

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Lori A. Ehrlich

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the judicial enforcement of noncompetition agreements.

PETITION OF:

NAME:

Lori A. Ehrlich

DISTRICT/ADDRESS:

8th Essex

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1715 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to the judicial enforcement of noncompetition agreements.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 149 of the General Laws of Massachusetts shall be amended by inserting the
2 following as Section 19D:

3 Section 19D. Noncompetition Agreements

4 Any written or oral agreement arising out of an employment or independent contractor
5 relationship that prohibits, impairs, restrains, restricts, or places any condition on a person's
6 ability to seek, engage in, or accept any type of employment or independent contractor work, for
7 any period of time after an employment or independent contractor relationship has ended, shall,
8 to that extent, be void and unenforceable. This section does not render void or unenforceable the
9 remainder of the agreement containing the unenforceable noncompetition agreement, nor does it

10 preclude the imposition by a court, through a temporary restraining order, preliminary injunction,
11 permanent injunction, or otherwise, of a noncompetition restriction as a provisional or permanent
12 remedy for a breach of another contractual obligation or violation of a statutory or common law
13 duty. Nor shall this section affect (i) covenants not to solicit or hire employees or independent
14 contractors of the employer; (ii) covenants not to solicit or transact business with customers,
15 clients, or vendors of the employer; (iii) nondisclosure agreements; (iv) noncompetition
16 agreements made in connection with the sale of a business or partnership or substantially all of
17 the assets of a business, when the party restricted by the noncompetition agreement is an owner
18 of, or partner with, at least a ten percent interest of the business who received significant
19 consideration for the sale; (v) noncompetition agreements outside of an employment or
20 independent contractor relationship; (vi) forfeiture agreements; or (vii) agreements by which an
21 employee agrees to not reapply for employment to the same employer after termination of the
22 employee.

23 This section shall apply to all contracts and agreements executed after the effective date
24 of this act.