
SENATE BILL 6625

State of Washington 64th Legislature 2016 Regular Session

By Senators Conway, Hasegawa, Keiser, and Chase

Read first time 02/01/16. Referred to Committee on Commerce & Labor.

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

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 49.44
5 RCW to read as follows:

6 (1) A noncompetition agreement is void and unenforceable if the
7 individual subject to the noncompetition agreement:

8 (a) Works for an hourly wage and is not a salaried employee; and

9 (b) Is restricted from competing for an unreasonable length of
10 time. A rebuttable presumption is created that an agreement not to
11 compete for six months or longer is unreasonable.

12 (2) In any cause of action by an employer to enforce a
13 noncompetition agreement, to prevail the employer must prove by a
14 preponderance of the evidence that the employer has a protectable
15 interest and that a noncompetition agreement is reasonable.

16 (3) Upon complaint by an interested party, the director of labor
17 and industries shall cause an investigation to be made to determine
18 whether there has been compliance with this section and the rules
19 adopted under this section and if the investigation indicates that a
20 violation may have occurred, a hearing shall be held in accordance
21 with chapter 34.05 RCW. The director shall issue a written

1 determination including his or her findings after the hearing. A
2 judicial appeal from the director's determination may be taken in
3 accordance with chapter 34.05 RCW, with the prevailing party entitled
4 to recover reasonable costs and attorneys' fees.

5 (4) For purposes of this section:

6 (a) "Employee" means an employee of an employer.

7 (b) "Employer" means any person, firm, corporation, partnership,
8 business trust, legal representative, or other entity which engages
9 in any business, industry, profession, or activity in this state and
10 employs one or more employees, and includes the state, counties,
11 cities, and all municipal corporations, public corporations,
12 political subdivisions of the state, and charitable organizations.

13 (c) "Noncompetition agreement" means an agreement between an
14 employer and employee that is specifically designed to impede the
15 ability of an employee to compete with an employer upon the
16 termination of the employment relationship.

17 (5) This section applies to noncompetition agreements entered
18 into on or after the effective date of this section.

--- END ---