



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

A BILL

TO BE ENTITLED

AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§41-23-130

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

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

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

~~+(1)~~ (3) INLAND ~~PORTS~~PORT. ~~Inland~~Any ~~ports~~port, including



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

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

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

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

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

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

"§41-23-131

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

"§41-23-132

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

~~(a)~~ (b) Notwithstanding any other provision of law to the contrary, the Legislature shall annually appropriate ~~two~~ five million dollars ~~(\$2,000,000)~~ (\$5,000,000) from the State General Fund to the Alabama Department of Economic and Community Affairs to ~~establish a grant program to facilitate and coordinate inland port and transfer facility development, improvement, maintenance, onsite storage, moorings, and construction~~ fund the program. ~~The appropriation shall be effective beginning fiscal year 2026 and continue through the 2028 fiscal year, unless continued by an act of the Legislature.~~



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

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

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

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

"§41-23-133

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



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

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

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

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

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

"§41-23-134

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

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