

2020 Regular Session

SENATE BILL NO. 345

BY SENATOR JOHNS

CONTRACTS. Provides relative to noncompete agreements. (8/1/20)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

AN ACT

To amend and reenact R.S. 23:921(D), (E), (F)(1)(b) and (c), relative to contracts; to provide relative to a noncompete contract or agreement; to provide relative to terms and conditions of the contract or agreement; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 23:921(D), (E), (F)(1)(b) and (c) are hereby amended and reenacted to read as follows:

§921. Restraint of business prohibited; restraint on forum prohibited; competing business; contracts against engaging in; provisions for

* * *

D. For the purposes of Subsections B, ~~and C~~, **E, F, J, K, and L** of this Section, a person who becomes employed by a competing business, regardless of whether or not that person is an owner or equity interest holder of that competing business, may be deemed to be carrying on or engaging in a business similar to that of the party having a contractual right to prevent that person from competing.

E. Upon or in anticipation of a dissolution of the partnership, the partnership and the individual partners, including a corporation and the individual shareholders

1 if the corporation is a partner, may agree that ~~none of the partners will carry on~~ **shall**
 2 **refrain from carrying on or engaging in** a similar business within the same parish
 3 or parishes, or municipality or municipalities, or within specified parts thereof,
 4 where the partnership business has been transacted, not to exceed a period of two
 5 years from the date of dissolution.

F.(1) Parties to a franchise may agree that:

* * *

(b) The franchisee shall:

9 (I)(i) During the term of the franchise, refrain from competing with the
 10 franchisor or other franchisees of the franchisor or **carrying on or** engaging in any
 11 other business similar to that which is the subject of the franchise.

12 (ii) For a period not to exceed two years following severance of the franchise
 13 relationship, refrain from **carrying on or** engaging in any other business similar to
 14 that which is the subject of the franchise and from competing with or soliciting the
 15 customers of the franchisor or other franchisees of the franchisor.

(c) The employee if employed by a franchisor shall:

17 (i) During the term of his employment by the franchisor, refrain from
 18 competing with his employer or any of the franchisees of his employer or **carrying**
 19 **on or** engaging in any other business similar to that which is the subject of the
 20 franchise.

21 (ii) For a period not to exceed two years following severance of the
 22 employment relationship between the franchisor and the employee, refrain from
 23 **carrying on or** engaging in any other business similar to that which is the subject
 24 of the franchise between the franchisor and its franchisees and from competing with
 25 or soliciting the customers of his employer or the franchisees of his employer.

* * *

