
By: **Delegate Moe (By Request)**
Introduced and read first time: February 17, 2000
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Employment Contracts - Broadcast Industry - Noncompete Provisions**

3 FOR the purpose of providing that certain broadcast industry employment contracts
4 may not include noncompete provisions that prohibit the right of a broadcast
5 industry employee to seek or obtain certain employment after termination of the
6 employment contract or employment relationship; providing that a noncompete
7 provision is void and unenforceable; authorizing an employee who is the subject
8 of a noncompete provision to seek certain damages, attorney's fees, and costs in
9 a civil action; providing for the application of this Act; and generally relating to
10 a prohibition against the inclusion of noncompete provisions in broadcast
11 industry employment contracts.

12 BY adding to
13 Article - Labor and Employment
14 Section 3-708
15 Annotated Code of Maryland
16 (1999 Replacement Volume)

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

19 **Article - Labor and Employment**

20 3-708.

21 (A) IN THIS SECTION, "BROADCAST INDUSTRY EMPLOYMENT CONTRACT"
22 MEANS A CONTRACT OR AGREEMENT THAT ESTABLISHES THE TERMS AND
23 CONDITIONS OF EMPLOYMENT BETWEEN AN EMPLOYEE AND AN EMPLOYER THAT IS
24 AN ENTITY IN THE BROADCASTING INDUSTRY, INCLUDING:

- 25 (1) A TELEVISION STATION;
- 26 (2) A TELEVISION NETWORK;
- 27 (3) A RADIO STATION;

1 (4) A RADIO NETWORK; OR

2 (5) AN ENTITY AFFILIATED WITH ONE OF THE ENTITIES LISTED IN
3 ITEMS (1) THROUGH (4) OF THIS SUBSECTION.

4 (B) A BROADCAST INDUSTRY EMPLOYMENT CONTRACT EXECUTED IN THIS
5 STATE OR TO WHICH AN EMPLOYEE EMPLOYED IN THIS STATE OR AN EMPLOYER
6 DOING BUSINESS IN THIS STATE IS A PARTY MAY NOT CONTAIN A NONCOMPETE
7 PROVISION THAT RESTRICTS THE RIGHT OF THE EMPLOYEE TO SEEK OR OBTAIN
8 EMPLOYMENT IN A SPECIFIED GEOGRAPHIC AREA FOR A SPECIFIED PERIOD OF TIME
9 AFTER TERMINATION OF THE EMPLOYMENT CONTRACT OR EMPLOYMENT
10 RELATIONSHIP.

11 (C) A NONCOMPETE PROVISION PROHIBITED UNDER SUBSECTION (B) OF THIS
12 SECTION IS VOID AND UNENFORCEABLE.

13 (D) AN EMPLOYER THAT INCLUDES A NONCOMPETE PROVISION PROHIBITED
14 UNDER SUBSECTION (B) OF THIS SECTION IN A BROADCAST INDUSTRY EMPLOYMENT
15 CONTRACT MAY BE HELD LIABLE IN A CIVIL ACTION BY THE EMPLOYEE WHO IS THE
16 SUBJECT OF THE CLAUSE IN A COURT OF COMPETENT JURISDICTION FOR:

17 (1) DAMAGES THAT THE EMPLOYEE SUSTAINS AS A RESULT OF THE
18 ATTEMPTED ENFORCEMENT BY THE EMPLOYER OF THE PROHIBITED CLAUSE; AND

19 (2) REASONABLE ATTORNEY'S FEES AND COSTS ASSOCIATED WITH ANY
20 LITIGATION BY OR AGAINST THE EMPLOYEE THAT RELATES TO THE NONCOMPETE
21 CLAUSE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
23 any broadcast industry employment contract executed on or after the effective date of
24 this Act.

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2000.