

SENATE BILL 658

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5lr2340
CF 5lr3034

By: **Senator Ready**

Introduced and read first time: January 25, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Noncompete and Conflict of Interest Provisions**

3 FOR the purpose of altering the noncompete and conflict of interest provisions in
4 employment contracts or similar documents that are null and void as being against
5 public policy; and generally relating to noncompete and conflict of interest
6 provisions.

7 BY repealing and reenacting, with amendments,
8 Article – Labor and Employment
9 Section 3–716
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2024 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Labor and Employment**

15 3–716.

16 (a) (1) This subsection applies:

17 (i) to an employment contract or a similar document or agreement
18 concerning:

19 1. an employee who earns equal to or less than 150% of the
20 State minimum wage rate established under § 3–413 of this title;

21 2. employment in a position for which the employee:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 A. is required to be licensed under the Health Occupations
2 Article;

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

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

7 3. an employee licensed as a veterinary practitioner or
8 veterinary technician under Title 2, Subtitle 3 of the Agriculture Article; and

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

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

14 (3) A noncompete or conflict of interest provision in an employment
15 contract or a similar document or agreement that restricts the ability of an employee, **ON**
16 **SEPARATION FROM THE EMPLOYER**, to enter into employment with a new employer or
17 to become self–employed in the same or similar business or trade shall be null and void as
18 being against the public policy of the State.

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

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

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

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

24 (2) (i) The period for which a noncompete or conflict of interest
25 provision in an employment contract or similar document or agreement is in effect may not
26 exceed 1 year from the last day of employment.

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

30 (3) On request of a patient, an employer of an employee described in
31 paragraph (1) of this subsection shall provide notice to a patient of the new location where
32 a former employee will be practicing.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2025.