

SECOND REGULAR SESSION

HOUSE BILL NO. 3427

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOGLE.

5147H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 431, RSMo, by adding thereto one new section relating to covenants not to compete.

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

Section A. Chapter 431, RSMo, is amended by adding thereto one new section, to be
2 known as section 431.203, to read as follows:

3 **431.203. 1. For purposes of this section, "covenant not to compete" means an**
4 **agreement, understanding, contract, or contractual term in which an employee or**
5 **prospective employee agrees not to compete against an employer or prospective**
6 **employer or agrees not to accept any positions with a competitor of an employer or**
7 **prospective employer following the termination of a business or employment**
8 **relationship between the employee or prospective employee and the employer or**
9 **prospective employer. A covenant not to compete may, but need not, contain time-based**
10 **or geographic limitations.**

11 **2. Notwithstanding any provision of section 431.202 or any other provision of**
12 **law to the contrary, a covenant not to compete shall be void and unenforceable to the**
13 **extent that it applies to an employment arrangement wherein an employee is or would**
14 **be paid hourly wages.**

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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.