
Governor Vetoes New York's Proposed Non-Compete Ban, but Legislative Efforts Likely to Continue in 2024

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This memorandum provides an update to the memorandum distributed by Cahill on December 21, 2023 describing New York's pending non-compete bill, which was subsequently vetoed by Governor Kathy Hochul.

Governor Kathy Hochul has vetoed New York State Assembly bill [A1278B](#) (also known as New York State Senate bill S3100A), which would have established a ban on non-compete agreements between employers and all employees, from entry-level employees all the way to C-Suite executives. As this year's legislative session has already come to a close, there will be no opportunity for the legislature to override the veto.

In recent remarks to the press before issuing the veto, the governor had signaled her desire to see the law modified to focus on protecting low and middle-income workers, (i.e., by potentially limiting the ban to individuals earning less than \$250,000/year). However, during the final negotiations, the governor and lawmakers could not agree on the compensation threshold and how it should be calculated. Numerous states have enacted laws in recent years prohibiting employers from entering into non-competes with employees being paid below a specified annual salary or hourly wage (or precluding non-competes with hourly workers entirely). While this appears to be the governor's preferred approach, it is unclear whether the governor and the legislature will be able to agree on future legislation. The Senate sponsor of the bill, State Senator Sean Ryan of Buffalo, has already indicated that he plans to reintroduce the legislation next year.

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