

Amendment No. 525

Assembly Amendment to Assembly Bill No. 470 (BDR 53-1021)

Proposed by: Assembly Committee on Commerce and Labor**Amendment Box:** Replaces Amendment No. 443.**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	☐	Lost	☐	_____	Adopted	☐	Lost	☐	_____
Concurred In	☐	Not	☐	_____	Concurred In	☐	Not	☐	_____
Receded	☐	Not	☐	_____	Receded	☐	Not	☐	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold dashed underlining is newly added transitory language.

RBL



Date: 4/19/2009

A.B. No. 470—Prohibits noncompete agreements for persons who hold a professional license. (BDR 53-1021)



ASSEMBLY BILL NO. 470—ASSEMBLYMAN ANDERSON

MARCH 16, 2009

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits noncompete agreements ~~for persons who hold a professional license,~~ with certain employees. (BDR 53-1021)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to employment practices; prohibiting noncompete agreements ~~for persons who hold a professional license,~~ with an at-will employee other than a physician; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits any person, association, company or corporation from taking actions to prevent a person who leaves its employ from obtaining employment elsewhere in the State but allows a contract to prohibit an employee from pursuing a similar vocation in competition with or becoming employed by a competitor. (NRS 613.200) This bill ~~prohibits~~ allows such contracts ~~with respect to a person who holds a professional license in this State,~~ only with employees who are not employed at-will and with physicians, homeopathic physicians and osteopathic physicians. Such contracts are not valid or enforceable if entered into with an at-will employee who is not a physician, homeopathic physician or osteopathic physician.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 613.200 is hereby amended to read as follows:

613.200 1. Except as otherwise provided in this section, any person, association, company or corporation within this State, or any agent or officer on behalf of the person, association, company or corporation, who willfully does anything intended to prevent any person who for any cause left or was discharged from his or its employ from obtaining employment elsewhere in this State is guilty of a gross misdemeanor and shall be punished by a fine of not more than \$5,000.

2. In addition to any other remedy or penalty, the Labor Commissioner may impose against each culpable party an administrative penalty of not more than \$5,000 for each such violation.

3. If a fine or an administrative penalty is imposed pursuant to this section, the costs of the proceeding, including investigative costs and attorney's fees, may be recovered by the Labor Commissioner.

4. ~~The~~ ~~Except as otherwise provided in subsection 5, the~~ provisions of this section do not prohibit a person, association, company, corporation, agent or officer from negotiating, executing and enforcing an agreement that is supported by valuable consideration and is otherwise reasonable in scope and duration with ~~any~~ :

(a) An employee of the person, association, company or corporation who is not an at-will employee or with a physician, homeopathic physician or osteopathic physician which, upon termination of the employment, prohibits the employee or physician from ~~fr~~

~~(a) Pursuing~~ pursuing a similar vocation in competition with or becoming employed by a competitor of the person, association, company or corporation. ~~fr~~ ~~or~~ Such an agreement is not valid or enforceable if entered into with an at-will employee who is not a physician, homeopathic physician or osteopathic physician.

(b) ~~Disclosing~~ An employee of the person, association, company or corporation which, upon termination of the employment, prohibits the employee from disclosing any trade secrets, business methods, lists of customers, secret formulas or processes or confidential information learned or obtained during the course of his employment with the person, association, company or corporation. ~~fr~~ ~~if the agreement is supported by valuable consideration and is otherwise reasonable in its scope and duration.~~

~~5. The provisions of paragraph (a) of subsection 4 do not apply to any employee who holds a professional license pursuant to the provisions of title 54 of NRS.~~ Such an agreement is valid and enforceable regardless of whether the employee is employed at-will.