SB 197 - AS INTRODUCED

2019 SESSION

SENATE BILL 197

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


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 struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
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 New Section; Protective Legislation; Noncompete Agreements for Low-Wage Employees.
2 Amend RSA 275 by inserting after section 70 the following new section:

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

I. In this section:

(a) "Employer" shall have the same meaning as in RSA 279:1, XI.
(b) "Low-wage employee" means an employee who earns:
    (1) An hourly rate less than or equal to 200 percent of the federal minimum wage;
    or
    (2) An hourly rate less than or equal to 200 percent of the tipped minimum wage pursuant to RSA 279:21.
(c) "Noncompete agreement" means an agreement between an employer and a low-wage employee that restricts such low-wage employee from performing:
    (1) Work for another employer for a specified period of time;
    (2) Work in a specified geographical area; or
    (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.

II.(a) No employer shall require a low-wage employee to enter into a noncompete agreement.
(b) A noncompete agreement entered into between an employer and a low-wage employee shall be void and unenforceable.

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