

HB361 ENROLLED



1 HB361
2 SLEL378-3
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



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1 Enrolled, An Act,

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

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

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

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

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

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

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

24 c. Long-term care insurance as defined in Section
25 27-19-103, Code of Alabama 1975.

26 (c) An insurer may not:

27 (1) Decline or limit coverage of an individual under
28 any policy solely, and without any additional actuarial risk,



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29 due to the status of the individual as a living organ donor;

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

32 (3) Otherwise discriminate in the offering, issuance,
33 cancellation, amount of coverage, price, or any other
34 condition of a policy based solely, and without any additional
35 actuarial risk, upon the status of an individual as a living
36 organ donor.

37 Section 2. (a) For purposes of this section, the term
38 "employee" means an individual who is employed by any
39 department, agency, or instrumentality of the State of Alabama
40 who is subject to Chapter 26 of Title 36 of the Code of
41 Alabama 1975, and who is a permanent employee with at least
42 one year of state service.

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

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

49 (2) A recommendation for the leave, based on the
50 submission required in subdivision (1), by the appointing
51 authority.

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

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

56 (d) Living donor leave shall be a separate



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57 classification of leave which shall not apply to or exhaust an
58 employee's accrued or available leave under any other leave
59 classification.

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

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

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

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

69 (1) Submission to the employee's immediate supervisor
70 of a written request for leave, accompanied by written
71 verification from the physician who will be performing the
72 medical procedure.

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

75 (3) Approval of the appointing authority or the
76 executive head of the employing department, agency, or
77 division of the employer.

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

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



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

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

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

101 (1) Submission to the employee's immediate supervisor
102 of a written request for leave, accompanied by written
103 verification from the physician who will be performing the
104 medical procedure.

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

107 (3) Approval of the executive who directs the employing
108 instrumentality or entity.

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

112 (d) Living donor leave shall be a separate



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113 classification of leave which shall not apply to or exhaust an
114 employee's accrued or available leave under any other leave
115 classification pursuant to rule or policy of the employer.

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

120 Section 5.(a) In recognition that it is the policy of
121 the State of Alabama to encourage organ donation to
122 individuals in dire medical need, as set forth in Section
123 22-19-71.1, Code of Alabama 1975, the tax credit provided in
124 this section is intended by the Legislature to foster
125 employment conditions that encourage organ donation.

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

128 (1) MINIMUM LEAVE PERIOD. Fifteen days.

129 (2) TAXPAYER. A private sector employer.

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

135 (1) The taxpayer must adopt a formal, written policy
136 that allows an employee to take a paid leave of absence of no
137 less than the minimum leave period to undergo a medical
138 procedure to donate all or part of an organ to another
139 individual.

140 (2) The leave policy must be available without any



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141 reduction in pay, or loss of vacation time, compensatory time,
142 personal days, or sick leave for no less than the minimum
143 leave period.

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

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

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

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

160 (7) If there is a medical determination after the
161 taxpayer's approval of the leave of absence that the employee
162 does not qualify as an organ donor, the amount of the tax
163 credit shall be limited to the amount of gross compensation
164 paid to the worker from the beginning of the leave period
165 through the day of the medical determination.

166 (8) If the amount of the credit exceeds the tax
167 liability for the year, the excess may be carried forward and
168 applied to the tax liability for up to the three succeeding



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169 tax years.

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

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

174 Section 6. This act shall become effective October 1,
175 2026, except Section 5 shall become effective January 1, 2027.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 24-Feb-26.

John Treadwell
Clerk

Senate

08-Apr-26

Passed