

**SB60 ENGROSSED**



1 SB60  
2 3JKHVEV-2  
3 By Senator Orr  
4 RFD: Finance and Taxation General Fund  
5 First Read: 06-Feb-24



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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 the following:

(a) That inland ports are physical sites located away from traditional coastal borders with the vision to facilitate and process domestic and international trade through strategic investment in multi-modal transportation assets and by promoting value-added services as goods move through the supply chains.

(b) That the development of inland ports and other transfer facilities has been a growing trend for the past 30 years, and the southeastern United States is an area of increased interest in entities wanting to create networks of strategically placed facilities throughout each state.

(c) That the support of inland ports or transfer



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29 facilities are an added benefit to the State of Alabama.

30 (d) That an inland port or intermodal transfer facility  
31 would have the added benefit of reducing truck traffic along  
32 the federal and state highways of Alabama, especially through  
33 metropolitan areas, and would reduce greenhouse emissions from  
34 heavy freight carriers.

35 (e) That a rail-based inland port has three basic  
36 requirements enabling it to fulfill a relevant commercial  
37 role: the ability to serve as an intermodal terminal, host  
38 logistics activities, and be a corridor to a gateway.

39 (f) That the passing of Act 2019-2, 2019 First Special  
40 Session, now appearing as Section 40-17-371(b), Code of  
41 Alabama 1975, provided eleven million seven hundred sixty  
42 thousand dollars (\$11,760,000) as a pledge for bonds issued to  
43 finance improvements to the Mobile Ship Channel providing  
44 access to the facilities of the Alabama State Port Authority,  
45 combined with the recent completion of the Panama Canal  
46 expansion, should lead to greater imports and exports for the  
47 State of Alabama and infrastructure enhancements are needed to  
48 handle the increased volume of freight traffic.

49 (g) It is the intention of the Legislature to authorize  
50 the transfer of funds to the Alabama Department of Economic  
51 and Community Affairs from the State General Fund to  
52 facilitate and improve the system of inland ports and  
53 intermodal transfer facilities in the state.

54 Section 2. When used in this act, the following words  
55 and phrases have the following respective meanings unless the  
56 context clearly indicates otherwise:



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57 (1) INLAND PORTS. Inland ports, including ports owned  
58 or operated by the Alabama State Port Authority, are physical  
59 sites located away from traditional land, air, and coastal  
60 borders with the vision to facilitate and process  
61 international and domestic trade through strategic investment  
62 in multi-modal transportation assets and by promoting  
63 value-added services as goods move through the supply chain.  
64 This definition specifically excludes the Port of Mobile.

65 (2) INTERMODAL FACILITY. A transportation element that  
66 accommodates and interconnects different modes of  
67 transportation and serves intrastate, interstate, and  
68 international movement of people and goods and facilitates the  
69 movement of goods on two or more modes involving either direct  
70 transfer or intermediate storage.

71 (3) PORT FACILITY. Any authority, municipality, county,  
72 or publicly-owned inland port through which cargo is  
73 transported by way of waterborne ship, barge, or railroad, to  
74 or from destinations inside or outside this state and which  
75 handles cargo owned by third parties.

76 Section 3. (a) The Inland Ports and Intermodal  
77 Development Fund is created within the Alabama Department of  
78 Economic and Community Affairs to receive appropriations from  
79 the State General Fund for the purpose of financing  
80 improvements to existing publicly-owned inland ports and  
81 intermodal facility infrastructure. Funding for the grant  
82 program shall be awarded on a competitive bid basis for inland  
83 port and intermodal facility projects that will have a  
84 significant local or regional impact. Priority of funding



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85 shall be given to inland ports and intermodal facilities that  
86 have proven performance in reducing congestion on public  
87 highways, proven performance to increase tonnage at port  
88 facilities, and that will enhance regional competitiveness for  
89 port operators and users. The minimum participation for local  
90 funds is 20 percent of the project amount.

91 (b) To receive funds under this article, an inland port  
92 or intermodal facility shall file an application with the  
93 department describing how the funds will be used and any other  
94 information the department may require. No application shall  
95 be approved or funds distributed unless the expenditure of  
96 funds are:

97 (1) Directly related to capital improvements, dredging  
98 for project development in the immediate vicinity of an  
99 existing inland port, economic development of an inland port  
100 facility, or the rebuilding or rehabilitation of basic  
101 waterway and port infrastructure; or

102 (2) For a project or use directly related to intermodal  
103 infrastructure development; or

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

107 (4) For purpose of assessment or planning.

108 (c) Funding shall not be approved for routine  
109 maintenance, administrative and operational expenses, or for  
110 the dredging of waterways within the state that are not in the  
111 immediate vicinity of an inland port facility. Additionally,  
112 the use of funding to establish or construct new inland ports,



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113 or to acquire land for new inland ports, shall not be eligible  
114 for funding unless a feasibility study and competitive  
115 analysis have been conducted and submitted for review to the  
116 department.

117           Section 4. (a) Notwithstanding any other provisions of  
118 law to the contrary, the Legislature shall annually  
119 appropriate two million dollars (\$2,000,000) from the State  
120 General Fund to the Alabama Department of Economic and  
121 Community Affairs to establish a grant program to facilitate  
122 and coordinate inland port and transfer facility development,  
123 improvement, maintenance, onsite storage, moorings, and  
124 construction. The appropriation shall be effective beginning  
125 fiscal year 2026 and continue through the 2028 fiscal year,  
126 unless continued by an act of the Legislature.

127           (b) Upon appropriations, the monies shall be kept in  
128 the Inland Ports and Intermodal Development Fund created in  
129 Section 3 and shall be subject to audit by the Department of  
130 Examiners of Public Accounts in the same manner as all other  
131 department funds. Any unexpended monies remaining in the fund  
132 at the end of the fiscal year shall remain in the fund and  
133 shall not revert to the State General Fund. The amount of the  
134 appropriation for the upcoming fiscal year appropriation shall  
135 be reduced by the amount carried forward such that the  
136 department will have no more than five million dollars  
137 (\$5,000,000) in any single fiscal year to administer the grant  
138 program. Any monies which remain unexpended at the end of the  
139 third fiscal year shall revert to the State General Fund. Any  
140 unencumbered funds remaining pursuant to this act after three



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141 years shall revert to the State General Fund.

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

145 (b) This article shall not change any existing laws  
146 that apply to any existing port or infrastructure commission  
147 or authority, or to powers presently provided for conducting  
148 and developing the water transportation industry, and all such  
149 existing laws are hereby expressly preserved and shall not be  
150 preempted by this article.

151 (c) No provision of this article shall be construed to  
152 authorize any diversion from local port or infrastructure  
153 commissions or authorities of fees, funds, donations, grants,  
154 or monies to which the commission or authorities are otherwise  
155 entitled.

156 Section 6. The department shall adopt rules,  
157 regulations, restrictions, and eligibility requirements as are  
158 necessary to implement and administer the provisions of this  
159 bill.

160 Section 7. This act shall become effective on October  
161 1, 2024.



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163  
164 Senate

165 Read for the first time and referred .....06-Feb-24  
166 to the Senate committee on Finance  
167 and Taxation General Fund  
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169 Read for the second time and placed .....18-Apr-24  
170 on the calendar:  
171 0 amendments  
172  
173 Read for the third time and passed .....23-Apr-24  
174 as amended  
175 Yeas 32  
176 Nays 0  
177 Abstains 0  
178  
179

Patrick Harris,  
Secretary.

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