Division of the Budget Landon State Office Building 900 SW Jackson Street, Room 504 Topeka, KS 66612

Adam C. Proffitt, Director



Phone: (785) 296-2436 adam.c.proffitt@ks.gov http://budget.kansas.gov

Laura Kelly, Governor

February 13, 2025

The Honorable Kellie Warren, Chairperson Senate Committee on Judiciary 300 SW 10th Avenue, Room 346-S Topeka, Kansas 66612

Dear Senator Warren:

SUBJECT: Fiscal Note for SB 241 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 241 is respectfully submitted to your committee.

SB 241 would amend current law to add a provision that if a covenant is determined to be overbroad or otherwise not reasonably necessary to protect a business interest of the business entity seeking enforcement of the covenant, the court would be required to modify the covenant, enforce the covenant as modified, and grant only the relief reasonably necessary to protect interests. The bill would also add additional provisions regarding whether certain written covenants are enforceable and are not considered a restraint of trade. The bill would also add definitions for "material contact customer" and "owner."

The Office of Judicial Administration states enactment of the bill would have a negligible fiscal effect on operations for the Judicial Branch.

Sincerely,

Adam C. Proffitt

Director of the Budget

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