

**SB60 INTRODUCED**



1 SB60  
2 GXDACC6-1  
3 By Senator Orr  
4 RFD: Finance and Taxation General Fund  
5 First Read: 06-Feb-24



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SYNOPSIS:

Currently, the Port of Mobile is managed by the Alabama State Port Authority; however, there is no state agency responsible for facilitating and coordinating the development of Alabama's inland ports and waterways.

This bill provides for the allocation of funds to the Alabama Department of Economic and Community Affairs to facilitate growth in the state's system of inland ports and transfer facilities and for the coordination of a transportation system for inland waterways.

A BILL  
TO BE ENTITLED  
AN ACT

To authorize the transfer of additional motor fuel excise taxes to the Alabama Department of Economic and Community Affairs; and 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:



## SB60 INTRODUCED

29           Section 1. The Legislature finds and declares all of  
30 the following:

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

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

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

44           (d) That an inland port or intermodal transfer facility  
45 would have the added benefit of reducing truck traffic along  
46 the federal and state highways of Alabama, especially through  
47 metropolitan areas, and would reduce greenhouse emissions from  
48 heavy freight carriers.

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

53           (f) That the passing of Act 2019-2, 2019 First Special  
54 Session, now appearing as Section 40-17-371(b), Code of  
55 Alabama 1975, provided eleven million seven hundred sixty  
56 thousand dollars (\$11,760,000) as a pledge for bonds issued to



## SB60 INTRODUCED

57 finance improvements to the Mobile Ship Channel providing  
58 access to the facilities of the Alabama State Port Authority,  
59 combined with the recent completion of the Panama Canal  
60 expansion, should lead to greater imports and exports for the  
61 State of Alabama and infrastructure enhancements are needed to  
62 handle the increased volume of freight traffic.

63 (g) It is the intention of the Legislature to authorize  
64 the transfer of funds to the Alabama Department of Economic  
65 and Community Affairs from the Public Road and Bridge Fund to  
66 facilitate and improve the system of inland ports and  
67 intermodal transfer facilities in the state.

68 Section 2. When used in this act, the following words  
69 and phrases have the following respective meanings unless the  
70 context clearly indicates otherwise:

71 (1) INLAND PORTS. Inland ports are physical sites  
72 located away from traditional land, air, and coastal borders  
73 with the vision to facilitate and process international and  
74 domestic trade through strategic investment in multi-modal  
75 transportation assets and by promoting value-added services as  
76 goods move through the supply chain.

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

83 (3) PORT FACILITY. Any publicly owned inland port  
84 through which cargo is transported by way of waterborne ship,



## SB60 INTRODUCED

85 barge, or railroad, to or from destinations inside or outside  
86 this state and which handles cargo owned by third parties.

87 Section 3. (a) An annual appropriation of five million  
88 dollars (\$5,000,000) shall be transferred from the Public Road  
89 and Bridge Fund to the Alabama Department of Economic and  
90 Community Affairs to establish a grant program to facilitate  
91 and coordinate inland port and transfer facility development,  
92 improvement, maintenance, onsite storage, moorings, and  
93 construction.

94 (b) Upon transfer, the monies shall be kept in a  
95 separate fund and shall be subject to audit by the Department  
96 of Examiners of Public Accounts in the same manner as all  
97 other department funds. Any unexpended monies remaining in the  
98 fund at the end of the fiscal year shall remain in the fund  
99 and shall not revert to the Public Road and Bridge Fund. The  
100 amount of the transfer for the upcoming fiscal year  
101 appropriation shall be reduced by the amount carried forward  
102 such that the department will have no more than five million  
103 dollars (\$5,000,000) in any single fiscal year to administer  
104 the grant program. Any monies which remain unexpended at the  
105 end of the fifteenth fiscal year shall revert to the Public  
106 Road and Bridge Fund. Any unencumbered funds remaining  
107 pursuant to this act after 15 years shall revert to the  
108 Rebuild Alabama Fund.

109 Section 4. (a) The Inland Ports and Intermodal  
110 Development Fund is created within the Alabama Department of  
111 Economic and Community Affairs to receive transfers from the  
112 Public Road and Bridge Fund for the purpose of financing



## SB60 INTRODUCED

113 improvements to existing publicly-owned inland ports and  
114 intermodal facility infrastructure. Funding for the grant  
115 program shall be awarded on a competitive bid basis for inland  
116 port and intermodal facility projects that will have a  
117 significant local or regional impact. Priority of funding  
118 shall be given to inland ports and intermodal facilities that  
119 have proven performance in reducing congestion on public  
120 highways, proven performance to increase tonnage at port  
121 facilities, and that will enhance regional competitiveness for  
122 port operators and users. The minimum participation for local  
123 funds is 20 percent of the project amount.

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

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

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

137 (3) For a purpose outside the normal operating budget  
138 of an inland port or intermodal infrastructure facility or a  
139 river-related community.

140 (c) Funding shall not be approved for routine



## SB60 INTRODUCED

141 maintenance, administrative and operational expenses, or for  
142 the dredging of waterways within the state that are not in the  
143 immediate vicinity of an inland port facility. Additionally,  
144 the use of funding to establish or construct new inland ports,  
145 or to acquire land for new inland ports, shall not be eligible  
146 for funding unless a feasibility study and competitive  
147 analysis has been conducted and submitted for review to the  
148 department.

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

152           (b) This article shall not change any existing laws  
153 that apply to any existing port or infrastructure commission  
154 or authority, or to powers presently provided for conducting  
155 and developing the water transportation industry, and all such  
156 existing laws are hereby expressly preserved and shall not be  
157 preempted by this article.

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

163           (d) The Alabama State Port Authority, including its  
164 inland ports, is expressly exempt from the purview of this  
165 article.

166           Section 6. The department shall adopt rules,  
167 regulations, restrictions, and eligibility requirements as are  
168 necessary to implement and administer the provisions of this



## SB60 INTRODUCED

169 bill.

170 Section 7. This act shall become effective on October

171 1, 2024.