

March 5, 2025

The Honorable Nathan Manning, Chair
Senate Judiciary Committee
1 Capitol Square
Columbus, OH 43215

RE: Senate Bill 11 - Written Opponent Testimony

Chair Manning, Vice Chair Reynolds, Ranking Member Hicks-Hudson and members of the Senate Judiciary Committee, thank you for the opportunity to provide written testimony in opposition to Senate Bill 11.

The Ohio Business Roundtable (“OBRT”) is a statewide business association consisting of over 130 CEOs and Presidents representing some of the top companies in the state. Collectively, our members employ over 600,000 Ohioans and generate revenue of more than \$2.5 trillion contributing significantly to Ohio’s economy through job creation, investment, and tax revenues that support local communities throughout the state.

OBRT supports policies that will strengthen the state’s economic and workforce development, reduce onerous barriers for businesses, and—overall—foster an environment for businesses to invest and grow in Ohio while competing in the global economy. While we support efforts to ensure fair employment practices and worker mobility, as currently drafted, SB 11 would impose an overly broad ban on non-compete agreements, placing Ohio at a competitive disadvantage.

Non-compete agreements are a critical tool for businesses to protect their investments, particularly in employees who have access to trade secrets, proprietary strategies, and key client relationships. Companies—large and small—invest significant resources in hiring, training, and developing their employees. Without non-compete agreements, businesses will be left vulnerable to competitors who can easily recruit top talent away, taking with them confidential information that could harm the very companies that invested in their success.

Ohio is home to many industries where intellectual property, strategic business plans, and customer relationships are the foundation of long-term success. Senate Bill 11 would put Ohio businesses at a disadvantage compared to other states where companies still have the ability to safeguard these critical assets. While it is important to ensure fair employment practices,

eliminating non-compete agreements entirely removes a key protection for businesses that have built their success on innovation and client trust.

Furthermore, non-compete agreements are not a blanket restriction on employees seeking new opportunities. They are carefully structured to be reasonable in scope and duration, and courts already have the power to strike down agreements that are overly broad or unfair. This existing system ensures that non-compete agreements serve their intended purpose—protecting legitimate business interests—without unduly restricting workers.

Additionally, SB 11 restricts employers from requiring employees to reimburse the company for investments made on their behalf, such as relocation expenses, tuition reimbursement, or visa sponsorship, if they leave before an agreed-upon period. These arrangements are standard in many industries and provide valuable benefits to employees. If employers cannot rely on reimbursement agreements, many will simply stop offering these benefits altogether. This would hurt employees, particularly those needing financial assistance for relocation or education. Additionally, this provision could create significant challenges for rural businesses trying to attract highly skilled talent. Without the ability to secure their investment, employers in these areas may struggle to retain critical workforce members. Any restrictions should be limited to cases where the employer involuntarily terminates the employee, not when an employee voluntarily chooses to leave before fulfilling their commitment.

If Senate Bill 11 is enacted, Ohio risks becoming a state where businesses hesitate to invest in employees due to concerns about retaining talent and protecting intellectual property. This will have ripple effects, discouraging business growth, investment, and economic development in the long run.

To maintain Ohio's economic development momentum, the Ohio Business Roundtable urges this committee to oppose SB 11 to maintain Ohio's business-friendly climate while ensuring fairness for workers.

Sincerely,

Alexandra Denney
Vice President of Government Relations & Communications
Ohio Business Roundtable