

HB361 ENGROSSED



1 HB361

2 SLEL378-2

3 By Representatives Daniels, Rigsby, Travis, Lands, Hendrix,

4 Warren, Ledbetter, Morris, Clarke, Forte, Lawrence, Chestnut,

5 Jones, Garrett, Lovvorn, Moore (M), Sellers, Shaw, DuBose,

6 Hulsey, Kiel, Shaver, Wilcox, Bedsole, Moore (P), Butler,

7 Lomax, Robertson, Whorton, Wadsworth, Rehm, Hammett, Marques,

8 Brown, Smith, Sorrells, Datcher, Crawford, Harrison, Paschal,

9 Allbright, Baker, Clouse, Paramore, Standridge, Yarbrough,

10 Carns, Bolton, Fincher, Starnes, Stubbs, Shirey, Lamb, Fidler,

11 Givens, Boyd, Lipscomb, Hurst, Lee, Mooney, Underwood, Ingram,

12 Pringle, Whitt, Collins, Stringer, Gidley, Blackshear,

13 Reynolds

14 RFD: Insurance

15 First Read: 29-Jan-26



HB361 Engrossed

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A BILL
TO BE ENTITLED
AN ACT

Relating to organ donation; to prohibit insurers from discriminating against organ donors in obtaining life, disability, and long-term care insurance coverage; to require the state and local governments to grant leave to employees who donate an organ or bone marrow; and to establish a tax credit for private employers who allow employees paid leave to donate organs.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

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

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

(3) POLICY. Any of the following contracts:

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

b. Life insurance as defined in Section 27-5-2, Code of



HB361 Engrossed

29 Alabama 1975.

30 c. Long-term care insurance as defined in Section
31 27-19-103, Code of Alabama 1975.

32 (c) An insurer may not:

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

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

38 (3) Otherwise discriminate in the offering, issuance,
39 cancellation, amount of coverage, price, or any other
40 condition of a policy based solely, and without any additional
41 actuarial risk, upon the status of an individual as a living
42 organ donor.

43 Section 2. (a) For purposes of this section, the term
44 "employee" means an individual who is employed by any
45 department, agency, or instrumentality of the State of Alabama
46 who is subject to Chapter 26 of Title 36 of the Code of
47 Alabama 1975, and who is a permanent employee with at least
48 one year of state service.

49 (b) An employee may be granted living donor leave with
50 pay for donating an organ or bone marrow, upon fulfillment of
51 all of the following conditions:

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

55 (2) A recommendation for the leave, based on the
56 submission required in subdivision (1), by the appointing



HB361 Engrossed

57 authority.

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

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

62 (d) Living donor leave shall be a separate
63 classification of leave which shall not apply to or exhaust an
64 employee's accrued or available leave under any other leave
65 classification.

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

68 (1) EMPLOYEE. An individual who is permanently employed
69 by a county or municipality.

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

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

75 (1) Submission to the employee's immediate supervisor
76 of a written request for leave, accompanied by written
77 verification from the physician who will be performing the
78 medical procedure.

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

81 (3) Approval of the appointing authority or the
82 executive head of the employing department, agency, or
83 division of the employer.

84 (c) The leave granted may be for no more than 30 days



HB361 Engrossed

85 in the case of an organ donation and seven days in the case of
86 a bone marrow donation.

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

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

95 Section 4. (a) For purposes of this section, the term
96 "public employee" means an individual who is permanently
97 employed by a department, agency, or other instrumentality of,
98 or entity affiliated with, the State of Alabama in which the
99 individual's compensation is derived in whole or in part from
100 funds appropriated in the State General Fund or Education
101 Trust Fund and who is not otherwise covered under Sections 2
102 or 3 of this act.

103 (b) A public employee who has at least one year of
104 service may be granted living donor leave with pay for
105 donating an organ or bone marrow, upon fulfillment of the
106 following conditions:

107 (1) Submission to the employee's immediate supervisor
108 of a written request for leave, accompanied by written
109 verification from the physician who will be performing the
110 medical procedure.

111 (2) A recommendation for the leave based on the
112 submission in subdivision (1) by the supervisor.



HB361 Engrossed

113 (3) Approval of the executive who directs the employing
114 instrumentality or entity.

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

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

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

126 Section 5.(a) In recognition that it is the policy of
127 the State of Alabama to encourage organ donation to
128 individuals in dire medical need, as set forth in Section
129 22-19-71.1, Code of Alabama 1975, the tax credit provided in
130 this section is intended by the Legislature to foster
131 employment conditions that encourage organ donation.

132 (b) For purposes of this section, the following terms
133 have the following meanings:

134 (1) MINIMUM LEAVE PERIOD. Fifteen days.

135 (2) TAXPAYER. A private sector employer.

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



HB361 Engrossed

141 (1) The taxpayer must adopt a formal, written policy
142 that allows an employee to take a paid leave of absence of no
143 less than the minimum leave period to undergo a medical
144 procedure to donate all or part of an organ to another
145 individual.

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

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

153 (4) The leave policy shall require the employee to
154 provide signed authorization to disclose to the taxpayer and
155 the Department of Revenue documentation from the employee's
156 medical provider which verifies the organ donation, in
157 compliance with the Health Insurance Portability and
158 Accountability Act of 1996 (HIPAA), 42 U.S.C. § 1320d et seq.

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

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

166 (7) If there is a medical determination after the
167 taxpayer's approval of the leave of absence that the employee
168 does not qualify as an organ donor, the amount of the tax



HB361 Engrossed

169 credit shall be limited to the amount of gross compensation
170 paid to the worker from the beginning of the leave period
171 through the day of the medical determination.

172 (8) If the amount of the credit exceeds the tax
173 liability for the year, the excess may be carried forward and
174 applied to the tax liability for up to the three succeeding
175 tax years.

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

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

180 Section 6. This act shall become effective October 1,
181 2026, except Section 5 shall become effective January 1, 2027.

182

