

SENATE BILL 900

K3

6lr1729
CF HB 1016

By: Senator Ready

Introduced and read first time: February 6, 2026

Assigned to: Finance

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.



2. employment in a position for which the employee:

- A. is required to be licensed under the Health Occupations
- B. is employed in a position that provides direct patient care;
- C. earns equal to or less than \$350,000 in total annual

3. AN EMPLOYEE OF AN EMPLOYER THAT:

A. AT ANY TIME DURING THE EMPLOYEE'S EMPLOYMENT
30 EMPLOYEES, THE MAJORITY OF WHOM ARE LOCATED IN

B. AT ANY TIME DURING OR SUBSEQUENT TO THE
ENT, RELOCATES, REORGANIZES, OR OTHERWISE CEASES TO
OF ITS EMPLOYEES OR ITS PRINCIPAL PLACE OF BUSINESS
E; or

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

whether or not the employer and employee entered into the similar document or agreement in the State.

subsection does not apply to an employment contract or a similar contract with respect to the taking or use of a client or patient list or other client or patient-related information.

incompetence or conflict of interest provision in an employment document or agreement that restricts the ability of an employee to work with a new employer or to become self-employed in the same or similar field shall be null and void as being against the public policy of the

subsection applies only to an employment contract or similar concerning employment in a position for which the employee:

is required to be licensed under the Health Occupations Article;

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

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

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

(3) On request of a patient, an employer of an employee described in paragraph (1) of this subsection shall provide notice to a patient of the new location where 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.