



Legislation Details (With Text)

File #: Int 0508-2018 **Version:** * **Name:** Requiring low-wage workers to enter into covenants not to compete and also to require employers to notify potential employees of any requirement to enter into a covenant not to compete.

Type: Introduction **Status:** Filed (End of Session)

In control: Committee on Consumer Affairs and Business Licensing

On agenda: 2/14/2018

Enactment date: **Enactment #:**

Title: A Local Law to amend the administrative code of the city of New York, in relation to the prohibition of requiring low-wage workers to enter into covenants not to compete and also to require employers to notify potential employees of any requirement to enter into a covenant not to compete

Sponsors:

Indexes: Agency Rule-making Required

Attachments: 1. Summary of Int. No. 508, 2. Int. No. 508, 3. February 14, 2018 - Stated Meeting Agenda, 4. Hearing Transcript - Stated Meeting 02-14-2018, 5. Minutes of the Stated Meeting - February 14, 2018, 6. Committee Report 9/15/21, 7. Hearing Testimony 9/15/21, 8. Hearing Transcript 9/15/21

Date	Ver.	Action By	Action	Result
2/14/2018	*	City Council	Introduced by Council	
2/14/2018	*	City Council	Referred to Comm by Council	
7/26/2021	*	City Council	Re-referred to Committee by Council	
9/15/2021	*	Committee on Consumer Affairs and Business Licensing	Hearing Held by Committee	
9/15/2021	*	Committee on Consumer Affairs and Business Licensing	Laid Over by Committee	
12/31/2021	*	City Council	Filed (End of Session)	

Int. No. 508

By Council Members Rosenthal, Menchaca, Kallos, Cornegy and Ayala

A Local Law to amend the administrative code of the city of New York, in relation to the prohibition of requiring low-wage workers to enter into covenants not to compete and also to require employers to notify potential employees of any requirement to enter into a covenant not to compete

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 22 of the administrative code of the city of New York is amended by adding a new section 22-510 to read as follows:

§ 22-510 Prohibition of covenants not to compete for low-wage employees.

a. Definitions. For the purposes of this section, the following terms have the following meanings:

Covenant not to compete. The term “covenant not to compete” means an agreement that is entered into after the effective date of the local law that added this section between an employee and an employer that restricts such employee from performing 1) work for an employer not a party to such agreement for a specified period of time; 2) work in a specified geographical area for an employer not a party to such agreement; or 3) work for an employer not a party to such agreement that is similar to such employee’s work for the employer who is a party to the agreement.

Employee. The term “employee” means an employee as defined in subdivision 2 of section 190 of the labor law.

Employer. The term “employer” means an employer as defined in subdivision 3 of section 190 of the labor law.

Low-wage employee. The term “low-wage employee” means a clerical and other worker as defined in subdivision 7 of section 190 of the labor law.

b. Prohibition. No employer shall enter into a covenant not to compete with any low-wage employee of such employer.

c. Disclosure requirement for non-low-wage workers. An employer may not require a potential employee who is not a low-wage employee to enter into a covenant not to compete unless, at the beginning of the process for hiring such employee, such employer disclosed in writing that they may be subject to such a covenant.

d. Enforcement. The office of labor standards shall enforce the requirements of this section.

§ 2. This local law takes effect 120 days after it becomes law; provided, however, that the office of labor standards shall take all actions necessary for its implementation, including the promulgation of rules, before such date.

NEW LS # 157
12/1/17 12:08 p.m.