SENATE BILL 51

K3

(PRE–FILED)

By: Senator Young
Requested: October 31, 2012
Introduced and read first time: January 9, 2013
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Employment Contracts – Noncompetition Covenant – Conditions Affecting Enforcement

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

BY adding to

Article – Labor and Employment
Section 3–713
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

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

Article – Labor and Employment

3–713.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be 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.
any effect on or application to any contract entered into before the effective date of this Act.

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