

HOUSE BILL NO. 1351

Introduced by

Representatives Boschee, M. Johnson, Kading, Mitskog, Mock, Schneider

Senators Bakke, Dwyer

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

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 amended
5 and reenacted as follows:

6 **9-08-06. In restraint of business void - Exceptions.**

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

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