

OFFICE OF FISCAL ANALYSIS

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sHB-5269

AN ACT CONCERNING NONCOMPETE AGREEMENTS.

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.¹

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 263,000 cases in FY 23 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 noncompete 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

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