S-4102.1

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**SENATE BILL 6526**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Conway, Keiser, Hasegawa, Saldaña, and Kuderer

AN ACT Relating to noncompetition agreements; and adding a new section to chapter 49.44 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 49.44 RCW to read as follows:

(1) Except as provided under subsection (2) of this section, any contract that restrains a person from engaging in a lawful profession, trade, or business of any kind is against public policy and is void and unenforceable to the extent that it restrains a person from engaging in a lawful profession, trade, or business.

(2) The following persons may agree to refrain from carrying on a similar business within a specific geographic area:

(a)(i) A person who sells:

(A) All or substantially all of his or her operating assets of a business entity;

(B) All or substantially all of his or her operating assets of a division or a subsidiary of a business entity; or

(C) All of the ownership interest of any subsidiary of a business entity.

(ii) However, if the buyer does not operate a like business in the specified geographic area, the agreement is void.

(b) Any partner who disassociates from a partnership or who is a partner at the time the partnership is dissolved. However, if no other member of the partnership continues to operate a like business in the specified geographic area, the agreement is void.

(c) Any member whose interest in a limited liability company is terminated. However, if no other member of the limited liability company carries on a like business in the specified geographic area, the agreement is void.

**--- END ---**