



General Assembly

January Session, 2019

Raised Bill No. 1033

LCO No. 5527



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT CONCERNING NONCOMPETE AGREEMENTS IN THE
BLOCKCHAIN TECHNOLOGY INDUSTRY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Blockchain technology" means distributed ledger technology
3 that uses a distributed, decentralized, shared and replicated ledger that
4 may be public or private, permissioned or permissionless and that may
5 include the use of electronic currencies or electronic tokens as a
6 medium of electronic exchange;
- 7 (2) "Blockchain technology industry employer" means an entity
8 engaged in blockchain technology business who has employees;
- 9 (3) "Blockchain technology employee" means any employee of a
10 blockchain technology industry employer; and
- 11 (4) "Distributed ledger technology" means any database that is
12 consensually shared and synchronized across multiple sites,
13 institutions or geographies allowing for public witnesses to such

14 transactions and may include supporting infrastructure, including
15 blockchain technology, that uses a distributed, decentralized, shared
16 and replicated ledger, whether public or private, permissioned or
17 permissionless, and that may include the use of electronic currencies or
18 electronic tokens as a medium of electronic storage.

19 (b) No blockchain technology industry employment contract for the
20 services of a blockchain technology employee may contain a provision
21 requiring that such blockchain technology employee:

22 (1) Refrain from obtaining employment in a specified geographical
23 area for a specified period of time after termination of employment
24 with such blockchain technology industry employer;

25 (2) Disclose the terms or conditions of an offer of employment, or
26 the existence of any such offer, from any other blockchain technology
27 industry employer following the expiration of the term of the
28 employment contract; or

29 (3) Agree to enter into a subsequent employment contract with the
30 blockchain technology industry employer, or extend or renew the
31 existing employment contract, upon the same terms and conditions
32 offered by a prospective employer.

33 (c) Any person who is aggrieved by a violation of this section may
34 bring a civil action in the Superior Court to recover damages, together
35 with court costs and reasonable attorney's fees.

36 (d) The provisions of this section shall apply to blockchain industry
37 employment contracts entered into, renewed or extended on or after
38 July 1, 2019.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Purpose:

To prohibit the use of noncompete agreements in the blockchain technology industry.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]