

HOUSE BILL 1388

K3, J2, M4

4lr2984
CF SB 1182

By: ~~Delegate Hill~~ Delegates Hill, Bhandari, Chisholm, Cullison, Guzzone, S. Johnson, Kaiser, Kerr, Kipke, R. Lewis, Lopez, Martinez, M. Morgan, Pena-Melnyk, Rosenberg, Szeliga, Taveras, White Holland, and Woods

Introduced and read first time: February 9, 2024

Assigned to: Health and Government Operations and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2024

CHAPTER _____

1 AN ACT concerning

2 **Labor and Employment – Noncompete and Conflict of Interest Clauses –**
3 **Veterinary and Health Care Professionals**

4 FOR the purpose of applying to certain veterinary and health care professionals certain
5 provisions of law stating that certain noncompete and conflict of interest provisions
6 in certain employment contracts are null and void as being against the public policy
7 of the State; ~~applying this Act retroactively~~; and generally relating to noncompete
8 and conflict of interest clauses in employment contracts.

9 BY repealing and reenacting, with amendments,
10 Article – Labor and Employment
11 Section 3–716
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2023 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 3–716.

18 (a) (1) This section applies:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (i) to an employment contract or a similar document or agreement
2 concerning:

3 1. an employee who earns equal to or less than 150% of the
4 State minimum wage rate established under § 3–413 of this title; OR

5 2. EMPLOYMENT IN A POSITION FOR WHICH THE
6 EMPLOYEE IS REQUIRED TO BE LICENSED:

7 A. UNDER THE HEALTH OCCUPATIONS ARTICLE; OR

8 B. AS A VETERINARY PRACTITIONER OR VETERINARY
9 TECHNICIAN UNDER TITLE 2, SUBTITLE 3 OF THE AGRICULTURE ARTICLE; and

10 (ii) whether or not the employer and employee entered into the
11 employment contract or similar document or agreement in the State.

12 (2) This section does not apply to an employment contract or a similar
13 document or agreement with respect to the taking or use of a client list or other proprietary
14 client-related information.

15 (b) A noncompete or conflict of interest provision in an employment contract or a
16 similar document or agreement that restricts the ability of an employee to enter into
17 employment with a new employer or to become self-employed in the same or similar
18 business or trade shall be null and void as being against the public policy of the State.

19 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to~~
20 ~~apply retroactively and shall be applied to and interpreted to affect an employment contract~~
21 ~~or a similar contract or agreement entered into on or before the effective date of this Act.~~

22 SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 ~~October~~ June 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.