



Senate Bill 658

Date: February 19, 2025
Committee: Senate Finance
Position: Favorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Senate Bill 658 (SB 658) clarifies Maryland law to establish that noncompete provisions are void only after an employee separates from an employer. In 2019, the Maryland General Assembly enacted House Bill 38, which did not clarify whether noncompete agreement restrictions apply only to agreements that take effect after an employee separates from an employer. To clarify what is commonly understood to be the case, SB 658 simply clarifies that noncompete restrictions apply after an employee separates from an employer.

SB 658's important change clarifies that employees and employers may enter into agreements that prohibit current employees from directly competing with their employer. For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 658**.