

SECOND REGULAR SESSION

# HOUSE BILL NO. 1501

100TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BECK.

3629H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

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

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*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 employer**  
6 **or agrees not to accept any positions with a competitor of an employer or prospective**  
7 **employer following the termination of a business or employment relationship between the**  
8 **employee or prospective employee and the employer or prospective employer. A covenant**  
9 **not to compete may, but need not, contain time-based or geographic limitations.**  
10 **2. Notwithstanding any provision of section 431.202 or any other provision of law**  
11 **to the contrary, a covenant not to compete shall be void and unenforceable to the extent**  
12 **that it applies to an employment arrangement wherein an employee is or would be paid**  
13 **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.