Chapter 753

(Senate Bill 328)

AN ACT concerning

Labor and Employment – Noncompete and Conflict of Interest Clauses

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

BY adding to
>   Article – Labor and Employment
>   Section 3–716
>   Annotated Code of Maryland
>   (2016 Replacement Volume and 2018 Supplement)

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

Article – Labor and Employment

3–716.

(A)   (1)   THIS SECTION APPLIES:

~~(1)~~   (I)   TO AN EMPLOYMENT CONTRACT OR A SIMILAR DOCUMENT OR AGREEMENT CONCERNING AN EMPLOYEE WHO EARNS EQUAL TO OR LESS THAN~~:~~ ~~THE STATE MINIMUM WAGE SET UNDER § 2–413 OF THIS SUBTITLE OR THE APPLICABLE LOCAL MINIMUM WAGE, WHICHEVER IS GREATER; AND~~

_1._   _$15 PER HOUR; OR_

_2._   _$31,200 ANNUALLY; AND_

~~(I)~~   1.   ~~$15 PER HOUR; OR~~

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed to affect a determination by a court in an action involving a noncompete or conflict of interest provision that is not subject to Section 1 of this Act.

SECTION 2. *3.* AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.