad Retirement Act.

161 (c) The port authority may establish and fund the
162 retirement plans solely out of the revenues of the port
163 authority and may execute contracts to establish the
164 retirement funds and provide the benefits under the plan
165 provided by this section. The general administration and
166 responsibility for the proper operation of the retirement
167 plans and for making effective ~~the provisions of~~ this section
168 are vested in the port authority, and the port authority may



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169 establish committees as deemed necessary and appropriate. The
170 port authority may designate, appoint, and discharge
171 administrators and trustees under the plans and engage
172 actuarial and other services as required to transact the
173 business of the retirement plans. ~~All of the~~ The benefits to
174 be provided under this section may be included in one or more
175 contracts issued by the same or different administrators,
176 trustees, and companies and may cover groups of employees
177 under separate contracts as deemed necessary and appropriate
178 by the port authority. The port authority shall establish the
179 plans and shall ~~award such~~ execute a contract or contracts on
180 a basis as determined by the benefits afforded, the costs to
181 be incurred and paid for solely out of the revenues of the
182 port authority as the port authority deems necessary and
183 appropriate.

184 (d) The contract or contracts shall provide for
185 retirement benefits for the retired employees of the port
186 authority not covered by the ~~retirement plan of the State of~~
187 ~~Alabama and~~ State Employees' Retirement System as defined by
188 the rules and regulations of the port authority, on terms
189 deemed appropriate by the port authority. The port authority
190 shall adopt rules and regulations prescribing the conditions
191 under which retiring employees may participate in or withdraw
192 from the plans.

193 (e) The port authority may adopt ~~and promulgate~~ rules
194 and regulations for the administration of the retirement
195 plans.

196 (f) The benefits provided for ~~hereunder~~ in this section



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197 shall not exceed the retirement benefits provided for other
198 employees of the state under established state retirement
199 plans.

200 ~~(g) The port authority may develop a retirement~~
201 ~~incentive program for all employees of the port authority who~~
202 ~~are eligible to retire from state service and who retire prior~~
203 ~~to September 30, 1997. The port authority shall promulgate any~~
204 ~~administrative regulations necessary to carry out the program~~
205 ~~in a fair and equitable manner. The costs of any retirement~~
206 ~~incentive program shall be paid out of the revenues of the~~
207 ~~port authority. Retirement incentive monies paid to an~~
208 ~~employee shall not exceed a sum in excess of one thousand~~
209 ~~dollars (\$1,000) per year of creditable state service of the~~
210 ~~employee, which shall be paid in addition to any other~~
211 ~~benefits or entitlements. An employee choosing to participate~~
212 ~~in this program will not be eligible to participate in any~~
213 ~~other early retirement incentive program offered by the State~~
214 ~~of Alabama in 1997.~~

215 ~~(h) The port authority shall prepare a cost-benefit~~
216 ~~analysis for the program and annually on the first legislative~~
217 ~~day of each regular session of the Legislature submit a report~~
218 ~~to the members of the Alabama Legislature and the Governor on~~
219 ~~the financial benefits of the retirement incentive program."~~

220 "§33-1-5.2

221 (a) The Alabama State Port Authority ~~is hereby~~
222 ~~authorized to~~ may provide and establish a plan of life and
223 health insurance for the salaried officers and employees of
224 the Alabama ~~state docks~~ State Port Authority who work full



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225 time for the ~~Alabama state docks~~ port authority and receive
226 their compensation on a bi-weekly basis and also a plan of
227 health insurance for the spouses and dependent children of
228 ~~such~~ officers and employees and to pay the costs and premiums
229 of ~~such~~ life and health insurance from the revenues of the
230 Alabama State Port Authority.

231 (b) ~~Such~~ The health insurance plan may provide for
232 group hospitalization, surgical, medical, and dental insurance
233 against the financial costs of hospitalization, surgical,
234 medical, and dental treatment and care, and may also include,
235 among other things, prescribed drugs, medicines, prosthetic
236 appliances, hospital in-patient and out-patient service
237 benefits, including major medical benefits, or ~~such~~ other
238 coverage or benefits as may be deemed appropriate and
239 desirable by the port authority. The life insurance plan shall
240 be a group plan with the face amount of ~~such~~ the life
241 insurance coverage on ~~such~~ salaried officers and employees
242 limited to ~~such~~ amounts as may be deemed appropriate and
243 desirable by the port authority.

244 (c) The port authority ~~is hereby authorized to~~ may
245 execute a contract or contracts to provide the benefits under
246 the life and health insurance coverage provided by this
247 section. ~~Such~~ The contract or contracts may be executed with
248 one or more agents or corporations licensed to transact life
249 and health insurance business in this state. ~~All of the~~ The
250 benefits to be provided under this section may be included in
251 one or more similar contracts issued by the same or different
252 companies. Before entering into any contract, hereby



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253 ~~authorized said the~~ port authority shall invite competitive
254 bids from qualified insurers who wish to offer plans for the
255 life and health insurance coverage provided by this section.

256 (d) The benefits provided for ~~herein in this section~~
257 shall not exceed the benefits provided to employees of the
258 Alabama State Port Authority subject to collective bargaining
259 agreements.

260 (e) Regardless of whether the port authority provides,
261 establishes, and funds an alternate health insurance plan
262 under this section, the port authority shall pay to the State
263 Employees' Insurance Fund the monthly employer contribution as
264 defined by Section 36-29-1 for each of its full-time
265 employees, whether Merit, non-merit, or exempt."

266 Section 2. This act shall become effective on **October**
267 **1, 2024.**