

REVENUE: No revenue impact

FISCAL: No fiscal impact

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|-----------------------|--|
| <b>Action:</b>        | Do Pass as Amended and Be Printed Engrossed                              |
| <b>Vote:</b>          | 8 - 0 - 0  |
| <b>Yeas:</b>          | Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler |
| <b>Nays:</b>          | 0  |
| <b>Exc.:</b>          | 0  |
| <b>Prepared By:</b>   | Theresa Van Winkle, Administrator  |
| <b>Meeting Dates:</b> | 3/11   |

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**WHAT THE MEASURE DOES:** Reduces the minimum time from two weeks to 72 hours before the first day of employment that an employer can notify an employee, via a written employment offer, that an arbitration agreement is required as a condition of employment.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** Deletes provisions of the measure regarding noncompetition agreements.

**BACKGROUND:** One of the enacted provisions in Senate Bill 248 (2007) established that employment arbitration and noncompetition agreements are voidable unless the employer informs the employee of the agreement's requirements in a written employment offer received by the employee at least two weeks before the first day of employment, or the agreement is entered into upon a bona fide advancement of the employee.

Noncompetition agreements are increasingly being used as a means to protect sensitive information or protect the investment in key employees. Prior to the enactment of Senate Bill 248, noncompetition agreements were entered into either on the employee's initial employment or upon a promotion. Current statute requires an agreement to be entered into prior to accepting an employment offer.

House Bill 3450-A reduces the timeframe for notifying an employee about an arbitration agreement from two weeks to 72 hours before their first day on the job.