

HOUSE BILL 38

K3
HB 506/17 – ECM

(PRE-FILED)

9lr0676
CF SB 328

By: **Delegate Carr**

Requested: November 2, 2018

Introduced and read first time: January 9, 2019

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 15, 2019

CHAPTER _____

1 AN ACT concerning

2 **Labor and Employment – Noncompete and Conflict of Interest Clauses**

3 FOR the purpose of providing that certain noncompete and conflict of interest provisions
4 are null and void as being against the public policy of the State; providing for the
5 application of this Act; and generally relating to noncompete and conflict of interest
6 clauses in employment.

7 BY adding to

8 Article – Labor and Employment

9 Section 3–716

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2018 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Labor and Employment**

15 **3–716.**

16 **(A) (1) THIS SECTION APPLIES:**

17 ~~(1)~~ **(1) TO AN EMPLOYMENT CONTRACT OR A SIMILAR DOCUMENT**
18 **OR AGREEMENT CONCERNING AN EMPLOYEE WHO EARNS EQUAL TO OR LESS THAN:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~(H)~~ 1. \$15 PER HOUR; OR

2 ~~(H)~~ 2. \$31,200 ANNUALLY; AND

3 ~~(2)~~ (II) WHETHER OR NOT THE EMPLOYER AND EMPLOYEE
4 ENTERED INTO THE EMPLOYMENT CONTRACT OR SIMILAR DOCUMENT OR
5 AGREEMENT IN THE STATE.

6 (2) THIS SECTION DOES NOT APPLY TO AN EMPLOYMENT CONTRACT
7 OR A SIMILAR DOCUMENT OR AGREEMENT WITH RESPECT TO THE TAKING OR USE
8 OF A CLIENT LIST OR OTHER PROPRIETARY CLIENT-RELATED INFORMATION.

9 (B) A NONCOMPETE OR CONFLICT OF INTEREST PROVISION IN AN
10 EMPLOYMENT CONTRACT OR A SIMILAR DOCUMENT OR AGREEMENT THAT
11 RESTRICTS THE ABILITY OF AN EMPLOYEE TO ENTER INTO EMPLOYMENT WITH A
12 NEW EMPLOYER OR TO BECOME SELF-EMPLOYED IN THE SAME OR SIMILAR
13 BUSINESS OR TRADE SHALL BE NULL AND VOID AS BEING AGAINST THE PUBLIC
14 POLICY OF THE STATE.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.