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THE SENATE OF MARYLAND

ANNAPOLIS, MARYLAND 21401

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SB900 - Labor and Employment - Noncompete and Conflict of Interest Clauses - Employer Relocation

SB 900 adds a provision of law establishing that certain non-compete and conflict of interest clauses are to be considered null and void in employment contracts, if the employers relocate the majority of its employees or principal place of business outside the state of Maryland.

When an employer with more than thirty employees, most of whom are located in Maryland—ceases to maintain the majority of its workforce or principal place of business in the state during an employee’s tenure, any noncompete or conflict-of-interest clause restricting that employee’s ability to work in Maryland becomes unenforceable.

Senate Bill 900 would:

- Keeps skilled workers and professional talent within Maryland’s economy rather than forcing them to relocate or remain unemployed.
- Prevents out-of-state entities from restricting Maryland workers’ ability to pursue comparable employment or establishing competing local businesses.
- Encourages fair competition, supports small business formation, and benefits Maryland consumers through increased choice and competitive pricing.
- Strengthens workforce protections while promoting long-term economic growth and development within the state.

In conclusion, HB900 advances Maryland’s economic resilience by safeguarding workers, supporting entrepreneurship, and ensuring that restrictive employment agreements cannot undermine the state’s labor market after an employer departs.

I request a favorable report on HB900.