



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-083: LIMITATIONS ON RESTRICTIVE EMPLOYMENT AGREEMENTS

Prime Sponsors:
Sen. Daugherty; Frizell
Rep. Brown; Garcia Sander

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0275

Version: Final Fiscal Note
Date: July 31, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill limits and clarifies exemptions to prohibitions on non-compete and non-solicitation agreements.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Current law exempts competition for highly compensated workers from prohibitions on non-compete and non-solicitation agreements. Under the bill these exemptions would not apply to agreements that restrict the practice of medicine, advanced practice registered nursing, midwifery, or dentistry. Specifically, the bill prohibits any agreement that restricts a provider who is leaving a practice from providing information to their patients about their new practice or the right to choose your health care provider.

Additionally, current law exempts the purchase or sale of business from prohibitions on non-compete agreements. The bill extends this exemption to ownership shares, partial sales, and, under select circumstances, competition for workers who have a partial ownership of the business.

State Expenditures

Starting in FY 2025-26, workload in the Department of Labor and Employment will minimally increase to update existing rules and guidance to conform with the bill. The division may also experience an increase in public inquiries related to these changes; any corresponding workload increase is expected to be minimal based on past experience with limitations on employment agreements.

Effective Date

The bill was signed into law by the Governor on June 3, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies

Labor

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).