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Governor Hochul Vetoes Non-Compete Ban

On December 22, 2023, Governor Hochul vetoed the bill that would have banned nearly all future non-compete agreements in New York. The bill, which passed the legislature in June 2023, would have applied to all employers and nearly all individuals, including independent contractors. For more information regarding the details of the vetoed bill, please see our previous alert, [“Is It The Beginning of the End for Non-Compete Agreements in New York?”](#)

It is important to note that this vetoed bill is not the only concern for employers relating to the validity of non-compete agreements in New York. In January 2023, the Federal Trade Commission issued a proposed rule to ban non-compete agreements, with limited exceptions. It is anticipated that there may be a vote on this FTC rule in April 2024. Additionally, in May 2023, General Counsel of the National Labor Relations Board issued a memorandum stating that non-compete agreements for non-supervisory employees violated employees’ rights under Section 7 of the National Labor Relations Act. For more information, please see the following RMF blog posts: [“What Employers Should Know About the FTC’s Proposed Ban on Non-Competition Clauses”](#) and [“Most Non-Competes Violate Federal Law According to NLRB General Counsel.”](#)

Ruskin Moscou Faltischek, P.C. will continue to monitor how the New York legislature responds to Governor Hochul’s veto and the status of any other proposed legislation and rulemaking relating to non-compete agreements. If you have any questions regarding your business’s non-compete agreements or any other employment-related questions, please contact:

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