



NEW YORK STATE SENATOR

Sean M. Ryan

## Senators Sean Ryan, Jessica Ramos To Hold Hearing On Impact Of Non-Compete Agreements

SEAN M. RYAN May 19, 2023

| ISSUE: **NYS SENATOR SEAN RYAN, NYS SENATE DISTRICT 61, NON-COMPETE AGREEMENTS**

| COMMITTEE: **COMMERCE, ECONOMIC DEVELOPMENT AND SMALL BUSINESS**



### **SENATORS SEAN RYAN, JESSICA RAMOS TO HOLD HEARING ON IMPACT OF NON-COMPETE AGREEMENTS**

*Joint Public Hearing Will Explore the Impact Non-Compete Agreements Have on Workers, Consumers, and Small Businesses in New York*

**ALBANY** – Today, May 19, 2023, New York State Senator Sean Ryan and Senator Jessica Ramos announced a joint public hearing, conducted by the [Senate Committee on Commerce, Economic Development and Small Business](#) and the [Senate Committee on Labor](#), on Tuesday, May 23 to investigate the impacts of non-compete agreements on New York State.

**\*The hearing will take place in the Van Buren Hearing Room A on the second floor of the Legislative Office Building and will be streamed live at [nysenate.gov](https://nysenate.gov)\***

The hearing will focus on the impacts of non-compete agreements on New York’s labor market and on economic development, as well as possible legislative solutions, such as Senator Ryan’s bill ([S.3100](#)) that would invalidate existing non-compete agreements and ban their future use. Testimony will be provided by a series of experts on non-compete agreements, as well as New Yorkers who have been personally affected by them.

**Senator Sean Ryan, Chair of the Senate Committee on Commerce, Economic Development and Small Business**, said, “Most people think of non-compete agreements as a restriction reserved for executives with trade secrets, but they are actually very commonly used in a wide variety of industries. They can be debilitating for workers who want to leave their job and they stifle competition, which means they are bad for consumers as well. I expect that this hearing will illuminate the many negative effects non-competes have had in New York State and demonstrate why we need to eliminate them.”

**Senator Jessica Ramos, Chair of the Senate Committee on Labor**, said, “Non-compete agreements have long been used to stifle a worker’s ability to advocate for themselves and leave exploitative workplaces. I thank Senator Ryan for championing the issues and am proud to lend the Labor Committee’s support to hear from stakeholders.”

#### **About Non-Compete Agreements:**

Non-compete agreements have a negative effect on the labor market and on the economy of

New York State. They prevent workers from seeking employment at entities that may be a better fit for them, and they limit the pool of qualified job applicants, making it harder for businesses to find employees even when they offer better-than-average wages and benefits. In certain industries, non-compete agreements have a detrimental impact on consumers as well. They are prevalent in the medical field, where they disrupt continuity of care.

A 2019 survey by the Economic Policy Institute and Cornell University estimates that in the United States, between 27.8% and 46.5% of private-sector workers are subject to non-competes, and 18.1% of all workers are covered by non-compete agreements. In New York, a staggering 44.2% of workplaces subject employees to non-compete agreements

The federal government recently announced interest in banning such agreements nationwide via an FTC regulation. [S.3100](#) would codify such a ban in state law.

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#### RELATED LEGISLATION

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### 2023-S3100

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- Introduced
- - In Committee Assembly
  - In Committee Senate

- ○ On Floor Calendar Assembly
  - On Floor Calendar Senate

- ○ Passed Assembly
  - Passed Senate

- Vetoed By Governor

- Signed By Governor

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Prohibits non-compete agreements and certain restrictive covenants

January 27, 2023

Vetoed

Sponsored by Sean M. Ryan

Do you support this bill?