
OLR Bill Analysis

HB 5366

AN ACT CONCERNING COVENANTS NOT TO COMPETE IN THE HOME CARE INDUSTRY.

SUMMARY

This bill allows a homemaker-companion agency to contractually limit certain employees' ability to engage in private service contracts with agency clients, creating an exception in the law that otherwise makes covenants not to compete void and unenforceable for these agencies. The bill applies to homemaker-companions who receive paid training from the agency. (The bill does not specify the training's topic or duration.) Under the bill, agencies may not prohibit these employees from private service contracts for more than six months after the employee receives paid training from the agency.

EFFECTIVE DATE: July 1, 2024

BACKGROUND

Related Bill

sHB 5269, favorably reported by the Labor Committee, sets limits on the use of "covenant not to compete" provisions in employment contracts for other professions. (Its provisions do not apply to homemaker-companion agencies.)

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 19 Nay 3 (03/19/2024)