

April 2, 2024

Senator Joan Lovely, Chair
Senate Committee on Rules
State House, Room 413-D
Boston, MA 02133

Dear Senator Lovely,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I write to offer testimony opposing S.1192, *An Act relative to banning noncompetition agreements in the Commonwealth*. As you know, the Massachusetts Legislature passed comprehensive noncompetition agreement legislation in 2018 that added numerous protections for employees while preserving the use of noncompetition agreements for legitimate business interests during limited timeframes and with limited geographic reach. Since passage, this negotiated legislative agreement stands as a model for other states regulating these agreements while ensuring their limited use can continue in Massachusetts. Upsetting the carefully negotiated law now would hurt local employers while undermining the collaborative relationship between the business community and policymakers. For these reasons, we encourage the Senate to take no action on S.1192.

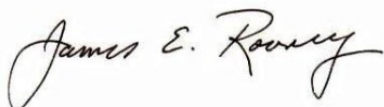
The noncompetition agreement legislation passed in 2018 was the result of extensive negotiation among stakeholders, including the Chamber. That law created several protections for workers, including, but not limited to:

- Exempting employees classified as non-exempt under the Fair Labor Standards Act, students, employees laid off, or employees under the age of 18.
- Creating garden-leave pay for employees throughout the duration of the agreement.
- Limiting the duration of noncompetition agreements to one year.
- Ensuring agreements are no broader than necessary, reasonable in scope, and reasonable in geographic reach.
- Requiring agreements be in writing and signed by both employer and employee.

These restrictions ensure that noncompetition agreements are focused on the legitimate competitive and proprietary concerns of employers and that any employees subject to a noncompetition agreement are fully informed, freely agree to the terms, and are compensated for their use. The protections also prevent employers from severely restricting a worker's ability to change jobs. Therefore, legislation eliminating these agreements is unnecessary, particularly absent any demonstrated need to further regulate in this area.

Thank you for your time and attention, and please feel free to reach out with any questions.

Sincerely,



James E. Rooney
President and CEO