

SENATE BILL 900

K3

6lr1729
CF HB 1016

By: **Senator Ready**

Introduced and read first time: February 6, 2026

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2026

CHAPTER _____

1 AN ACT concerning

2 ~~Labor and Employment~~ **Noncompete and Conflict of Interest Clauses –**
3 **Licensed Architects – Employer Workforce Relocation and Out-of-State**
4 **Employers**

5 FOR the purpose of applying certain provisions of law establishing that certain noncompete
6 and conflict of interest provisions in certain employment contracts are null and void
7 as being against the public policy of the State to ~~employees of licensed architects~~
8 employed by certain employers that relocate the majority of its employees outside
9 the State or have its principal place of business outside the State; and generally
10 relating to noncompete and conflict of interest clauses in employment contracts.

11 BY repealing and reenacting, with amendments,
12 Article – Labor and Employment
13 Section 3–716
14 Annotated Code of Maryland
15 (2025 Replacement Volume)

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

18 **Article – Labor and Employment**

19 3–716.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) **(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
 2 **MEANINGS INDICATED.**

3 **(II) "ENFORCEMENT DATE" MEANS THE EARLIEST DATE ON**
 4 **WHICH AN EMPLOYER SEEKING TO ENFORCE A NONCOMPETE OR CONFLICT OF**
 5 **INTEREST PROVISION IN AN EMPLOYMENT CONTRACT OR A SIMILAR DOCUMENT OR**
 6 **AGREEMENT CONCERNING AN EMPLOYEE:**

7 **1. FILES AN ACTION OR OTHERWISE SEEKS JUDICIAL**
 8 **ENFORCEMENT OF THE PROVISION;**

9 **2. INITIATES ARBITRATION OR ANOTHER FORM OF**
 10 **FORMAL DISPUTE RESOLUTION TO ENFORCE THE PROVISION; OR**

11 **3. DEMANDS IN WRITING THAT THE EMPLOYEE COMPLY**
 12 **WITH THE PROVISION.**

13 **(III) "LICENSED ARCHITECT" HAS THE MEANING STATED IN §**
 14 **3-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

15 **(IV) "PRINCIPAL PLACE OF BUSINESS" MEANS THE SINGLE**
 16 **LOCATION FROM WHICH THE OFFICERS OF THE EMPLOYER DIRECT, CONTROL, AND**
 17 **COORDINATE THE ACTIVITIES OF THE EMPLOYER.**

18 **(2)** This subsection applies:

19 (i) to an employment contract or a similar document or agreement
 20 concerning:

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

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

24 A. is required to be licensed under the Health Occupations
 25 Article;

26 B. is employed in a position that provides direct patient care;
 27 and

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

30 **3. ~~AN EMPLOYEE OF~~ A LICENSED ARCHITECT WHO IS**
 31 **EMPLOYED BY AN EMPLOYER THAT:**

1 A. ~~AT ANY TIME DURING~~ ON THE FIRST DAY OF THE
2 EMPLOYEE'S EMPLOYMENT EMPLOYS MORE THAN 30 EMPLOYEES, THE MAJORITY
3 OF WHOM ARE LOCATED IN THE STATE REPORT TO A PRIMARY WORK SITE LOCATED
4 IN THE STATE OR PERFORM WORK REMOTELY FROM WITHIN THE STATE; AND

5 B. ~~AT ANY TIME DURING OR SUBSEQUENT TO THE~~
6 ~~EMPLOYEE'S EMPLOYMENT, RELOCATES, REORGANIZES, OR OTHERWISE CEASES TO~~
7 ON THE ENFORCEMENT DATE, DOES NOT HAVE THE MAJORITY OF ITS EMPLOYEES
8 REPORT TO A PRIMARY WORK SITE LOCATED IN THE STATE OR PERFORM WORK
9 REMOTELY FROM WITHIN THE STATE, OR DOES NOT HAVE ITS PRINCIPAL PLACE OF
10 BUSINESS LOCATED IN THE STATE; or

11 [3.] 4. an employee licensed as a veterinary practitioner or
12 veterinary technician under Title 2, Subtitle 3 of the Agriculture Article; and

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

15 ~~(2)~~ (3) This subsection does not apply to an employment contract or a
16 similar document or agreement with respect to the taking or use of a client or patient list
17 or other proprietary client-related or patient-related information.

18 ~~(3)~~ (4) A noncompete or conflict of interest provision in an employment
19 contract or a similar document or agreement that restricts the ability of an employee to
20 enter into employment with a new employer or to become self-employed in the same or
21 similar business or trade shall be null and void as being against the public policy of the
22 State.

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

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

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

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

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

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

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

4 SECTION 2. AND BE IT FURTHER ENACTED, That § 3-716(a)(1)(i)3 of the Labor
5 and Employment Article, as enacted by Section 1 of this Act, shall be construed to apply
6 only to employment contracts or similar documents or agreements for employment executed
7 on or after the effective date of this Act.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.