

# OFFICE OF FISCAL ANALYSIS

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sHB-6594

AN ACT CONCERNING NONCOMPETE AGREEMENTS.

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## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

## ***Explanation***

The bill, which sets limits on the use of "covenant not to compete" provisions in employment contracts, does not result in any fiscal impact to the state or municipalities.<sup>1</sup>

The bill allows the attorney general to bring a civil action in Superior Court for the relief the bill provides, which does not result in any cost impact. The court system disposed of over 266,000 cases in FY 22 and the number of cases is not anticipated to be great enough to require additional resources.

The bill has no cost impact to the state or municipalities as employers. To the extent that either the state or municipalities enter into non-compete contracts with their employees, the bill is not anticipated to change the cost of any such contract.

## ***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

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<sup>1</sup> Under the bill, violators are not liable to the Labor Department for any civil penalties imposed under the state's wage laws.