

**SB 949 STAFF MEASURE SUMMARY**

**House Committee On Human Services and Housing**

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**Prepared By:** Cassandra Soucy, LPRO Analyst

**Meeting Dates:** 4/27, 5/4

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**WHAT THE MEASURE DOES:**

Makes noncompetition agreements in employment contracts for home care workers voidable by the home care worker. Makes covenant between employer and home care worker voidable when covenant prohibits transacting business with customers or soliciting other employees.

**ISSUES DISCUSSED:**

- Cease and desist letters from companies to employees
- Contents of the measure

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon law defines noncompetition agreements as employment agreements or contracts that restrict an employee from providing products, processes, or services similar to those offered by the employer after employment is terminated. Such agreements can be for a specified period (up to 18 months) or for a specified geographic area. Many noncompetition agreements are voidable in Oregon unless certain specified conditions are met. The voidability of noncompetition agreements does not apply to a covenant against soliciting an employer's other employees, or a covenant against soliciting business from customers of the employer.

Senate Bill 949-A makes explicit that noncompetition agreements between employers and home care workers are voidable by the home care worker and unenforceable by Oregon courts. The measure also makes covenants between home care workers and employers that prohibit the worker from soliciting other employees or transacting business with the employer's customers voidable and unenforceable in Oregon courts.