
New York's Proposed Non-Compete Ban Remains in Holding Pattern

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On June 20, 2023, the New York State Assembly passed bill [A1278B](#) (previously passed by the New York State Senate as bill S3100A), which would establish a ban on non-compete agreements between employers and all employees, from entry-level employees all the way to C-Suite executives. While Governor Kathy Hochul still has not indicated what action she intends to take regarding this bill (which would become known as New York Labor Law Section 191-d), in remarks to the press, the governor recently 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. Numerous states have enacted legislation 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), and this appears to be the governor's preferred approach.

This memorandum was updated by Cahill on January 4, 2024 after New York's pending non-compete bill was subsequently vetoed by Governor Kathy Hochul.

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