

SENATE BILL NO. 422—COMMITTEE ON JUDICIARY

MARCH 25, 2013

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Establishes a civil cause of action against certain employers who condition employment on a noncompete clause. (BDR 3-1110)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to actions concerning persons; establishing a civil cause of action for a violation of certain employment practices; prohibiting certain employers from conditioning employment on an employee or potential employee agreeing to a noncompete clause; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides for civil actions and proceedings in particular cases  
2 concerning persons. (Chapter 41 of NRS) Existing law also establishes various  
3 unlawful employment practices. (Chapter 613 of NRS) **Section 2** of this bill: (1)  
4 prohibits a broadcast employer from conditioning the employment of an employee  
5 or prospective employee on his or her agreeing to a noncompete clause; and (2)  
6 prohibits a broadcast employer from taking certain employment actions based on  
7 the refusal of the employee or prospective employee to agree to a noncompete  
8 clause. **Section 1** of this bill establishes a civil cause of action against a broadcast  
9 employer who violates any provision of **section 2** of this bill.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 41 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:  
3 *A person who has suffered an injury or damages as the*  
4 *proximate result of a violation of the provisions of section 2 of this*  
5 *act may bring a civil cause of action for the recovery of the*



1 *person's actual damages, costs and reasonable attorney's fees and*  
2 *for any punitive damages that the facts may warrant.*

3 **Sec. 2.** Chapter 613 of NRS is hereby amended by adding  
4 thereto a new section to read as follows:

5 *It is unlawful for any broadcast employer in this State to:*

6 *1. Directly or indirectly require, request, suggest or cause any*  
7 *employee or prospective employee to agree to a noncompete clause*  
8 *as a condition of employment; or*

9 *2. Discharge, discipline, discriminate against in any manner*  
10 *or deny employment or promotion to, or threaten to take any such*  
11 *action against, any employee or prospective employee who:*

12 *(a) Refuses, declines or fails to agree to a noncompete clause;*

13 *(b) Has filed any complaint or instituted or caused to be*  
14 *instituted any legal proceeding pursuant to this section;*

15 *(c) Has testified or may testify in any legal proceeding*  
16 *instituted pursuant to this section; or*

17 *(d) Has exercised his or her rights, or has exercised on behalf*  
18 *of another person the rights afforded to him or her, pursuant to*  
19 *this section.*

20 *3. As used in this section:*

21 *(a) "Broadcast employer" means an employer operating as a*  
22 *radio station, television station, cable television system or other*  
23 *radio network, television network or video service network.*

24 *(b) "Noncompete clause" means a clause in an employment*  
25 *contract that prohibits an employee or prospective employee from*  
26 *working in a specific geographic area for a specific period at the*  
27 *conclusion of his or her current employment.*

