

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 234

(Delegate McHale, *et al.*)

Economic Matters

Employment Contracts - Broadcast Industry - Noncompete Provisions

This bill prohibits a “broadcast industry employment contract” from containing a noncompete provision that restricts the right of an employee to seek or obtain employment with another employer in the broadcast industry after expiration or termination of the employment contract or employment relationship. Employers are identified as television stations; television networks; radio stations; radio networks; satellite-based services similar to broadcast stations or networks; any entity affiliated with any of the previous businesses; and any other entity that provides broadcasting services such as news, weather, traffic, sports, or entertainment programming.

Noncompete provisions prohibited under this bill are void and unenforceable. Employees may seek reasonable civil damages, attorney’s fees, and associated legal costs arising from an employer attempting to enforce a noncompete provision in a contract.

The bill applies to any broadcast industry employment contract executed, extended, or renewed on or after October 1, 2004.

Fiscal Summary

State Effect: This bill will not affect State government operations.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Noncompete provisions are not prohibited in broadcast industry contracts.

Small Business Effect: The bill could have a meaningful impact on employers due to the development of a more fluid employment market for broadcast industry employees. To the extent that a more fluid market for employees exists, some employers could be negatively impacted if employees seek employment elsewhere. Many broadcast industry jobs require significant investments in time and financial resources for training by employers. On the other hand, some employers could be positively impacted if they are able to obtain more skilled employees.

There are 120 radio stations and one television station that could be impacted by the bill.

Additional Information

Prior Introductions: Identical legislation was introduced as HB 189 in the 2003 session. It was withdrawn. In 2000, HB 1283, a similar bill, was assigned to the House Rules and Executive Nominations Committee. No further action was taken.

Cross File: None.

Information Source(s): Maryland Public Broadcasting Commission; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2004
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