

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2403-01
Bill No.: HB 1516
Subject: Business and Commerce; Economic Development; Employees - Employers
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of St. Louis, Jackson County, and Greene County** did not respond to our fiscal impact request.

Officials from the **Department of Transportation, Department of Conservation, Office of Administration - Division of Personnel, and the Department of Labor and Industrial Relations** assume the proposed legislation would have no fiscal impact on their office.

Officials from the **University of Missouri** note they have contracts which include noncompete clauses. Officials assume the proposal would be harmful to the University's competitive position in its various enterprises and would result in an unknown fiscal impact.

Oversight assumes the direct administrative fiscal impact to be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business will incur a policy impact; however the fiscal impact should be zero. From a hiring perspective the proposal will have an unknown impact as small businesses may find it harder to retain employees while others may find it easier to employ prospective candidates.

DESCRIPTION

This proposal prohibits noncompetition clauses in employment contracts that would prevent the employee upon termination of his or her employment from working for someone else in the same geographic area.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Conservation
Office of Administration - Division of Personnel
Department of Labor and Industrial Relations
University of Missouri

NOT RESPONDING

City of St. Louis
Jackson County
Greene County



Mickey Wilson, CPA
Acting Director

February 18, 2002