

Committee Report

CONSENT CALENDAR

May 1, 2019

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Labor, Industrial and Rehabilitative Services to which was referred SB 197,

AN ACT relative to noncompete agreements for low-wage employees. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Harrison Kanzler

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Labor, Industrial and Rehabilitative Services
Bill Number:	SB 197
Title:	relative to noncompete agreements for low-wage employees.
Date:	May 1, 2019
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2019-1598h

STATEMENT OF INTENT

This bill ensures that "low-wage employees" are protected from non-compete agreements. Given NH's employee shortage we feel this will allow for greater mobility and hiring opportunities for our "low-wage employees."

Vote 19-0.

Rep. Harrison Kanzler
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Labor, Industrial and Rehabilitative Services

SB 197, relative to noncompete agreements for low-wage employees. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Harrison Kanzler for Labor, Industrial and Rehabilitative Services. This bill ensures that "low-wage employees" are protected from non-compete agreements. Given NH's employee shortage we feel this will allow for greater mobility and hiring opportunities for our "low-wage employees."

Vote 19-0.

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: LABOR, INDUSTRIAL, and REHABILITATIVE SERVICES

BILL NUMBER: SB 197

TITLE: Relative to noncompete agreements for low-wage employees

DATE: 5/1/2019 CONSENT CALENDAR: YES NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.
2019-1429h + 2019-1598h



STATEMENT OF INTENT:

~~197~~ SB 197 ensures that "Low-wage Employees" are protected from non-compete agreements. Given NH's employee shortage we feel this will allow for greater mobility and hiring opportunities for our "Low-wage Employees"

COMMITTEE VOTE: 19/0

- Copy to Committee Bill File
- Use Another Report for Minority Report

RESPECTFULLY SUBMITTED,

Rep. HARRISON KANEZER
For the Committee

Rep. Kanzler, Carr. 2
April 23, 2019
2019-1598h
04/06

Amendment to SB 197

1 Amend RSA 275:70-a, I(b) as inserted by section 1 of the bill by replacing it with the following:

2

3 (b) "Low-wage employee" means an employee who earns an hourly rate less than or
4 equal to 200 percent of the federal minimum wage.

Voting Sheets

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: May 1, 2019

LOB ROOM: 307

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Kanzler Seconded by Rep. Seaworth AM Vote: 19-0

Amendment # 2019-1598h

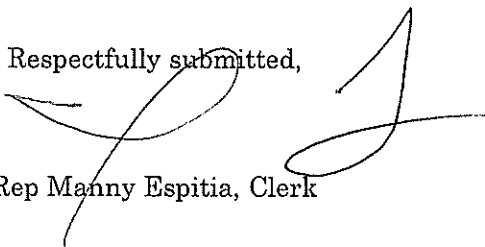
Moved by Rep. Kanzler Seconded by Rep. Avellani Vote: 19-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Manny Espitia, Clerk



HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: 5/1/19

LOB ROOM: 307

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1st year)
- Adoption of Amendment # 2019 1598 L
(if offered)
- Interim Study (2nd year)

Moved by Rep. Kanzler Seconded by Rep. Seaworth Vote: 19-0

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____
(if offered)
- Interim Study (2nd year)

Moved by Rep. Kanzler Seconded by Rep. Avellani Vote: 19-0

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____
(if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

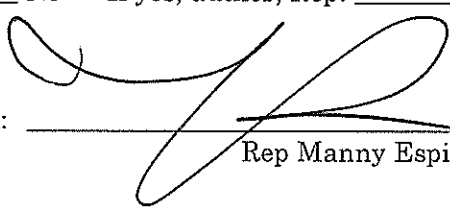
MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____
(if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR: YES NO

Minority Report? Yes No If yes, author, Rep: _____ Motion _____

Respectfully submitted:  _____
Rep Manny Espitia, Clerk



2019 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: SB 197 Motion: Adopt Amended AM #: 2019 15984 Exec Session Date: 5/1/19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Sullivan, Brian M. Chairman	19		
Soucy, Timothy A. Vice Chairman	1		
Baroody, Benjamin C.	2		
Cahill, Michael D.	3		
DiSilvestro, Linda A.	4		
Schmidt, Janice E.	5		
Toomey, Dan	6		
Bordy, William E.	7		
Bouchard, Donald J.	8		
Espitia, Manny Clerk	9		
Hall, Brett R.	10		
Kanzler, Harrison	11		
Flanagan, Jack B.	12		
Seaworth, Brian	13		
Avellani, Lino M.	14		
O'Day, John E.	15		
Renzullo, Andrew <i>Rep. Melvin</i>	16		
Callum, John M.			
Mackie, Jonathan D.	17		
Nunez, Hershel	18		
TOTAL VOTE:	19	0	

OFFICE OF THE HOUSE CLERK



1/14/2019 3:23:04 PM
Roll Call Committee Registers
Report

2019 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: SBL97 Motion: OTPA AM #: 2019 1598h Exec Session Date: 5/1/19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Sullivan, Brian M. Chairman	19		
Soucy, Timothy A. Vice Chairman	1		
Baroody, Benjamin C.	2		
Cahill, Michael D.	3		
DiSilvestro, Linda A.	4		
Schmidt, Janice E.	5		
Toomey, Dan	6		
Bordy, William E.	7		
Bouchard, Donald J.	8		
Espitia, Manny Clerk	9		
Hall, Brett R.	10		
Kanzler, Harrison	11		
Flanagan, Jack B.	12		
Seaworth, Brian	13		
Avellani, Lino M.	14		
O'Day, John E.	15		
Renzullo, Andrew	16		
Callum, John M.			
Mackie, Jonathan D.	17		
Nunez, Hershel	18		
TOTAL VOTE:	19	0	

Rep. Kanzler, Carr. 2
April 23, 2019
2019-1598h
04/06

Amendment to SB 197

1 Amend RSA 275:70-a, I(b) as inserted by section 1 of the bill by replacing it with the following:

2

3 (b) "Low-wage employee" means an employee who earns an hourly rate less than or
4 equal to 200 percent of the federal minimum wage.

ONLY APPROVED

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: April 17, 2019

LOB ROOM: 307

MOTIONS: ADOPT AMENDMENT #2019-1429h

Moved by Rep. Bordy

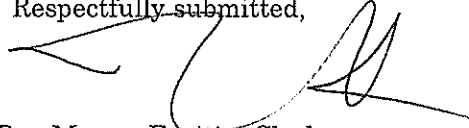
Seconded by Rep. Kanzler

AM Vote: 20-0

Amendment # 2019-1429h

**RECESSED - No further Motions -
SB 197 will be rescheduled for Executive Session.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Manny Espitia', written over the text 'Respectfully submitted,'.

Rep Manny Espitia, Clerk

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: 4/17/19

LOB ROOM: 307

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1st year)
- Adoption of Amendment # 1429h (if offered)
- Interim Study (2nd year)

Moved by Rep. Bordy Seconded by Rep. Kanzler Vote: 20-0

MOTION: (Please check one box)

- OTP
- ~~OTP/A~~ ITP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

Recessed

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR: _____ YES _____ NO

Minority Report? _____ Yes _____ No If yes, author, Rep: _____ Motion _____

Respectfully submitted: 
Rep Manny Espitia, Clerk

OFFICE OF THE HOUSE CLERK



1/14/2019 3:23:04 PM
Roll Call Committee Registers
Report

2019 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: SB 197 Motion: Adopt Amend AM #: 2019 1429 Exec Session Date: 4-17-19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Sullivan, Brian M. Chairman	20		
Soucy, Timothy A. Vice Chairman	1		
Barody, Benjamin C.	2		
Cahill, Michael D.	3		
DiSilvestro, Linda A.	4		
Schmidt, Janice E.	5		
Toomey, Dan	6		
Bordy, William E.	7		
Bouchard, Donald J.	8		
Espitia, Manny Clerk	9		
Hall, Brett R. Rep. Cleaver	10		
Kanzler, Harrison	11		
Flanagan, Jack B.	12		
Seaworth, Brian	13		
Avellani, Lino M.	14		
O'Day, John E.	15		
Renzullo, Andrew	16		
Callum, John M.	17		
Mackie, Jonathan D. Rep. Trosian	18		
Nunez, Hershel	19		
TOTAL VOTE:	20	0	

Hearing Minutes

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: April 3, 2019

LOB ROOM: 307

Time Public Hearing Called to Order: 2:02 p.m.

Time Adjourned: 2:16 p.m.

Committee Members: Reps. Sullivan, Soucy, Espitia, Baroody, Cahill, DiSilvestro, J. Schmidt, Toomey, Bordy, Bouchard, Flanagan, Renzullo, Callum, Mackie, Nunez and O'Day

Bill Sponsors:

Sen. Watters

Sen. Cavanaugh

Sen. Feltes

Sen. Hennessey

Sen. Dietsch

Sen. Levesque

Sen. Sherman

Sen. Morgan

Sen. Gray

Sen. Kahn

Rep. Conley

Rep. Cahill

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

1. **Prime Sponsor – Sen. Watters, Senate District #4 – Recommends OTP** – We have had issues with non-competes for lower wage employees. We are looking to end non-competes for people who make below 200% above the minimum wage. People have asked about examples such as Jimmy John's, beauty salons, and title companies. I wanted to narrow and focus this bill.

Question -Rep. Bordy- One of the things I saw on this bill, that this is different than other bills, would this grandfather noncompete agreement?

Ans- Well I think that would be correct.

Question -Rep. Flanagan- Most contracts stipulates that it would change the contract due to the law.

Ans-That is fine by me.

- *2. **Representative David Meuse, as Self, Portsmouth NH – Support**

I came to this committee to talk about an earlier bill (HB 346 was retained by House Labor on 1/23/2019) that I tried to passed (Rep. Meuse was lead sponsor). This issue is something that we started to see in the last 5 years. People have been taken advantage of and agreements like this are people who have been going around the law. It's extremely difficult for someone to fight back. Something this bill does not address is anti-poaching agreements; 50% of franchises have this agreement. This is an opportunity to fix some of this. **Handout compares both bills HB 346 and SB 197.*

Question -Rep. Flanagan- Are you saying that we should pass laws in NH for malfeasance in another state?

Ans- We should pass laws that will help the people of NH.

Respectfully submitted by,

Rep. Manny Espitia Committee Clerk

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON SB 197

BILL TITLE: relative to noncompete agreements for low-wage employees.

DATE: 4-3-19

ROOM: 307

Time Public Hearing Called to Order: 2:02

Time Adjourned: 2:16

(please circle if present)

Committee Members: Reps. Sullivan, Soucy, Espitia, Bareody, Cahill, DiSilvestro, J. Schmidt, Toomey, Bordy, Bouchard, Hall, Kanzler, Flanagan, Seaworth, Avellani, O'Day, Renzullo, Callum, Mackie and Nunez

Bill Sponsors:

Sen. Watters
Sen. Hennessey
Sen. Sherman
Sen. Kahn

Sen. Cavanaugh
Sen. Dietsch
Sen. Morgan
Rep. Conley

Sen. Feltes
Sen. Levesque
Sen. Gray
Rep. Cahill

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Multiple horizontal lines for entering testimony or amendments.

HOUSE COMMITTEE ON LABOR, INDUSTRIAL, AND REHABILITATIVE SERVICES

PUBLIC HEARING ON SB 197-FN

DATE: 4-03-2019

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

David SD #4
1. Prime Sponsor – Sen. Watters – Recommends OTP – We have had issues with noncompetes for lower wage employees. We are looking to end noncompetes for people who make below 200% above the minimum wage. People have asked about examples such as Jimmy John's, beauty salons, and title companies. I wanted to narrow and focus this bill.

Q- Bordy- One of the things I saw on this bill, that this is different than other bills, would this grandfather noncompete agreement?

Ans- Well I think that would be correct.

Q-Flanagan- Most contracts stipulates that it would change the contract due to the law.

Ans-That is fine by me

Rep. Meuse
* 2. David Meuse – Self-Support – I came to this committee to talk about a ~~former~~ bill that I tried to pass. This is something that we started to see in the last 5 years. People have been taken advantage of and agreements like this are people who have been going around the law. It's extremely difficult for someone to fight back. Something this bill does not address is anti-poaching agreements. 50% of franchises have this agreement. This is an opportunity to fix some of this.

Q-Flanagan- Are you saying that we should pass laws in NH for malfeasance in another state?

Ans- We should pass laws that will help the people of NH.

*Rep. Meuse
Rep. #50?
HB 346
Retained*

4-3-19

LABOR 1917

28

X 2524
X 2523

2524
2523

2524
2523

2524
2523

Testimony

NH General Court - Bill Status System
Search Results

2

Bills Found : 1

HB 346



HB346

Session Year 2019

Title: relative to noncompete agreements.

G-Status: HOUSE

House Status: RETAINED IN COMMITTEE

Senate Status:

Bill Text[HTML] [PDF]

Next/Last

Comm:

HouseLabor, Industrial and Rehabilitative Services

Next/Last

Hearing:

01/23/2019 at 11:00 AM LOB Room 304

NH House

NH Senate

Retained House Labor HB 346

#2

HB 346 as Passed by the House	SB 197 as Passed by the Senate
<p>1 New Section; Protective Legislation; Noncompete Agreements. Amend RSA 275 by inserting after section 70 the following new section:</p> <p>275:70-a Noncompete Agreements.</p> <p>I. In this section:</p> <p>(a) "Employer" shall have the same meaning as in RSA 279:1, XI.</p> <p>(b) "Low-wage employee" means an employee who earns:</p> <p>(1) \$15.00 per hour or less; or</p> <p>(2) The hourly rate equal to the minimum wage required by the applicable federal minimum wage law or less.</p> <p>(c) "Noncompete agreement" means an agreement between an employer and an employee that restricts an employee from performing:</p> <p>(1) Work for another employer for a specified period of time;</p> <p>(2) Work in a specified geographical area; or</p> <p>(3) Work for another employer that is similar to the employee's work for the employer who is a party to the agreement.</p> <p>II. No employer shall enter into a noncompete agreement with a low-wage employee. A noncompete agreement between an employer and a low-wage employee shall be void and unenforceable.</p>	<p>1 New Section; Protective Legislation; Noncompete Agreements for Low-Wage Employees. Amend RSA 275 by inserting after section 70 the following new section:</p> <p>275:70-a Noncompete Agreements for Low-Wage Employees Prohibited.</p> <p>I. In this section:</p> <p>(a) "Employer" shall have the same meaning as in RSA 279:1, XI.</p> <p>(b) "Low-wage employee" means an employee who earns:</p> <p>(1) An hourly rate less than or equal to 200 percent of the federal minimum wage; or</p> <p>(2) An hourly rate less than or equal to 200 percent of the tipped minimum wage pursuant to RSA 279:21.</p> <p>(c) "Noncompete agreement" means an agreement between an employer and a low-wage employee that restricts such low-wage employee from performing:</p> <p>(1) Work for another employer for a specified period of time;</p> <p>(2) Work in a specified geographical area; or</p> <p>(3) Work for another employer that is similar to such low-wage employee's work for the employer who is a party to the agreement; and that is entered into after the effective date of this section.</p> <p>II.(a) No employer shall require a low-wage employee to enter into a noncompete agreement.</p> <p>(b) A noncompete agreement entered into between an employer and a low-wage employee shall be void and unenforceable.</p>

#2

HB 346 as Passed by the House	SB 197 as Passed by the Senate
<p>III. A noncompete agreement entered into between an employer and an employee who is not a low-wage employee may be enforceable only if all of the following conditions are met:</p> <p>(a) The agreement shall be in writing and signed by the employee and the employer.</p> <p>(b) Any amendments or additions to the agreement shall be signed by the employee and the employer. If either the employer or the employee do not sign an amended agreement, the existing agreement shall remain in force. An employer may provide additional compensation to an employee as an incentive to sign an amended agreement. If an employee does not agree to sign an amended agreement, no action shall be taken by the employer that negatively affects the employee's employment status or total compensation. For the purpose of this paragraph, "total compensation" means base pay, bonuses, other forms of incentive compensation, and benefits.</p> <p>(c) The agreement shall specify that the employee has the right to counsel before signing.</p> <p>(d) The agreement shall not exceed 6 months in length, shall not preclude the employee from seeking employment in the employee's chosen field or industry, and shall not preclude the employee from seeking work within a specified geographic area.</p> <p>(e) The agreement shall include a provision which would require the employer to compensate the former employee for the duration of the noncompete period at a level equal to or greater than 50 percent of the employee's highest prorated annual salary over the last 2 years of employment.</p> <p>(f) If the former employee accepts a position from another employer which does not violate the terms of the noncompete agreement during the period when the agreement is in force, the former employee shall notify the former employer of their start date in the new organization. The former employer may then cease compensation under the terms of the noncompete agreement effective on the former employee's start date in their new position.</p>	

#2

HB 346 as Passed by the House	SB 197 as Passed by the Senate
<p>IV. Any noncompete agreement previously entered into between an employer and an employee shall be void and unenforceable on or after the effective date of this section unless the employee or former employee and the employer agree in writing either:</p> <p>(a) To amend the noncompete agreement so it is in full compliance with the requirements of paragraphs III and IV; or</p> <p>(b) To allow the prior agreement to remain in force.</p> <p>V. No employer shall terminate severance payments or other forms of pre-negotiated post-employment compensation if a noncompete agreement entered into prior to the effective date of this section is not brought into compliance by the effective date of this section.</p> <p>2 Effective Date. This act shall take effect January 1, 2020.</p>	<p>2 Effective Date. This act shall take effect 60 days after its passage.</p>

Research
#2
Testimony

HB 346 - AS INTRODUCED

2019 SESSION

19-0680
04/08

HOUSE BILL **346**

AN ACT relative to noncompete agreements.

SPONSORS: Rep. Meuse, Rock. 29; Rep. Somssich, Rock. 27; Sen. Watters, Dist 4

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill governs noncompete agreements between employers and employees.

Explanation: Matter added to current law appears in *bold italics*.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to noncompete agreements.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Protective Legislation; Noncompete Agreements. Amend RSA 275 by inserting
2 after section 70 the following new section:

3 275:70-a Noncompete Agreements.

4 I. In this section:

5 (a) "Employer" shall have the same meaning as in RSA 279:1, XI.

6 (b) "Low-wage employee" means an employee who earns:

7 (1) \$15.00 per hour or less; or

8 (2) The hourly rate equal to the minimum wage required by the applicable federal
9 minimum wage law or less.

10 (c) "Noncompete agreement" means an agreement between an employer and an
11 employee that restricts an employee from performing:

12 (1) Work for another employer for a specified period of time;

13 (2) Work in a specified geographical area; or

14 (3) Work for another employer that is similar to the employee's work for the
15 employer who is a party to the agreement.

16 II. No employer shall enter into a noncompete agreement with a low-wage employee. A
17 noncompete agreement between an employer and a low-wage employee shall be void and
18 unenforceable.

19 III. A noncompete agreement entered into between an employer and an employee who is
20 not a low-wage employee may be enforceable only if all of the following conditions are met:

21 (a) The agreement shall be in writing and signed by the employee and the employer.

22 (b) Any amendments or additions to the agreement shall be signed by the employee and
23 the employer. If either the employer or the employee do not sign an amended agreement, the
24 existing agreement shall remain in force. An employer may provide additional compensation to an
25 employee as an incentive to sign an amended agreement. If an employee does not agree to sign an
26 amended agreement, no action shall be taken by the employer that negatively affects the employee's
27 employment status or total compensation. For the purpose of this paragraph, "total compensation"
28 means base pay, bonuses, other forms of incentive compensation, and benefits.

29 (c) The agreement shall specify that the employee has the right to counsel before
30 signing.

31 (d) The agreement shall not exceed 6 months in length, shall not preclude the employee

1 from seeking employment in the employee's chosen field or industry, and shall not preclude the
2 employee from seeking work within a specified geographic area.

3 (e) The agreement shall include a provision which would require the employer to
4 compensate the former employee for the duration of the noncompete period at a level equal to or
5 greater than 50 percent of the employee's highest prorated annual salary over the last 2 years of
6 employment.

7 (f) If the former employee accepts a position from another employer which does not
8 violate the terms of the noncompete agreement during the period when the agreement is in force,
9 the former employee shall notify the former employer of their start date in the new organization.
10 The former employer may then cease compensation under the terms of the noncompete agreement
11 effective on the former employee's start date in their new position.

12 IV. Any noncompete agreement previously entered into between an employer and an
13 employee shall be void and unenforceable on or after the effective date of this section unless the
14 employee or former employee and the employer agree in writing either:

15 (a) To amend the noncompete agreement so it is in full compliance with the
16 requirements of paragraphs III and IV; or

17 (b) To allow the prior agreement to remain in force.

18 V. No employer shall terminate severance payments or other forms of pre-negotiated post-
19 employment compensation if a noncompete agreement entered into prior to the effective date of this
20 section is not brought into compliance by the effective date of this section.

21 2 Effective Date. This act shall take effect January 1, 2020.

Bill as
Introduced

SB 197 - AS INTRODUCED

2019 SESSION

19-0486
04/06

SENATE BILL **197**

AN ACT relative to noncompete agreements for low-wage employees.

SPONSORS: Sen. Watters, Dist 4; Sen. Cavanaugh, Dist 16; Sen. Feltes, Dist 15; Sen. Hennessey, Dist 5; Sen. Dietsch, Dist 9; Sen. Levesque, Dist 12; Sen. Sherman, Dist 24; Sen. Morgan, Dist 23; Sen. Gray, Dist 6; Sen. Kahn, Dist 10; Rep. Conley, Straf. 13; Rep. Cahill, Rock. 17

COMMITTEE: Commerce

ANALYSIS

This bill prohibits an employer from requiring a low-wage employee to enter into a noncompete agreement.

.....

Explanation: Matter added to current law appears in *bold italics*.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to noncompete agreements for low-wage employees.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Protective Legislation; Noncompete Agreements for Low-Wage Employees.

2 Amend RSA 275 by inserting after section 70 the following new section:

3 275:70-a Noncompete Agreements for Low-Wage Employees Prohibited.

4 I. In this section:

5 (a) "Employer" shall have the same meaning as in RSA 279:1, XI.

6 (b) "Low-wage employee" means an employee who earns:

7 (1) An hourly rate less than or equal to 200 percent of the federal minimum wage;

8 or

9 (2) An hourly rate less than or equal to 200 percent of the tipped minimum wage
10 pursuant to RSA 279:21.

11 (c) "Noncompete agreement" means an agreement between an employer and a low-wage
12 employee that restricts such low-wage employee from performing:

13 (1) Work for another employer for a specified period of time;

14 (2) Work in a specified geographical area; or

15 (3) Work for another employer that is similar to such low-wage employee's work for
16 the employer who is a party to the agreement; and that is entered into after the effective date of this
17 section.

18 II.(a) No employer shall require a low-wage employee to enter into a noncompete
19 agreement.

20 (b) A noncompete agreement entered into between an employer and a low-wage
21 employee shall be void and unenforceable.

22 2 Effective Date. This act shall take effect 60 days after its passage.