

SB 949 A STAFF MEASURE SUMMARY

Carrier: Rep. Sanchez

House Committee On Human Services and Housing

Action Date: 05/04/17

Action: Do Pass the A-Eng bill.

Vote: 8-1-0-0

Yeas: 8 - Gorsek, Keny-Guyer, Meek, Noble, Olson, Piluso, Sanchez, Stark

Nays: 1 - Nearman

Fiscal: No fiscal impact

Revenue: No revenue impact

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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 a covenant between employer and home care worker voidable when the 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 a written or oral, expressed or implied agreement, between employer and employee to restrict providing products, processes, or services similar to those offered by the employer following termination. Noncompetition agreements are voidable and enforceable if the employee is noticed two weeks prior to beginning employment or prior to a bona fide advancement. These agreements can be for a specified period (up to 18 months) or for a specified geographic area. 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 noncompetition agreements between employers and home care workers 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.