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4 SYNOPSIS:

5 Existing law in this state makes provision for
6 post-mortem anatomical gifts, but does not recognize or
7 afford protection to living organ donors.

8 This bill would prohibit an insurer from
9 discriminating against an organ donor in the provision
10 of disability, life, or long-term care insurance
11 coverage.

12 This bill would require state and local
13 governments to grant paid leave to employees who
14 undergo medical procedures to donate an organ or bone
15 marrow.

16 This bill would also provide a tax credit to
17 private sector employers who grant paid leave to
18 employees who donate organs, effective for tax years
19 beginning on or after January 1, 2027, for five years.

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22 A BILL

23 TO BE ENTITLED

24 AN ACT

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26 Relating to organ donation; to prohibit insurers from
27 discriminating against organ donors in obtaining life,
28 disability, and long-term care insurance coverage; to require



29 the state and local governments to grant leave to employees
30 who donate an organ or bone marrow; and to establish a tax
31 credit for private employers who allow employees paid leave to
32 donate organs.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. (a) This section may be cited as the Alabama
35 Living Donor Protection Act.

36 (b) For the purposes of this section, the following
37 terms have the following meanings:

38 (1) INSURER. Any entity that issues, delivers, or
39 renews a policy.

40 (2) LIVING ORGAN DONOR. An individual who donates all
41 or part of an organ and is not deceased.

42 (3) POLICY. Any of the following contracts:

43 a. Disability insurance as defined in Section 27-5-4,
44 Code of Alabama 1975.

45 b. Life insurance as defined in Section 27-5-2, Code of
46 Alabama 1975.

47 c. Long-term care insurance as defined in Section
48 27-19-103, Code of Alabama 1975.

49 (c) An insurer may not:

50 (1) Decline or limit coverage of an individual under
51 any policy solely, and without any additional actuarial risk,
52 due to the status of the individual as a living organ donor;

53 (2) Require an individual to refrain from acting as a
54 living organ donor as a condition for renewal of a policy; or

55 (3) Otherwise discriminate in the offering, issuance,
56 cancellation, amount of coverage, price, or any other



57 condition of a policy based solely, and without any additional
58 actuarial risk, upon the status of an individual as a living
59 organ donor.

60 Section 2. (a) For purposes of this section, the term
61 "employee" means an individual who is permanently employed by
62 any department, agency, or instrumentality of the State of
63 Alabama.

64 (b) An employee who has at least one year of service
65 with the state may be granted living donor leave with pay for
66 donating an organ or bone marrow, upon fulfillment of all of
67 the following conditions:

68 (1) Submission to the appointing authority of written
69 request for leave, accompanied by written verification from
70 the physician who will be performing the medical procedure.

71 (2) A recommendation for the leave, based on the
72 submission required in subdivision (1), by the appointing
73 authority.

74 (3) Approval of the State Director of Personnel.

75 (c) The leave granted may be for no more than 30 days
76 in the case of an organ donation and seven days in the case of
77 a bone marrow donation.

78 (d) Living donor leave shall be a separate
79 classification of leave which shall not apply to or exhaust an
80 employee's accrued or available leave under any other leave
81 classification.

82 Section 3. (a) For purposes of this section, the
83 following terms have the following meanings:

84 (1) EMPLOYEE. An individual who is permanently employed



85 by a county or municipality.

86 (2) EMPLOYER. Any county or municipality of the state.

87 (b) An employee who has at least one year of service
88 with the employer may be granted living donor leave with pay
89 for donating an organ or bone marrow, upon fulfillment of both
90 of the following conditions:

91 (1) Submission to the employee's immediate supervisor
92 of a written request for leave, accompanied by written
93 verification from the physician who will be performing the
94 medical procedure.

95 (2) A recommendation for the leave, based on the
96 submission in subdivision (1), by the supervisor.

97 (3) Approval of the appointing authority or the
98 executive head of the employing department, agency, or
99 division of the employer.

100 (c) The leave granted may be for no more than 30 days
101 in the case of an organ donation and seven days in the case of
102 a bone marrow donation.

103 (d) Living donor leave shall be a separate
104 classification of leave which shall not apply to or exhaust an
105 employee's accrued or available leave under any other leave
106 classification pursuant to rule or policy of the employer.

107 (e) An employer may not threaten, restrain, coerce,
108 discipline, discharge, terminate, or otherwise retaliate or
109 discriminate against an employee for requesting or using a
110 leave of absence as provided by this section.

111 Section 4. (a) In recognition that it is the policy of
112 the State of Alabama to encourage organ donation to



113 individuals in dire medical need, as set forth in Section
114 22-19-71.1, Code of Alabama 1975, the tax credit provided in
115 this section is intended by the Legislature to foster
116 employment conditions that encourage organ donation.

117 (b) For purposes of this section, the following terms
118 have the following meanings:

119 (1) MINIMUM LEAVE PERIOD. Fifteen days.

120 (2) TAXPAYER. A private sector employer.

121 (c) Effective for tax years beginning January 1, 2027,
122 and ending December 31, 2031, a taxpayer shall be entitled to
123 a state income tax credit for providing paid leave to
124 employees for the purpose of making an organ donation subject
125 to all of the following requirements:

126 (1) The taxpayer must adopt a formal, written policy
127 that allows an employee to take a paid leave of absence of no
128 less than the minimum leave period to undergo a medical
129 procedure to donate all or part of an organ to another
130 individual.

131 (2) The leave policy must be available without any
132 reduction in pay, or loss of vacation time, compensatory time,
133 personal days, or sick leave for no less than the minimum
134 leave period.

135 (3) The leave policy may apply only to an employee for
136 whom the taxpayer is responsible for providing an IRS Form W-2
137 Wage and Tax Statement.

138 (4) The leave policy shall require the employee to
139 provide signed authorization to disclose to the taxpayer and
140 the Department of Revenue documentation from the employee's



141 medical provider which verifies the organ donation, in
142 compliance with the Health Insurance Portability and
143 Accountability Act of 1996 (HIPAA), 42 U.S.C. § 1320d et seq.

144 (5) The tax credit amount shall be equal to 25 percent
145 of the amount of gross compensation paid to the worker for the
146 period of leave taken, up to 30 days, credited to the
147 taxpayer's state income tax liability.

148 (6) The total amount that may be credited to the
149 taxpayer's state income tax liability for a tax year is two
150 thousand dollars (\$2,000).

151 (7) If there is a medical determination after the
152 taxpayer's approval of the leave of absence that the employee
153 does not qualify as an organ donor, the amount of the tax
154 credit shall be limited to the amount of gross compensation
155 paid to the worker from the beginning of the leave period
156 through the day of the medical determination.

157 (8) If the amount of the credit exceeds the tax
158 liability for the year, the excess may be carried forward and
159 applied to the tax liability for up to the three succeeding
160 tax years.

161 (9) A taxpayer may not sell or transfer any tax credit
162 that the taxpayer is eligible to claim under this section.

163 (d) The Department of Revenue shall adopt rules,
164 forms, and worksheets for the implementation of this section.

165 Section 5. This act shall become effective October 1,
166 2026, except Section 4 shall become effective January 1, 2027.

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