



# NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

## Legislative Fiscal Note

**Short Title:** Living Donor Protection Act.  
**Bill Number:** House Bill 162 (Second Edition)  
**Sponsor(s):** Rep. Shepard, Rep. Morey, Rep. Fontenot, and Rep. Wheatley

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 162, V.2 (\$ in millions)

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
<b>State Impact</b>					
Personal Income Tax	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>
<b>NET STATE IMPACT</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>

### FISCAL IMPACT SUMMARY

Section 2 of House Bill 162 provides a non-refundable tax credit to living organ and bone marrow donors for expenses incurred as a result of the donation and is estimated to reduce personal income tax revenue by approximately \$1.0 million in both FY 2023-24 and FY 2024-25.

Section 3 provides 30 days of paid leave to State and State-funded local employees for the purpose of organ donation and 7 days of paid leave for bone marrow donation. Fiscal Research estimates this section will not have a substantive cost to the State.

### FISCAL ANALYSIS

According to data from the US Department of Health and Human Services and the Center for International Blood and Marrow Research, there are approximately 150 live organ donations and 750 live bone marrow donations in North Carolina each year. Fiscal Research assumes that all living organ donors and approximately 30% of living bone marrow donors incur expenses related to donation that are not reimbursed by another party.

Under the National Organ Transplant Act, it is illegal to buy or sell organs. Thus, any tax incentives must be structured as an expense reimbursement that cannot result in a monetary benefit for donors. This bill allows living donors to claim a personal income tax credit of up to \$5,000 for actual expenses incurred related to their donation, including transportation, lodging, and lost wages, provided these expenses have not already been reimbursed by another party. This tax

credit is non-refundable, which means the credit cannot exceed the amount of the individual's actual tax liability. However, unused portions of the credit may be carried forward for up to 5 years.

Section 3 of the bill provides additional paid leave to State and State-funded local employees who are living organ or bone marrow donors. The additional leave amounts are as follows:

- Up to 30 additional days for live organ donation; and
- Up to 7 additional days for live bone marrow donation.

The additional leave is prorated for part-time employees.

As noted previously, NC typically has around 150 live organ donations and 750 live bone marrow donations annually. Including both State and State-funded local employees, the State workforce makes up approximately 3% of the NC population that is 18+ years of age. Applying this percentage to the range of organ donations listed above would equate to approximately 4.5 live organ donations and 22.5 live bone marrow donations annually. Providing up to 293 days of additional paid leave ((estimated organ donations x 30 days) + (estimated bone marrow donations x 7 days)) across the entire State workforce annually would not have a substantive cost on agency operations.

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## **TECHNICAL CONSIDERATIONS**

N/A.

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## **DATA SOURCES**

US Department of Health and Human Services  
Center for International Blood and Marrow Research

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## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

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## **CONTACT INFORMATION**

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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## **ESTIMATE PREPARED BY**

Bryan Allard, Mary Schuler

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## **ESTIMATE APPROVED BY**

Brian Matteson, Director of Fiscal Research  
Fiscal Research Division  
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**Signed copy located in the NCGA Principal Clerk's Offices**