

SB60 ENROLLED



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



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1 Enrolled, An Act,

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

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. The Legislature finds and declares all of
11 the following:

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

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

23 (c) That the support of inland ports or transfer
24 facilities are an added benefit to the State of Alabama.

25 (d) That an inland port or intermodal transfer facility
26 would have the added benefit of reducing truck traffic along
27 the federal and state highways of Alabama, especially through
28 metropolitan areas, and would reduce greenhouse emissions from



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29 heavy freight carriers.

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

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

44 (g) It is the intention of the Legislature to authorize
45 the transfer of funds to the Alabama Department of Economic
46 and Community Affairs from the State General Fund to
47 facilitate and improve the system of inland ports and
48 intermodal transfer facilities in the state.

49 Section 2. When used in this act, the following words
50 and phrases have the following respective meanings unless the
51 context clearly indicates otherwise:

52 (1) INLAND PORTS. Inland ports, including ports owned
53 or operated by the Alabama State Port Authority, are physical
54 sites located away from traditional land, air, and coastal
55 borders with the vision to facilitate and process
56 international and domestic trade through strategic investment



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57 in multi-modal transportation assets and by promoting
58 value-added services as goods move through the supply chain.
59 This definition specifically excludes the Port of Mobile.

60 (2) INTERMODAL FACILITY. A transportation element that
61 accommodates and interconnects different modes of
62 transportation and serves intrastate, interstate, and
63 international movement of people and goods and facilitates the
64 movement of goods on two or more modes involving either direct
65 transfer or intermediate storage.

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

71 Section 3. (a) The Inland Ports and Intermodal
72 Development Fund is created within the Alabama Department of
73 Economic and Community Affairs to receive appropriations from
74 the State General Fund for the purpose of financing
75 improvements to existing publicly-owned inland ports and
76 intermodal facility infrastructure. Funding for the grant
77 program shall be awarded on a competitive bid basis for inland
78 port and intermodal facility projects that will have a
79 significant local or regional impact. Priority of funding
80 shall be given to inland ports and intermodal facilities that
81 have proven performance in reducing congestion on public
82 highways, proven performance to increase tonnage at port
83 facilities, and that will enhance regional competitiveness for
84 port operators and users. The minimum participation for local



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85 funds is 20 percent of the project amount.

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

92 (1) Directly related to capital improvements, dredging
93 for project development in the immediate vicinity of an
94 existing inland port, economic development of an inland port
95 facility, or the rebuilding or rehabilitation of basic
96 waterway and port infrastructure; or

97 (2) For a project or use directly related to intermodal
98 infrastructure development; or

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

102 (4) For purpose of assessment or planning.

103 (c) Funding shall not be approved for routine
104 maintenance, administrative and operational expenses, or for
105 the dredging of waterways within the state that are not in the
106 immediate vicinity of an inland port facility. Additionally,
107 the use of funding to establish or construct new inland ports,
108 or to acquire land for new inland ports, shall not be eligible
109 for funding unless a feasibility study and competitive
110 analysis have been conducted and submitted for review to the
111 department.

112 Section 4. (a) Notwithstanding any other provisions of



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

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

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

140 (b) This article shall not change any existing laws



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141 that apply to any existing port or infrastructure commission
142 or authority, or to powers presently provided for conducting
143 and developing the water transportation industry, and all such
144 existing laws are hereby expressly preserved and shall not be
145 preempted by this article.

146 (c) No provision of this article shall be construed to
147 authorize any diversion from local port or infrastructure
148 commissions or authorities of fees, funds, donations, grants,
149 or monies to which the commission or authorities are otherwise
150 entitled.

151 Section 6. The department shall adopt rules,
152 regulations, restrictions, and eligibility requirements as are
153 necessary to implement and administer the provisions of this
154 bill.

155 Section 7. This act shall become effective on October
156 1, 2024.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB60
Senate 23-Apr-24
I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 09-May-24

By: Senator Orr