

# MAINE STATE LEGISLATURE

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Majority

L.D. 1496

Date: 2/26/24

(Filing No. H-768)

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**LABOR AND HOUSING**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 951, L.D. 1496, "An Act to Prohibit Noncompete Clauses"

Amend the bill by striking out the title and substituting the following:

**'An Act to Restrict Noncompete Clauses'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 26 MRSA §599-A, sub-§2**, as enacted by PL 2019, c. 513, §1, is repealed.

**Sec. 2. 26 MRSA §599-A, sub-§2-A** is enacted to read:

**2-A. Public policy; enforceability of noncompete agreements. Noncompete agreements are contrary to public policy and are enforceable only to the extent that they are reasonable and are not broader than necessary to protect:**

**A. The employer's trade secrets, as defined in Title 10, section 1542, subsection 4; or**

**B. The employer, if the employee has an ownership interest in the employer.**

**A noncompete agreement may be presumed necessary if the employer's trade secrets cannot be adequately protected through an alternative restrictive covenant, including but not limited to a nonsolicitation agreement or a nondisclosure or confidentiality agreement.**

**Sec. 3. 26 MRSA §599-A, sub-§3**, as amended by PL 2023, c. 118, §1, is further amended to read:

**3. Prohibited for certain workers.** Notwithstanding subsection ~~2~~ 2-A, an employer may not require or permit an employee to enter into a noncompete agreement with the employer if:

**A. The employee is earning wages at or below 400% of the federal poverty level; or**

**B. The employee is a veterinarian licensed under Title 32, chapter 71-A and is employed in a veterinary facility in which the employee does not have an ownership interest.**

**COMMITTEE AMENDMENT**

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1 A court may not enforce a noncompete agreement entered into or renewed with an  
2 employee who is a veterinarian licensed under Title 32, chapter 71-A before ~~the~~  
3 ~~effective date of this paragraph~~ October 25, 2023 unless the employee is working in a  
4 veterinary facility in which the employee has an ownership interest.

5 **Sec. 4. 26 MRSA §599-A, sub-§7**, as enacted by PL 2019, c. 513, §1, is amended  
6 to read:

7 **7. Application.** ~~This~~ Except as otherwise provided, this section applies to all  
8 noncompete agreements entered into or renewed on or after ~~the effective date of this section~~  
9 September 19, 2019.

10 **Sec. 5. Application.** This Act applies to all noncompete agreements entered into  
11 or renewed on or after the effective date of this Act.'

12 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
13 number to read consecutively.

14 **SUMMARY**

15 This amendment replaces the bill and changes the title. This amendment provides that  
16 noncompete agreements are enforceable only if they are reasonable and are not broader  
17 than necessary to protect an employer's trade secrets or protect an employer when the  
18 employee has an ownership interest in the employer. The amendment also makes technical  
19 changes and clarifies the application of the legislation.

**COMMITTEE AMENDMENT**