

SECOND REGULAR SESSION

# HOUSE BILL NO. 2754

102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KEATHLEY.

5586H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To amend chapter 191, RSMo, by adding thereto one new section relating to covenants not to compete involving physicians.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 191, RSMo, is amended by adding thereto one new section, to be  
2 known as section 191.260, to read as follows:

**191.260. 1. As used in this section, the following terms mean:**

2 **(1) "Covenant not to compete", an agreement or part of a contract of**  
3 **employment in which the employee agrees to:**

4 **(a) Refrain from competition with an employer for a specific period of time upon**  
5 **termination or conclusion of the employment;**

6 **(b) Refrain from competition with an employer within a particular geographic**  
7 **area upon termination or conclusion of the employment; or**

8 **(c) Refrain from competition with an employer for a specific period of time and**  
9 **within a particular geographic area upon termination or conclusion of the employment;**

10 **(2) "Physician", a physician licensed under chapter 334.**

11 **2. A covenant not to compete between a physician and an employer shall be valid**  
12 **and enforceable only if:**

13 **(1) The physician is providing health care services in a clinical setting;**

14 **(2) The employer is not a health care entity owned or operated by a nonprofit**  
15 **corporation that is exempt from federal income tax under Section 501(c)(3) of the**  
16 **Internal Revenue Code of 1986, as amended;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

17           **(3) The covenant not to compete does not restrict the physician's competitive**  
18 **activities for a period of more than three hundred sixty-five days; and**

19           **(4) The covenant not to compete does not restrict the physician's competitive**  
20 **activities in a geographic area of more than fifty miles from the address of the office or**  
21 **facility in which the physician provides health care services in a clinical setting.**

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