



NEW YORK STATE SENATOR

Sean M. Ryan

## Senator Sean Ryan's Bill To Ban Non-Compete Agreements Heads To Governor's Desk

SEAN M. RYAN June 20, 2023

| ISSUE: NYS SENATOR SEAN RYAN, NYS SENATE DISTRICT 61, NON-COMPETE AGREEMENTS



## SENATOR SEAN RYAN'S BILL TO BAN NON-COMPETE AGREEMENTS HEADS TO GOVERNOR'S DESK

*Prohibiting Non-Compete Agreements Will Support Career Mobility for Workers and Improve New York's Job Market for Employers*

**ALBANY** – Today, June 20, 2023, New York State Senator Sean Ryan announced that his legislation ([S.3100A/A.1278B](#)) to prohibit the use of non-compete agreements in New York has passed the Assembly

and now awaits Governor Kathy Hochul's signature. The Senate version of the bill [passed earlier this month](#).

If signed into law, this bill will prevent employers from restricting their employees' future employment options through the use of non-compete agreements. Notably, the bill does not prohibit the use of confidentiality agreements or non-solicitation agreements, leaving businesses with multiple mechanisms to protect proprietary information without unnecessarily limiting their employees' mobility.

In May, Senator Ryan, chair of the Senate Committee on Commerce, Economic Development and Small Business, [conducted a joint public hearing](#) with Senator Jessica Ramos, chair of the Senate Committee on Labor, to investigate the impacts of non-compete agreements on New York State. The personal experiences and professional expertise provided as testimony outlined the overwhelmingly detrimental effects that non-compete agreements have on individuals, businesses, and the economy in New York State.

**Senator Sean Ryan** said, "Non-compete agreements are bad for workers, bad for consumers, and bad for the economy. Prohibiting their use will put an end to the increasingly common practice of employers in New York imposing unnecessary restrictions on their employees' career mobility. It will also create a lasting positive impact on our state's job market, allowing businesses to hire the best candidates for vacant positions."

### **About Non-Compete Agreements:**

Non-compete agreements have a negative effect on the labor market and on the economy of New York State. They prevent workers from seeking employment at entities that may be a better fit for them, and they limit the pool of qualified job applicants, making it harder for businesses to find employees even when they offer better-than-average wages and benefits. In certain industries, non-compete agreements have a detrimental impact on consumers as well. They are prevalent in the medical field, where they disrupt continuity of care.

A 2019 survey by the Economic Policy Institute and Cornell University estimates that in the United States, between 27.8% and 46.5% of private-sector workers are subject to non-competes, and 18.1% of all workers are covered by non-compete agreements. In New York, a staggering 44.2% of workplaces subject employees to non-compete agreements

The federal government recently announced interest in banning such agreements nationwide via an FTC regulation. S.3100A/A.1278B would codify such a ban in state law and protect workers in industries the FTC does not have jurisdiction over.

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RELATED LEGISLATION

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## 2023-S3100A

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Vetoed By Governor
- Signed By Governor
- 

Prohibits non-compete agreements and certain restrictive covenants

January 27, 2023

Vetoed

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Do you support this bill?