

HOUSE BILL 506

K3
HB 1440/16 – ECM

7lr1200
CF SB 468

By: **Delegates Carr, Fennell, Glenn, Hornberger, and Jameson**

Introduced and read first time: January 27, 2017

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 22, 2017

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 3–715

10 Annotated Code of Maryland

11 (2016 Replacement Volume)

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 **3–715.**

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

17 **(1) TO AN EMPLOYMENT CONTRACT OR A SIMILAR DOCUMENT OR**
18 **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 (I) \$15 PER HOUR; OR

2 (II) \$31,200 ANNUALLY; AND

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.