

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2355

Introduced by

Senator Grindberg

1 A BILL for an Act to amend and reenact section 9-08-06 of the North Dakota Century Code,
2 relating to contract provisions restraining business.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

6 **9-08-06. In restraint of business void - Exceptions.** Every contract by which ~~anyone~~
7 a person is restrained from exercising a lawful profession, trade, or business ~~of any kind~~ is to
8 that extent void, except:

9 1. One who sells the goodwill of a business may agree with the buyer to refrain from
10 carrying on a similar business within a specified county, city, or a part of either, so
11 long as the buyer or any person deriving title to the goodwill from ~~him~~ the buyer
12 carries on a like business therein.

13 2. Partners, upon or in anticipation of a dissolution of the partnership, may agree that
14 all or any number of them will not carry on a similar business within the same city
15 where the partnership business has been transacted, or within a specified part
16 thereof.

17 3. An employee may agree with an employer at the time of employment not to:

18 a. Engage directly or indirectly in the same business or profession as the
19 employer for a period of up to two years from the date of termination of the
20 agreement; or

21 b. Solicit any existing customer of the employer existing at the date of
22 termination within a specified county or counties or such other specified area
23 for a period of up to two years from the date of termination of the agreement if
24 the employer continues to carry on a like business in that area.

- 1 4. Subsection 3 does not apply to a contract in which a physician or other health care
2 provider is a party and in which the physician or other provider agrees to provide
3 health care or related services under that contract.