

SENATE BILL 51

K3

3lr0679

(PRE-FILED)

By: **Senator Young**

Requested: October 31, 2012

Introduced and read first time: January 9, 2013

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Employment Contracts – Noncompetition Covenant – Conditions Affecting**
3 **Enforcement**

4 FOR the purpose of limiting the enforcement of a noncompetition covenant between an
5 individual and the individual's prior employer under certain circumstances;
6 providing for the application of this Act; and generally relating to employment
7 contracts.

8 BY adding to
9 Article – Labor and Employment
10 Section 3–713
11 Annotated Code of Maryland
12 (2008 Replacement Volume and 2012 Supplement)

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

15 **Article – Labor and Employment**

16 **3–713.**

17 **IF AN INDIVIDUAL WHO IS UNEMPLOYED HAS APPLIED FOR AND IS FOUND**
18 **ELIGIBLE TO RECEIVE UNEMPLOYMENT INSURANCE BENEFITS AS PROVIDED IN**
19 **TITLE 8 OF THIS ARTICLE, THE INDIVIDUAL MAY NOT BE BOUND BY A**
20 **NONCOMPETITION COVENANT ENTERED INTO WITH THE INDIVIDUAL'S PRIOR**
21 **EMPLOYER.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
23 construed to apply only prospectively and may not be applied or interpreted to have

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 any effect on or application to any contract entered into before the effective date of this
2 Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2013.