

# HOUSE BILL 1066

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By: **Delegate Hornberger**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Nondisclosure Agreements – Prohibition**

3 FOR the purpose of prohibiting certain employers from including a certain nondisclosure  
4 agreement in certain documents, requiring an employee to enter into a certain  
5 nondisclosure agreement, or establishing an expectation with an employee that a  
6 certain relationship exists with respect to certain information; defining certain  
7 terms; providing for the application of this Act; and generally relating to  
8 nondisclosure agreements.

9 BY adding to

10 Article – Labor and Employment

11 Section 3–714

12 Annotated Code of Maryland

13 (2008 Replacement Volume and 2014 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Labor and Employment**

17 **3–714.**

18 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
19 **INDICATED.**

20 **(2) “EMPLOYER” MEANS A PERSON ENGAGED IN A BUSINESS, AN**  
21 **INDUSTRY, A PROFESSION, A TRADE, OR ANY OTHER ENTERPRISE IN THE STATE.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) “NONDISCLOSURE AGREEMENT” MEANS AN ORAL OR A WRITTEN**  
2 **AGREEMENT BETWEEN AN EMPLOYER AND AN EMPLOYEE THAT PROHIBITS AN**  
3 **EMPLOYEE FROM DISCLOSING PROPRIETARY INFORMATION TO A THIRD PARTY.**

4           **(B) AN EMPLOYER MAY NOT:**

5           **(1) INCLUDE A NONDISCLOSURE AGREEMENT IN AN EMPLOYMENT**  
6 **CONTRACT OR ANY OTHER SIMILAR EMPLOYMENT-RELATED DOCUMENTS;**

7           **(2) REQUIRE AN EMPLOYEE TO ENTER INTO A NONDISCLOSURE**  
8 **AGREEMENT WITH THE EMPLOYER FOR ANY REASON; OR**

9           **(3) OTHERWISE ESTABLISH WITH AN EMPLOYEE THE EXPECTATION**  
10 **THAT A CONFIDENTIAL RELATIONSHIP EXISTS WITH RESPECT TO PROPRIETARY**  
11 **INFORMATION.**

12           SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation  
13 or contract right may not be impaired in any way by this Act and that this Act shall be  
14 construed to apply only prospectively and may not be applied or interpreted to have any  
15 effect on or application to any nondisclosure agreements in effect before the effective date  
16 of this Act.

17           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2015.