FIRST ENGROSSMENT

Fifty-sixth
Legislative Assembly   ENGROSSED SENATE BILL NO. 2402
of North Dakota

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 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.

21   b.   Solicit any existing customer of the employer within a specified county or

22   other specified area for a period of up to two years from the date of

23   termination of the agreement if the employer continues to carry on a like

24   business in that area.

1   <u>4.</u>   <u>Subsection 3 does not apply to a contract in which a physician or other health care</u>

2   <u>provider is a party and in which the physician or other provider agrees to provide</u>

3   <u>health care or related services under that contract.</u>