

STATE OF NEW YORK

10511

IN ASSEMBLY

May 22, 2020

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Reyes) --
read once and referred to the Committee on Labor

AN ACT to amend the labor law, in relation to prohibiting non-compete agreements

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The labor law is amended by adding a new section 191-d to
2 read as follows:

3 § 191-d. Non-compete agreements. 1. For the purposes of this section,
4 the term:

5 a. "Non-compete agreement" means an agreement, or clause contained in
6 an employment contract, between an employer and an employee that prohib-
7 its or restricts such employee from obtaining employment, after the
8 conclusion of employment with the employer included as a party to the
9 agreement:

10 (i) for a specified period of time;

11 (ii) in any specified geographical area; and/or

12 (iii) with any particular other employer or in any particular indus-
13 try.

14 b. "Undue hardship" includes but, is not limited to, situations where
15 an employee loses or leaves a job due to circumstances surrounding a
16 declared state of emergency or disaster emergency as described in
17 section twenty-four or twenty-eight of the executive law.

18 2. A non-compete agreement is only enforceable if such agreement:

19 (a) is no greater than required for the protection of the legitimate
20 interest of the employer;

21 (b) does not impose an undue hardship on the employee;

22 (c) is not injurious to the public; and

23 (d) is reasonable in time period and geographic scope.

24 If any of the provisions of paragraph (a), (b), (c) or (d) of this
25 subdivision is violated, the non-compete agreement is deemed invalid.

26 § 2. This act shall take effect immediately.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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