

# CONTRACTS AND OBLIGATIONS

## CHAPTER 87

### HOUSE BILL NO. 1351

(Representatives Boschee, M. Johnson, Kading, Mitskog, Mock, Schneider)  
(Senators Bakke, Dwyer)

AN ACT to amend and reenact section 9-08-06 of the North Dakota Century Code, relating to contractual noncompete provisions.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 9-08-06 of the North Dakota Century Code is amended and reenacted as follows:

#### **9-08-06. In restraint of business void - Exceptions.**

Every ~~A~~ contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except:

- ~~One who~~ A person that sells the goodwill of a business ~~and the person's partners, members, or shareholders~~ may agree with the buyer to refrain from carrying on a similar business within a ~~specified county, city, or a part of either~~ reasonable geographic area and for a reasonable length of time, so long as if the buyer or any person deriving title to the goodwill from the buyer carries on a like business ~~therein that area~~.
- ~~Partners, members, or shareholders,~~ upon or in anticipation of a dissolution of ~~the~~ a partnership, limited liability company, or corporation; upon or in anticipation of a dissociation of a partner or member; or as part of an agreement addressing the dissociation or sale of a partner, member, or shareholder's ownership interest, may agree that all or any number of them will not carry on a similar business within ~~the same city~~ a reasonable geographic area where the ~~partnership, limited liability company, or corporation~~ business has been transacted, or within a specified part ~~thereof~~ of the area.

Approved March 28, 2019

Filed March 29, 2019