

SENATE BILL NO. 2402

Introduced by

Senators Flakoll, Fischer, Krebsbach

Representatives Dorso, B. Thoreson

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 any person is restrained from exercising a any lawful profession, trade, or business ~~of any kind~~
8 is to 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 carries on a
12 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 or at any time
18 during employment not to:

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

22 b. Solicit any existing customer of the employer within a specified county or
23 other specified area for a period of up to two years from the date of

- 1 termination of the agreement if the employer continues to carry on a like
- 2 business in that area.