

HB135 ENGROSSED



1 HB135
2 U9UVZDX-2
3 By Representative Brown
4 RFD: Ports, Waterways and Intermodal Transit
5 First Read: 13-Jan-26
6 PFD: 08-Jan-26



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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 PORTSPORT. InlandAny portsport, including



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29 ~~ports~~ 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)~~ (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.

