



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB1016

Testimony by Delegate Andrew Pruski

February 19, 2026 – Government, Labor, And Elections

What the Bill Does:

The purpose of HB1016- Labor and Employment - Noncompete and Conflict of Interest Clauses - Employer Relocation- adds a provision of law establishing that certain non-compete and conflict of interest clauses are to be considered null and void in employment contracts, if the employers relocate the majority of its employees or principal place of business outside the state of Maryland.

Why the Bill is Important:

HB1016 protects Maryland's workforce and economy by providing that when an employer with more than thirty employees—most of whom are located in Maryland—ceases to maintain the majority of its workforce or principal place of business in the state during an employee's tenure, any noncompete or conflict-of-interest clause restricting that employee's ability to work in Maryland becomes unenforceable.

This legislation:

- Keeps skilled workers and professional talent within Maryland's economy rather than forcing them to relocate or remain unemployed.
- Prevents out-of-state entities from restricting Maryland workers' ability to pursue comparable employment or establish competing local businesses.
- Encourages fair competition, supports small business formation, and benefits Maryland consumers through increased choice and competitive pricing.
- Strengthens workforce protections while promoting long-term economic growth and development within the state.

In conclusion, HB1016 advances Maryland's economic resilience by safeguarding workers, supporting entrepreneurship, and ensuring that restrictive employment agreements cannot undermine the state's labor market after an employer departs.

I request a favorable report on HB1016.