

STATE OF NEW YORK

10981--A

IN ASSEMBLY

April 14, 2026

Introduced by M. of A. BURDICK -- read once and referred to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to prohibiting non-compete agreements for certain medical professionals

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; medical professionals. 1. As used in
4 this section, the following terms shall have the following meanings:

5 (a) "Covered health related professional" means a physician licensed
6 pursuant to article one hundred thirty-one of the education law, a
7 physician assistant licensed pursuant to article one hundred
8 thirty-one-B of the education law, a chiropractor licensed pursuant to
9 article one hundred thirty-two of the education law, a dentist licensed
10 pursuant to article one hundred thirty-three of the education law, a
11 perfusionist licensed pursuant to article one hundred thirty-four of the
12 education law, a veterinarian licensed pursuant to article one hundred
13 thirty-five of the education law, a physical therapist licensed pursuant
14 to article one hundred thirty-six of the education law, a pharmacist
15 licensed pursuant to article one hundred thirty-seven of the education
16 law, a nurse licensed pursuant to article one hundred thirty-nine of the
17 education law, a podiatrist licensed pursuant to article one hundred
18 forty-one of the education law, an optometrist licensed pursuant to
19 article one hundred forty-three of the education law, a psychologist
20 licensed pursuant to article one hundred fifty-three of the education
21 law, an occupational therapist licensed pursuant to article one hundred
22 fifty-six of the education law, a speech pathologist or audiologist
23 licensed pursuant to article one hundred fifty-nine of the education
24 law, or a mental health practitioner licensed pursuant to article one
25 hundred sixty-three of the education law.

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

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1 (b)(i) "Non-compete agreement" means any agreement, or clause
2 contained in any agreement, between an employer and a covered health
3 related professional that:

4 (1) Prohibits the covered health related professional from engaging in
5 the practice of medicine with a new employer;

6 (2) Imposes financial penalties or repayment obligations, or requires
7 reimbursement of bonuses, training expenses, or similar payments that:

8 (A) apply to a covered health related professional that has been
9 employed by:

10 (I) a hospital;

11 (II) a parent company of a hospital;

12 (III) an affiliated manager of a hospital; or

13 (IV) a hospital system; and

14 (B) are based solely or primarily on the covered health related
15 professional's decision to continue engaging in the practice of medicine
16 with a new employer;

17 (3) Requires the covered health related professional as a condition of
18 engaging in the practice of medicine with a new employer, regardless of
19 geographic area or specialty, to:

20 (A) obtain employer consent; or

21 (B) submit to equitable relief; or

22 (4) Imposes indirect restrictions that have the effect of limiting or
23 detering the covered health related professional's practice of medicine
24 with a new employer.

25 (ii) The term "non-compete agreement" does not include nondisclosure
26 agreements that protect confidential business information or trade
27 secrets.

28 2. No employer or its agent, or the officer or agent of any corpo-
29 ration, partnership, limited liability company, not-for-profit corpo-
30 ration or association or other entity, shall seek, require, demand or
31 accept a non-compete agreement from any covered health related profes-
32 sional. Any non-compete agreement sought, required, demanded or accepted
33 after the effective date of this section shall be null, void, and unen-
34 forceable.

35 3. (a) A covered health related professional, may bring a civil action
36 in a court of competent jurisdiction against any employer or persons
37 alleged to have violated this section. A covered health related profes-
38 sional shall bring such action within two years of the later of: (i)
39 when the prohibited non-compete agreement was signed; (ii) when the
40 covered health related professional learns of the prohibited non-compete
41 agreement; (iii) when the employment or contractual relationship is
42 terminated; or (iv) when the employer takes any step to enforce the
43 non-compete agreement. The court shall have jurisdiction to void any
44 such non-compete agreement and to order all appropriate relief, includ-
45 ing enjoining the conduct of any person or employer; ordering payment of
46 liquidated damages; and awarding lost compensation, compensatory
47 damages, reasonable attorneys' fees and costs to the covered health
48 related professional.

49 (b) For the purposes of this subdivision, liquidated damages shall be
50 calculated as an amount not more than ten thousand dollars per covered
51 health related professional. The court shall award liquidated damages to
52 every covered health related professional affected under this section,
53 in addition to any other remedies permitted by this section.

54 4. Nothing in this section shall be construed or interpreted as limit-
55 ing the protections of individuals under any other provision of federal,
56 state, or local law, rule, or regulation relating to the ability of an

1 employer to enter into an agreement with a prospective or current
2 covered health related professional that: (a) establishes a fixed term
3 of service and/or exclusivity during employment; (b) prohibits disclo-
4 sure of trade secrets; or (c) prohibits disclosure of confidential and
5 proprietary client information.

6 5. Nothing in this section shall be construed to amend, modify,
7 impair, or otherwise affect the application of enforcement of section
8 two hundred two-k of this chapter, nor shall it be interpreted to create
9 any conflict or inconsistency with such provision.

10 6. Notwithstanding any other provision of this section to the contra-
11 ry, nothing in this section shall prohibit the inclusion and enforcement
12 of non-compete agreements or other similar covenants in the sale of the
13 goodwill of a business or the sale or disposition of a majority of an
14 ownership interest in a business by a partner of a partnership, a member
15 of a limited liability company, or an entity for:

16 (a) any such partner of a partnership or member of a limited liability
17 company owning at least a fifteen percent interest in such partnership
18 or limited liability company; or

19 (b) any such person or entity owning fifteen percent or more ownership
20 interest in a business.

21 7. Any non-compete agreement that is permissible or enforceable under
22 this section shall:

23 (a) meet all requirements for determining enforceability under the
24 common law of New York, including but not limited to: (i) it is reason-
25 able in time, geography, and scope; (ii) it does not impose an undue
26 hardship on the employee; (iii) it does not harm the public; (iv) it is
27 necessary to protect the employer's legitimate business interests; and
28 (v) its restrictions are no greater than necessary to protect the legit-
29 imate business interests of the employer. A non-compete agreement that
30 is reasonable in time pursuant to subparagraph (i) of this paragraph
31 shall not contain a term of restriction greater than one year; and

32 (b) provide for the payment of salary during the period of enforcement
33 of the non-compete agreement.

34 8. No choice of law provision or choice of venue provision that would
35 have the effect of avoiding or limiting the requirements of this section
36 shall be enforceable if the covered health related professional is and
37 has been, for at least thirty days immediately preceding the covered
38 individual's cessation of employment, a resident of New York or employed
39 in New York, including individuals who work remotely in another state
40 but who report to a New York worksite or office or who report to a New
41 York-based supervisor.

42 9. Every employer shall inform their employees of their protections
43 and rights under this section by posting a notice thereof pursuant to
44 section forty-five of this chapter. Such notice shall be posted conspic-
45 uously in easily accessible and well-lighted places customarily
46 frequented by employees and applicants for employment.

47 § 2. The labor law is amended by adding a new section 45 to read as
48 follows:

49 § 45. Notice to employees related to non-compete agreements. The
50 department shall be tasked with developing a notice to inform employees
51 of their protections and rights pursuant to section one hundred ninety-
52 one-d of this chapter. Such notice shall be provided to employers for
53 distribution to employees and posted on the department's website.

54 § 3. Severability clause. If any clause, sentence, paragraph, subdivi-
55 sion, section or part of this act shall be adjudged by any court of
56 competent jurisdiction to be invalid, such judgment shall not affect,

1 impair, or invalidate the remainder thereof, but shall be confined in
2 its operation to the clause, sentence, paragraph, subdivision, section
3 or part thereof directly involved in the controversy in which such judg-
4 ment shall have been rendered. It is hereby declared to be the intent of
5 the legislature that this act would have been enacted even if such
6 invalid provisions had not been included herein.

7 § 4. This act shall take effect on the thirtieth day after it shall
8 have become a law and shall be applicable to contracts entered into or
9 modified on or after such effective date and shall have no retroactive
10 effect; provided, however, that section two of this act shall take
11 effect on the one hundred eightieth day after it shall have become a
12 law. Effective immediately, the addition, amendment, and/or repeal of
13 any rule or regulation necessary for the implementation of this act on
14 its effective date are authorized to be made and completed on or before
15 such effective date.