

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 179

HOUSE BILL NUMBER 46

TITLE AN ACT relating to the promotion of living donor human organ and bone marrow donation.

SPONSOR Representative Jerry Miller

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Various

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			(\$38,000)	(\$38,000)
EXPENDITURES		\$18,800 to \$112,600	\$18,800 to \$112,600	\$18,800 to \$112,600
NET EFFECT		(\$18,800 to \$112,600)	(\$56,800 to \$150,600)	(\$56,800 to \$150,600)

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 46 allows full-time employees of the Commonwealth of Kentucky to take a paid leave of absence of 240 hours when donating a human organ and 40 hours when donating bone marrow. It also allows individuals that donate a human organ take a tax deduction equal to the amount of incurred qualified organ donation expenses up to \$10,000. The tax deduction applies to taxable years beginning on or after January 1, 2021, but before January 1, 2025.

FISCAL EXPLANATION: The Kentucky Employees' Health Plan medical vendor identified 10 living donor requests unspecified between bone marrow and organ donation in plan year 2019. Utilizing the average employer paid annual benefits in 2019 and a standard 37.5 work week, it is estimated that living organ donor leave would cost approximately \$46.92 per hour. Assuming 10 state employees utilize the benefit prescribed by the measure, expenditures could range from \$18,800 to \$112,600, dependent on the type of donation.

The Personnel Cabinet further advised that a new leave code within the Kentucky Human Resource Information System (KHRIS) would cost approximately \$10,000 to program.

According to the US Department of Health and Human Services, there were 72 living organ donors in Kentucky in 2019, 83 in 2018, and 71 in 2017. By averaging the historical data and assuming the

maximum tax deduction amount is taken, the individual income tax deduction is expected to result in an approximate loss of \$38,000 in General Fund dollars each year.

DATA SOURCE(S): US Department of Health and Human Services; Kentucky Personnel Cabinet; LRC Staff

PREPARER: Cynthia Brown & Liz Columbia NOTE NUMBER: 82 REVIEW: JAB DATE: 1/31/2020