

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB1112

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hudson

3. Committee: Labor and Commerce

4. Title: Employment; covenants not to compete.

5. Summary: This bill declares that any contract, including a provision of an employment agreement, entered into on or after July 1, 2020, by which an employee is restrained from engaging in a lawful profession, trade, or business for a specified period of time, in a specified geographical area, or for another employer is contrary to public policy and void.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: The Department of Labor and Industry (DOLI) indicates that it does not have enforcement responsibilities associated with this bill. However, the agency anticipates that this bill will result in a workload impact related to fielding calls regarding the requirements provided in the bill, which can be absorbed.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry.

10. Technical Amendment Necessary: No.

11. Other Comments: None.