

# SENATE BILL NO. 1396

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR FITZWATER.

5458S.01I

KRISTINA MARTIN, Secretary

## AN ACT

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

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

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

191.260. 1. As used in this section, the term  
2 "covenant not to compete" means an agreement or part of a  
3 contract of employment in which the employee agrees to  
4 refrain from competition with an employer for a specific  
5 period of time or within a particular geographic area, or  
6 both.

7 2. A covenant not to compete between a physician and  
8 an employer shall only be enforceable if:

9 (1) The physician is providing health care services in  
10 a clinical setting; and

11 (2) The employer is not a health care entity owned or  
12 operated by a nonprofit corporation that is exempt from  
13 federal income tax under section 501(c)(3) of the Internal  
14 Revenue Code of 1986, as amended.

15 3. A valid covenant not to compete between a physician  
16 and an employer shall:

17 (1) Be for a period of no longer than three hundred  
18 sixty-five days; and

19           (2) Not extend further than fifty miles from the  
20 physician's office address.

✓