



**House Ways and Means General Fund Reported  
Substitute for HB135**

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5 A BILL

6 TO BE ENTITLED

7 AN ACT

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9 Relating to ports; to create the Alabama Port  
10 Infrastructure Grant Program and Alabama Port Infrastructure  
11 Fund; to amend Sections 41-23-130, 41-23-131, 41-23-132,  
12 41-23-133, and 41-23-134, Code of Alabama 1975; to provide for  
13 the administration of the program by the Alabama Department of  
14 Economic and Community Affairs; and to provide for funding of  
15 the program.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Sections 41-23-130, 41-23-131, 41-23-132,  
18 41-23-133, and 41-23-134, Code of Alabama 1975, are amended to  
19 read as follows:

20 "§41-23-130

21 When used in this article, the following words and  
22 phrases have the following meanings unless the context clearly  
23 indicates otherwise:

24 (1) DEPARTMENT or ADECA. The Alabama Department of  
25 Economic and Community Affairs.

26 (2) FUND. The Alabama Port Infrastructure Fund created  
27 by Section 41-23-132.

28 ~~(1)~~ (3) INLAND PORTS PORT. Inland~~Any~~ port~~sport~~, including



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29 ~~ports~~a port owned or operated by the Alabama State Port  
 30 Authority, ~~are that is physical sites~~physically located away  
 31 from traditional land, air, and coastal borders with the  
 32 vision to facilitate and process international and domestic  
 33 trade through strategic investment in ~~multi-modal~~multimodal  
 34 transportation assets and by promoting value-added services as  
 35 goods move through the supply chain. The term specifically  
 36 excludes the Port of Mobile.

37 ~~(2)~~(4) INTERMODAL FACILITY. A transportation element  
 38 that accommodates and interconnects different modes of  
 39 transportation and serves intrastate, interstate, and  
 40 international movement of people and goods and facilitates the  
 41 movement of goods on two or more modes involving either direct  
 42 transfer or intermediate storage.

43 (5) PORT. Any inland port as defined in subsection (3),  
 44 public port located in coastal areas, or the Port of Mobile.

45 ~~(3)~~(6) PORT FACILITY. Any authority, municipality,  
 46 county, or publicly owned ~~inland~~ port through which cargo is  
 47 transported by way of waterborne ship, barge, or railroad, to  
 48 or from destinations inside or outside this state and which  
 49 handles cargo owned by third parties.

50 (7) PROGRAM. The Alabama Port Infrastructure Grant  
 51 Program created by Section 41-23-131."

52 "§41-23-131

53 (a) The Alabama Port Infrastructure Grant Program~~Inland~~  
 54 ~~Ports and Intermodal Development Fund~~ is created within the  
 55 Alabama Department of Economic and Community Affairs~~to~~  
 56 ~~receive appropriations from the State General Fund for the~~



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57 ~~purpose of financing improvements to existing publicly owned~~  
 58 ~~inland ports and intermodal facility infrastructure. The~~  
 59 ~~program shall award grants to fund the improvement,~~  
 60 ~~maintenance, and construction of ports and intermodal~~  
 61 ~~facilities within the state. Funding for the grant~~  
 62 ~~program~~Grants shall be awarded on a competitive bid basis for  
 63 ~~inland port and intermodal facility~~port and intermodal  
 64 facility-projects that will have a significant local or  
 65 regional impact.~~Priority of funding shall be given to inland~~  
 66 ~~ports and intermodal facilities that have proven performance~~  
 67 ~~in reducing congestion on public highways and increasing~~  
 68 ~~tonnage at port facilities and that will enhance regional~~  
 69 ~~competitiveness for port operators and users.~~

70       (b) Any project funded from this program shall meet the  
 71 following requirements:

72       (1) The minimum ~~amount of participation for local~~  
 73 matching funds is 20 percent of the project amount.

74       (2) The amount awarded from the program may not exceed  
 75 50 percent of the total budgeted project costs.

76       (3) The award amount of an individual grant may not  
 77 exceed 20 percent of the total grant funds awarded in a single  
 78 fiscal year.

79       (4) The indirect costs and administrative costs of the  
 80 project may not exceed 10 percent of the amount awarded.

81       (c) The department shall develop application procedures  
 82 and eligibility criteria for the program and shall award  
 83 grants to facilitate the program. Grants shall be awarded  
 84 based on a competitive scoring system developed by the



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85 department. The department may fund partial awards if funding  
86 requested from the program exceeds the amount of available  
87 funding.

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

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

99 (2) For a project or use directly related to intermodal  
100 infrastructure development;

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

104 (4) For purposes of making improvements to ports or  
105 intermodal infrastructure facilities;

106 ~~(4)~~ (5) For purpose of assessment or planning or for  
107 efforts to grow and expand ports or intermodal infrastructure  
108 facilities; or

109 (6) For purposes of establishing or constructing new  
110 ports, or to acquire land for new ports, if a feasibility  
111 study and competitive analysis have been conducted and  
112 submitted for review to the department.



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113        ~~(e)~~ Funding shall not be ~~approved~~used for routine  
 114 maintenance, administrative, and operational expenses, or for  
 115 the dredging of waterways within the state that are not in the  
 116 immediate vicinity of ~~an inland~~ port facility. ~~Additionally,~~  
 117 ~~the use of funding to establish or construct new inland ports,~~  
 118 ~~or to acquire land for new inland ports, shall not be eligible~~  
 119 ~~for funding unless a feasibility study and competitive~~  
 120 ~~analysis have been conducted and submitted for review to the~~  
 121 ~~department.~~"

122        "§41-23-132

123        (a) The Alabama Port Infrastructure Fund is created in  
 124 the State Treasury to be administered by the department to  
 125 fund the program. The fund is subject to appropriations by the  
 126 Legislature. Monies in the fund shall only be expended for  
 127 purposes listed in this article. The fund shall be budgeted  
 128 and allotted in accordance with Article 4 of Chapter 4 of  
 129 Title 41 and Chapter 19 of Title 41.

130        ~~(a)~~ (b) Notwithstanding any other provision of law to  
 131 the contrary, the Legislature shall annually appropriate  
 132 ~~two~~five million dollars ~~(\$2,000,000)~~(\$5,000,000) from the  
 133 State 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~~fund the program. ~~The appropriation shall be~~  
 138 ~~effective beginning fiscal year 2026 and continue through the~~  
 139 ~~2028 fiscal year, unless continued by an act of the~~  
 140 ~~Legislature.~~



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141       ~~(b)~~ (c) Upon appropriations, the monies shall be kept in  
 142 the ~~Inland Ports and Intermodal Development Fund~~ fund created  
 143 in ~~this section~~Section 41-23-131 and shall be subject to audit  
 144 by the Department of Examiners of Public Accounts in the same  
 145 manner as all other department funds. Any unexpended monies  
 146 remaining in the fund at the end of the fiscal year shall  
 147 remain in the fund and shall not revert ~~to the State General~~  
 148 ~~Fund. The amount of the appropriation for the upcoming fiscal~~  
 149 ~~year appropriation shall be reduced by the amount carried~~  
 150 ~~forward such that the department will have no more than five~~  
 151 ~~million dollars (\$5,000,000) in any single fiscal year to~~  
 152 ~~administer the grant program. Any monies that remain~~  
 153 ~~unexpended at the end of the third fiscal year shall revert to~~  
 154 ~~the State General Fund. Any unencumbered funds remaining~~  
 155 ~~pursuant to this article after three years shall revert to the~~  
 156 ~~State General Fund~~

157       (d) No more than ten percent of the total amount  
 158 appropriated for the program in any fiscal year may be  
 159 expended for administration of the program.

160       (e) For any fiscal year in which grants are awarded  
 161 under the program, by the first day of the next regular  
 162 session of the Legislature, the department shall publish an  
 163 annual report regarding the grants awarded under the program  
 164 during the prior fiscal year. The report shall include the  
 165 improvements made to ports and intermodal facilities supported  
 166 by grant funds."

167       "§41-23-133

168       (a) This article shall not apply nor have any effect on



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169 any state agency ~~currently having with~~ control over ~~local~~ port  
170 or infrastructure commissions or authorities.

171 (b) This article shall not ~~change affect~~ any ~~existing~~  
172 other laws that apply to any ~~existing~~ port or infrastructure  
173 commission or authority, or to powers ~~presently~~ provided for  
174 conducting and developing the water transportation industry,  
175 and all such ~~existing~~ laws are expressly preserved and shall  
176 not be preempted by this article.

177 (c) No provision of this article shall be construed to  
178 authorize any diversion from ~~local~~ port or infrastructure  
179 commissions or authorities of fees, funds, donations, grants,  
180 or monies to which the commission or authorities are otherwise  
181 entitled.

182 (d) Nothing in this article shall be construed to limit  
183 any port's ability to receive funding from other sources as  
184 provided for by state or federal law."

185 "§41-23-134

186 The ~~Alabama Department of Economic and Community~~  
187 ~~Affairs department~~ shall adopt rules, restrictions, and  
188 eligibility requirements as are necessary to implement and  
189 administer this article."

190 Section 2. This act shall become effective on October  
191 1, 2026.