

# SENATE BILL 900

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CF HB 1016

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By: **Senator Ready**

Introduced and read first time: February 6, 2026

Assigned to: Finance

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## 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;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



2. employment in a position for which the employee:

A. is required to be licensed under the Health Occupations

Article;

B. is employed in a position that provides direct patient care;

and

C. earns equal to or less than \$350,000 in total annual

compensation;

**3. AN EMPLOYEE OF AN EMPLOYER THAT:**

**A. AT ANY TIME DURING THE EMPLOYEE'S EMPLOYMENT  
EMPLOYS MORE THAN 30 EMPLOYEES, THE MAJORITY OF WHOM ARE LOCATED IN  
THE STATE; AND**

**B. AT ANY TIME DURING OR SUBSEQUENT TO THE  
EMPLOYEE'S EMPLOYMENT, RELOCATES, REORGANIZES, OR OTHERWISE CEASES TO  
HAVE THE MAJORITY OF ITS EMPLOYEES OR ITS PRINCIPAL PLACE OF BUSINESS  
LOCATED IN THE STATE; or**

**[3.] 4. an employee licensed as a veterinary practitioner or  
veterinary technician under Title 2, Subtitle 3 of the Agriculture Article; and**

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

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

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

(b) (1) This subsection applies only to an employment contract or similar  
document or agreement concerning employment in a position for which the employee:

(i) is required to be licensed under the Health Occupations Article;

(ii) is employed in a position that provides direct patient care; and

(iii) earns more than \$350,000 in total annual compensation.

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.