

2015 -- H 5708

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- NON-
COMPETITION AGREEMENTS

Introduced By: Representatives Reilly, Chippendale, Trillo, Newberry, and Edwards

Date Introduced: February 26, 2015

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW - GENERAL
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 41.1

4 NON-COMPETITION AGREEMENTS

5 **6-41.1-1. Non-competition agreements -- Enforceability.** – Non-competition
6 agreements are declared to be contrary to the public policy of the state, and shall not be enforced
7 by its courts unless the non-competition agreement is integral to, and part of the consideration for
8 the sale of the stock or assets of a business, or the dissolution of a partnership or the withdrawal
9 of a partner from a partnership.

10 **6-41.1-2. Trade secrets not affected.** – Nothing in this chapter shall be deemed to
11 derogate from the provisions of chapter 41 of title 6, the uniform trade secrets act.

12 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- NON-
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- 1 This act would declare non-competition agreements unenforceable unless integral to the
- 2 sale of a business interest.
- 3 This act would take effect upon passage.

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