

HOUSE BILL 1016

K3

6lr2649
CF 6lr1729

By: **Delegate Pruski**

Introduced and read first time: February 6, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Noncompete and Conflict of Interest Clauses –**
3 **Employer Relocation**

4 FOR the purpose of applying certain provisions of law establishing that certain noncompete
5 and conflict of interest provisions in certain employment contracts are null and void
6 as being against the public policy of the State to employees of certain employers that
7 relocate the majority of its employees or principal place of business outside the State;
8 and generally relating to noncompete and conflict of interest clauses in employment
9 contracts.

10 BY repealing and reenacting, with amendments,
11 Article – Labor and Employment
12 Section 3–716
13 Annotated Code of Maryland
14 (2025 Replacement Volume)

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

17 **Article – Labor and Employment**

18 3–716.

19 (a) (1) This subsection applies:

20 (i) to an employment contract or a similar document or agreement
21 concerning:

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (i) The period for which a noncompete or conflict of interest
2 provision in an employment contract or similar document or agreement is in effect may not
3 exceed 1 year from the last day of employment.

4 (ii) The geographical restriction in a noncompete or conflict of
5 interest provision in an employment contract or similar document or agreement may not
6 exceed 10 miles from the primary place of employment.

7 (3) On request of a patient, an employer of an employee described in
8 paragraph (1) of this subsection shall provide notice to a patient of the new location where
9 a former employee will be practicing.

10 SECTION 2. AND BE IT FURTHER ENACTED, That § 3-716(a)(1)(i)3 of the Labor
11 and Employment Article, as enacted by Section 1 of this Act, shall be construed to apply
12 only to employment contracts or similar documents or agreements for employment executed
13 on or after the effective date of this Act.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2026.