

HB361 INTRODUCED



1 HB361
2 W1BSF59-1
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



1

2

3

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 further require that public
13 sector employers offer paid leave to employees who
14 undergo medical procedures to donate organs.

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

19

20

21 A BILL

22 TO BE ENTITLED

23 AN ACT

24

25 Relating to organ donation; to prohibit insurers from
26 discriminating against organ donors in obtaining life,
27 disability, and long-term care insurance coverage; to require
28 the State of Alabama and political subdivisions to provide



29 paid medical leave to employees who donate organs; and to
30 establish a tax credit for private employers who allow
31 employees paid leave to donate organs.

32 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

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

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

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

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

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

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

48 (c) An insurer may not:

49 (1) Decline or limit coverage of an individual under
50 any policy due to the status of the individual as a living
51 organ donor;

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

54 (3) Otherwise discriminate in the offering, issuance,
55 cancellation, amount of coverage, price, or any other
56 condition of a policy based solely, and without any additional



HB361 INTRODUCED

57 actuarial risk, upon the status of an individual as a living
58 organ donor.

59 Section 2. (a) For purposes of this section, the
60 following terms have the following meanings:

61 (1) EMPLOYEE. An individual who is permanently employed
62 full-time or part-time by a public employer and who is paid in
63 whole or in part from state, county, or municipal funds. The
64 term excludes an independent contractor.

65 (2) PUBLIC EMPLOYER. Any department, agency, or
66 instrumentality of the state or a political subdivision of the
67 state.

68 (b) A public employer shall grant a leave of absence
69 with pay to an employee who undergoes a medical procedure to
70 donate all or part of an organ to another individual, subject
71 to all of the following conditions:

72 (1) The leave of absence may be limited to a total of
73 80 work hours.

74 (2) The public employer may require documentation from
75 a physician which verifies the purpose and length of the leave
76 of absence.

77 (3) If there is a medical determination after approval
78 of the leave of absence that the employee does not qualify as
79 an organ donor, the paid leave of absence up to the medical
80 determination is not forfeited.

81 (c) A public employer may not threaten, restrain,
82 coerce, discipline, discharge, terminate, or otherwise
83 retaliate or discriminate against an employee for requesting
84 or using a leave of absence as provided by this section.



HB361 INTRODUCED

85 (d) The leave of absence provided by this section shall
86 be a separate classification of leave which shall not affect
87 an employee's rights with respect to any other classification
88 of accumulated or available leave pursuant to the policies of
89 the public employer, or any other existing employment benefit.

90 Section 3. (a) In recognition that it is the policy of
91 the State of Alabama to encourage organ donation to
92 individuals in dire medical need, as set forth in Section
93 22-19-71.1, Code of Alabama 1975, the tax credit provided in
94 this section is intended by the Legislature to foster
95 employment conditions that encourage organ donation.

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

98 (1) MINIMUM LEAVE PERIOD. Eighty hours in the case of
99 an employee paid hourly wages or 15 days in the case of an
100 employee paid on a non-hourly basis.

101 (2) TAXPAYER. A private sector employer.

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

107 (1) The taxpayer must adopt a formal, written policy
108 that allows an employee to take a paid leave of absence of no
109 less than the minimum leave period to undergo a medical
110 procedure to donate all or part of an organ to another
111 individual.

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



113 reduction in pay, or loss of vacation time, compensatory time,
114 personal days, or sick leave for no less than the minimum
115 leave period.

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

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

125 (5) The tax credit amount shall be equal to 25 percent
126 of the amount of gross compensation paid to the worker for the
127 period of leave taken, up to 120 hours or 30 days, credited to
128 the taxpayer's state income tax liability.

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

132 (7) If there is a medical determination after the
133 taxpayer's approval of the leave of absence that the employee
134 does not qualify as an organ donor, the amount of the tax
135 credit shall be limited to the amount of gross compensation
136 paid to the worker from the beginning of the leave period
137 through the day of the medical determination.

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

HB361 INTRODUCED



141 tax years.

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

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

146 Section 4. This act shall become effective October 1,
147 2026.