

SENATE BILL NO. 345

BY SENATOR JOHNS

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AN ACT

To amend and reenact R.S. 23:921(D), (E), and (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), and (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 if the corporation is a partner, may agree that ~~none of the partners will carry on~~ **shall refrain from carrying on or engaging in** a similar business within the same parish or parishes, or municipality or municipalities, or within specified parts thereof, where the partnership business has been transacted, not to exceed a period of two years from the date of dissolution.

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

\* \* \*

(b) The franchisee shall:

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

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

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

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

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

18 \* \* \*

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_