

## HB361 INTRODUCED



HB361

W1BSF59-1

By Representatives Daniels, Rigsby, Travis, Lands, Hendrix,  
Warren, Ledbetter, Morris, Clarke, Forte, Lawrence, Chestnut,  
Jones, Garrett, Lovvorn, Moore (M), Sellers, Shaw, DuBose,  
Hulsey, Kiel, Shaver, Wilcox, Bedsole, Moore (P), Butler,  
Lomax, Robertson, Whorton, Wadsworth, Rehm, Hammett, Marques,  
Brown, Smith, Sorrells, Datcher, Crawford, Harrison, Paschal,  
Allbright, Baker, Clouse, Paramore, Standridge, Yarbrough,  
Carns, Bolton, Fincher, Starnes, Stubbs, Shirey, Lamb, Fidler,  
Givens, Boyd, Lipscomb, Hurst, Lee, Mooney, Underwood, Ingram,  
Pringle, Whitt, Collins, Stringer, Gidley, Blackshear,

Reynolds

RFD: Insurance

First Read: 29-Jan-26



SYNOPSIS:

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

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

This bill would further require that public sector employers offer paid leave to employees who undergo medical procedures to donate organs.

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

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 of Alabama and political subdivisions to provide



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paid medical leave to employees who donate organs; 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 Alabama 1975.

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

(c) An insurer may not:

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

(2) TAXPAYER. A private sector employer.

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

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

(2) The leave policy must be available without any



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

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

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

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

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

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

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



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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.