

FAV-NoncompetesfromOutofState-260309.pdf

Uploaded by: Brian O'Looney

Position: FAV



9 March 2026

Chair Pamela G. Beidle
Finance Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Testimony in Support of SB0900

Dear Chair Beidle and members of the Finance Committee:

I am writing in support of the limited non-compete reform bill, SB0900, currently before the Maryland General Assembly.

As you may know, Maryland's existing non-compete protections apply only to certain medical professionals, veterinarians, and individuals earning approximately \$50,000 or less. This gap is becoming a significant concern within the construction industry, where consolidation by out-of-state entities is constraining opportunities for local professionals and tradespeople, reducing the available contractor pool—particularly in the architecture, civil engineering, plumbing, and HVAC professions—and ultimately increasing the cost of building across the state. Many affected workers are also unable to speak publicly due to nondisclosure agreements layered on top of non-compete provisions.

HB1016/SB900 would promote economic freedom for Maryland workers, reward employers who maintain jobs and operations within the state, and strengthen Maryland's innovation economy. The legislation helps retain skilled workers and professional talent within Maryland rather than forcing relocation or unemployment. It prevents out-of-state entities from restricting Maryland workers' ability to pursue comparable employment or establish competing local businesses, encourages fair competition, supports small-business formation, and benefits consumers through increased choice and competitive pricing.

Importantly, the bill does not restrict Maryland-based employers from using reasonable non-compete agreements. Instead, it applies only in circumstances where out-of-state control limits the economic mobility and opportunity of those living, working, and investing in Maryland. In doing so, SB0900 strengthens workforce protections while promoting long-term economic growth and positioning Maryland as a welcoming destination for entrepreneurs constrained by overly restrictive non-compete agreements elsewhere.

I would welcome the opportunity to discuss this matter further, provide background materials, or share additional perspective on how this issue is affecting the design and construction community. I can be reached by reply email or at (301) 807-0233.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. O'Looney".

Brian E. O'Looney, AIA
Founder

SB900_FAV.pdf

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

Affiliated with the National AFL-CIO

Donna S. Edwards
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SB 900 - Labor and Employment - Noncompete and Conflict of Interest Clauses - Employer Relocation

Senate Finance Committee

March 11, 2026

SUPPORT

Donna S. Edwards

Maryland State & DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 900. On behalf of our 700 affiliated unions, I offer the following comments.

Noncompete and conflict-of-interest clauses used to be reserved for high-level executives working with sensitive intellectual property. Today, they are imposed on workers across industries and different income levels, restricting their ability to find new employment and rebuild stability after job loss. These agreements can bar an individual from working in their field for a year or more, forcing workers to move, have long commutes, or leave their profession altogether.

The General Assembly took a necessary step in 2024 by passing HB 1388 which prohibited noncompete and conflict-of-interest clauses for certain veterinary and health care professionals. SB 900 builds on this work by addressing employers who relocate out of Maryland but still attempt to enforce noncompete or conflict-of-interest clauses on the workers they leave behind. As the bill states, it applies to an employer that “relocates, reorganizes, or otherwise ceases to have the majority of its employees or its principal place of business located in the State.” When a company or business chooses to move its operations elsewhere, Maryland workers should not be restricted from seeking new employment in their communities.

This legislation protects Maryland’s workforce, supports economic mobility, and reinforces that noncompete clauses should never be used to trap workers in unemployment.

For these reasons, we urge a favorable vote on SB 900.



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SB 900 Labor and Employment - Noncompete and Confl

Uploaded by: Justin Ready

Position: FAV

JUSTIN READY
Legislative District 5
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—
MINORITY WHIP
—
Finance Committee



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THE SENATE OF MARYLAND

ANNAPOLIS, MARYLAND 21401

March 11, 2026

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.

HCCC_SB 900_UNFAV.pdf

Uploaded by: Andrew Griffin

Position: UNF



March 11, 2026

Legislative Position: Unfavorable

Senate Bill 900

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

Senate Finance Committee

Dear Chair Beidle and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

SB 900 would render noncompete and conflict of interest clauses null and void for employees of an employer that, after having employed a majority of its workforce in Maryland, subsequently relocates or reorganizes such that the majority of its employees or its principal place of business is located outside the State.

Maryland law has already narrowed the enforceability of noncompete agreements, however, SB 900 represents another substantial erosion of a businesses ability to protect legitimate business interests, particularly confidential information, client relationships, and proprietary strategies.

Our primary concern is practical and competitive. Even if a company relocates just over half of its workforce outside Maryland, it may still maintain a significant presence in the State. Employees who remain here could still be in positions to directly compete against their former employer, solicit customers, or leverage proprietary knowledge. Under SB 900, those contractual protections would be stripped away solely because of a change in workforce distribution, regardless of the competitive realities on the ground.

Businesses frequently restructure or expand across state lines for economic or operational reasons. A decision to move part of a workforce should not automatically invalidate previously negotiated agreements, particularly when the company continues to operate in Maryland and remains exposed to in-state competition.

The fiscal analysis notes the bill may meaningfully affect small businesses. For small and mid-sized employers, client relationships and trade knowledge are often their most valuable assets. Removing tools to protect those assets may discourage investment and growth within Maryland.

For these reasons, the Howard County Chamber of Commerce respectfully requests an unfavorable report on Senate Bill 900.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce

SB 900_MTBMA_UNF.pdf

Uploaded by: Michael Sakata

Position: UNF



Senator Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

March 11, 2026

RE: SB 900 – UNFAVORABLE – Labor and Employment – Noncompete and Conflict of Interest Clauses – Employer Relocation

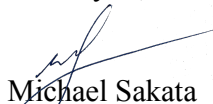
Dear Chair Beidle and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 250 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 900 would expand existing prohibitions on noncompete and conflict of interest provisions by rendering such clauses null and void for employees of businesses that, after an employee’s departure, relocate the majority of their employees or principal place of business outside of Maryland. Under the bill, these restrictions would apply regardless of the employee’s compensation level and would apply to certain employment agreements executed on or after the bill’s effective date.

MTBMA opposes SB 900 because reasonable, narrowly tailored noncompete agreements are a longstanding and standard business practice that protect legitimate employer interests. This includes investments in workforce training, proprietary information, and client relationships. In industries like transportation construction, companies make significant investments in employee development and specialized expertise. Eliminating enforceability of noncompete agreements based on a future business decision—such as relocation—creates uncertainty and may discourage companies from investing or expanding in Maryland in the first place. Existing Maryland law already places meaningful limits on noncompete agreements, particularly for lower-wage employees, and further expansion risks upsetting a balanced framework that supports both worker mobility and business stability. For these reasons, MTBMA respectfully requests an unfavorable report on SB 900.

Thank you,


Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association