

# HB253 INTRODUCED



1 HB253  
2 H7CV836-1  
3 By Representative Brown  
4 RFD: Ports, Waterways & Intermodal Transit  
5 First Read: 27-Feb-24



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SYNOPSIS:

Under existing law, certain officers and employees of the Alabama State Port Authority are subject to the state Merit System.

This bill would explicitly provide that the port authority is a body corporate with the ability to employ non-merit system employees.

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



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29 port authority. Notwithstanding any other provision of law,  
30 whenever any act, section of this code, or any other provision  
31 of law refers to the Alabama State Docks Department, it shall  
32 be deemed a reference to the Alabama State Port Authority.

33 (b) The port authority shall promote, supervise,  
34 control, manage, and direct the state docks and all other  
35 state lands included within the jurisdiction of this chapter  
36 and shall maintain and operate all the improvements and  
37 facilities authorized by this chapter. The port authority is a  
38 body corporate and shall be constituted as provided in this  
39 chapter, ~~and it shall maintain and operate all the~~  
40 ~~improvements and facilities authorized by this chapter."~~

41 "§33-1-3

42 The chief executive officer of the port authority shall  
43 be known as the Director of the Alabama State Port Authority.  
44 The director may not have any financial interest in any harbor  
45 facilities or property that the port authority or its  
46 predecessors have acquired or may acquire or manage, and may  
47 not have any financial or personal interest in any business or  
48 enterprise of any sort which interferes or is inconsistent  
49 with his or her duties as director. The duties of the director  
50 shall be as follows:

51 (1) Exercise the chief executive authority of the port  
52 authority, and exercise, consistent with this chapter and  
53 other applicable law, all the powers, authority, and duties  
54 vested by this chapter or other applicable law in the port  
55 authority.

56 (2) Appoint, with the advice and consent of the board



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57 of directors of the port authority, no more than 11  
58 individuals as executive level employees. These individuals  
59 shall be non-merit system employees and may replace current  
60 Merit System executive level employees who retire or otherwise  
61 leave the employment of the port authority. The director shall  
62 fix the salaries of these non-merit system executive level  
63 employees giving due consideration to the salaries of  
64 comparable positions in other states and in private  
65 industries. These non-merit system executive level employees,  
66 though not participants in the classified service of the state  
67 under the Merit System Act, shall be entitled to the other  
68 benefits, including, but not limited to, retirement, sick and  
69 annual leave, and insurance benefits afforded other state  
70 employees, except that the board of directors of the port  
71 authority may provide and fund an alternate benefit package  
72 for them. Regardless of whether the port authority funds an  
73 alternate benefit package, the port authority shall pay to the  
74 State Employees' Insurance Fund the monthly employer  
75 contribution as defined by Section 36-29-1 for each of its  
76 non-merit system executive level employees.

77 (3) Employ, with the advice and consent of the board of  
78 directors of the port authority, all individuals necessary to  
79 the efficient operation of the Alabama State Port Authority,  
80 including a secretary-treasurer and other employees as Merit  
81 System or non-merit system employees, fix their compensation  
82 and other conditions of employment and tenure in office, and  
83 be responsible for the efficient discharge of their duties.  
84 Any non-merit system employees employed under this section,



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85 though not participants in the classified service of the state  
86 under the state Merit System, shall be entitled to the other  
87 benefits, including, but not limited to, retirement, sick and  
88 annual leave, and insurance benefits afforded other state  
89 employees, except that the board of directors of the port  
90 authority may provide and fund an alternate benefit package  
91 for them. Regardless of whether the port authority funds an  
92 alternate benefit package for them, the port authority shall  
93 pay to the State Employees' Insurance Fund the monthly  
94 employer contribution as defined by Section 36-29-1 for each  
95 of its full-time non-merit system employees."

96 "§33-1-5

97 (a) All employees and officers of the Alabama State  
98 Port Authority, except the director, ~~executive level non-merit~~  
99 system employees hired or employed pursuant to Section 33-1-3,  
100 and those exempt under Section 36-26-10, shall be subject to  
101 the provisions of the state Merit System law with respect to  
102 the method of selection, classification, and compensation of  
103 state employees. Sections 33-1-5.1 and 33-1-5.2 shall apply to  
104 the director and the non-merit system ~~executive level~~  
105 employees hired or employed pursuant to Section 33-1-3,  
106 including their spouses and dependents; ~~however, nothing in~~  
107 ~~Act 2000-598 shall be construed to alter or modify Sections~~  
108 ~~33-1-5.1 and 33-1-5.2.~~

109 ~~(b) Persons employed by the Alabama State Docks~~  
110 ~~Department on August 1, 2000, shall continue to have precisely~~  
111 ~~the same rights and benefits as they now have under the Merit~~  
112 ~~System and under the State Employees' Retirement System and~~



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113 ~~all other benefits that they had on August 1, 2000.~~

114 ~~(e)~~ (b) The Alabama State Port Authority may employ port  
115 police officers at the Port of Mobile, ~~who shall be employed~~  
116 ~~pursuant to the state Merit System.~~ Port police officers  
117 employed pursuant to this subsection are constituted peace  
118 officers of the State of Alabama with full police power and  
119 jurisdiction to enforce the laws of the state and the rules  
120 and regulations which may be ~~promulgated~~ adopted by the port  
121 authority on property owned by or otherwise within the  
122 jurisdiction of the Alabama State Port Authority and the  
123 approaches thereto. Port police officers shall meet the  
124 minimum standards for law enforcement officers provided by  
125 law.

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



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141 applicable to Merit System employees.

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

146 "§33-1-5.1

147 (a) The Alabama State Port Authority may establish and  
148 fund retirement plans for ~~various~~ employees of the Alabama  
149 State Port Authority including, but not limited to, those  
150 employees who are employed by the port authority under ~~Section~~  
151 Sections 33-1-3 and 36-26-19, those employees who are "exempt"  
152 under Section 36-26-19, those employees who are employed by  
153 the port authority under Section 33-1-16 as locomotive  
154 engineers, locomotive firemen, switchmen, ~~and~~ switch engine  
155 foremen, and hostlers engaged in the operation of the terminal  
156 railroads provided for by ~~said~~ that section, and those  
157 employees of the port authority who are not otherwise covered  
158 under the State Employees' Retirement System and pay the costs  
159 of the establishment and funding of the retirement plans from  
160 the revenues of the port authority.

161 (b) The retirement plans and benefits shall be in  
162 amounts as defined in individual labor contracts and deemed  
163 appropriate and desirable by the port authority for the  
164 benefit of those employees of the port authority who are not  
165 otherwise covered under the State Employees' Retirement System  
166 and who have been declared eligible for disability or  
167 retirement benefits by the U.S. Social Security Administration  
168 or under the U.S. Railroad Retirement Act.



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169 (c) The port authority may establish and fund the  
170 retirement plans solely out of the revenues of the port  
171 authority and may execute contracts to establish the  
172 retirement funds and provide the benefits under the plan  
173 provided by this section. The general administration and  
174 responsibility for the proper operation of the retirement  
175 plans and for making effective ~~the provisions of~~ this section  
176 are vested in the port authority, and the port authority may  
177 establish committees as deemed necessary and appropriate. The  
178 port authority may designate, appoint, and discharge  
179 administrators and trustees under the plans and engage  
180 actuarial and other services as required to transact the  
181 business of the retirement plans. ~~All of the~~ The benefits to  
182 be provided under this section may be included in one or more  
183 contracts issued by the same or different administrators,  
184 trustees, and companies and may cover groups of employees  
185 under separate contracts as deemed necessary and appropriate  
186 by the port authority. The port authority shall establish the  
187 plans and shall ~~award such~~ execute a contract or contracts on  
188 a basis as determined by the benefits afforded, the costs to  
189 be incurred and paid for solely out of the revenues of the  
190 port authority as the port authority deems necessary and  
191 appropriate.

192 (d) The contract or contracts shall provide for  
193 retirement benefits for the retired employees of the port  
194 authority not covered by the ~~retirement plan of the State of~~  
195 ~~Alabama and~~ State Employees' Retirement System as defined by  
196 the rules and regulations of the port authority, on terms





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197 deemed appropriate by the port authority. The port authority  
198 shall adopt rules and regulations prescribing the conditions  
199 under which retiring employees may participate in or withdraw  
200 from the plans.

201 (e) The port authority may adopt ~~and promulgate~~ rules  
202 and regulations for the administration of the retirement  
203 plans.

204 (f) The benefits provided for ~~hereunder~~ in this section  
205 shall not exceed the retirement benefits provided for other  
206 employees of the state under established state retirement  
207 plans.

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

223 ~~(h) The port authority shall prepare a cost-benefit  
224 analysis for the program and annually on the first legislative~~



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225 ~~day of each regular session of the Legislature submit a report~~  
226 ~~to the members of the Alabama Legislature and the Governor on~~  
227 ~~the financial benefits of the retirement incentive program."~~

228 "§33-1-5.2

229 (a) The Alabama State Port Authority ~~is hereby~~  
230 ~~authorized to~~ may provide and establish a plan of life and  
231 health insurance for the salaried officers and employees of  
232 the Alabama state docks State Port Authority who work full  
233 time for the ~~Alabama state docks~~ port authority and receive  
234 their compensation on a bi-weekly basis and also a plan of  
235 health insurance for the spouses and dependent children of  
236 ~~such~~ officers and employees and to pay the costs and premiums  
237 of ~~such~~ life and health insurance from the revenues of the  
238 Alabama State Port Authority.

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

252 (c) The port authority ~~is hereby authorized to~~ may



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253 execute a contract or contracts to provide the benefits under  
254 the life and health insurance coverage provided by this  
255 section. ~~Such~~ The contract or contracts may be executed with  
256 one or more agents or corporations licensed to transact life  
257 and health insurance business in this state. ~~All of the~~ The  
258 benefits to be provided under this section may be included in  
259 one or more similar contracts issued by the same or different  
260 companies. Before entering into any contract, hereby  
261 ~~authorized said the~~ port authority shall invite competitive  
262 bids from qualified insurers who wish to offer plans for the  
263 life and health insurance coverage provided by this section.

264 (d) The benefits provided for ~~herein in this section~~  
265 shall not exceed the benefits provided to employees of the  
266 Alabama State Port Authority subject to collective bargaining  
267 agreements.

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

274 Section 2. This act shall become effective on January  
275 1, 2025.