

March 18, 2025

The Honorable Dave Baker
Chair
House Workforce, Labor & Economic
Development Finance & Policy
75 Rev Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

The Honorable Shane Mekeland
Vice Chair
House Workforce, Labor & Economic
Development Finance & Policy
75 Rev Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

RE: Opposition of House File 1768, Additional circumstances under which a covenant not to compete is valid and enforceable provided.

Dear Chair Baker, Vice Chair Mekeland, and Members of the Committee:

As a representative of Minnesota's small businesses, Small Business Majority writes today in opposition of HF 1768, which amends the Minnesota Statutes of 2024 by rolling back components of Minnesota's noncompete bans. If passed, this bill would make it increasingly difficult for small businesses to hire skilled employees in an already struggling labor market.

Small Business Majority is a small business organization that empowers diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

Small Business Majority's [research](#) revealed that more than 33 percent of small business owners were prevented from hiring an employee due to a non-compete agreement. HF 1768 would create additional exemptions and focus on higher wage earners, which would in turn harm small businesses looking to hire individuals that meet those criteria. The bill would rollback important components of Minnesota's non-compete ban, which we strongly oppose. Restricting individuals from pursuing opportunities for upward mobility and greater earning power harms the state and its small business ecosystem.

Small businesses support banning non-compete agreements because they are antithetical to the free, fair and open competition that is essential to a thriving and equitable economy. Because of non-competes, prospective entrepreneurs are prevented from leveraging their skills and knowledge to contribute to our nation's economic growth and innovation. Our research also found that nearly half (46%) of small business owners have been the subject of a non-compete agreement that prevented them from starting or expanding their business.

When entrepreneurs have new, innovative business ideas, non-competes stop them from finding the skilled employees they need. We urge you to oppose HF 1768 so that entrepreneurs can start their businesses and hire employees without restriction.

Sincerely,

Awesta Sarkash
Public Policy Director
Small Business Majority