

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

HOUSE BILL NO. 1351
(Representatives Boschee, M. Johnson, Kading, Mitskog, Mock, Schneider)
(Senators Bakke, Dwyer)

AN ACT to amend and reenact section 9-08-06 of the North Dakota Century Code, relating to contractual noncompete provisions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 9-08-06 of the North Dakota Century Code is amended and reenacted as follows:

9-08-06. In restraint of business void - Exceptions.

Every ~~A~~ contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except:

1. ~~One who~~ A person that sells the goodwill of a business and the person's partners, members, or shareholders may agree with the buyer to refrain from carrying on a similar business within a ~~specified county, city, or a part of either~~ reasonable geographic area and for a reasonable length of time, so long as if the buyer or any person deriving title to the goodwill from the buyer carries on a like business ~~therein~~ in that area.
2. Partners, members, or shareholders, upon or in anticipation of a dissolution of ~~the~~ a partnership, limited liability company, or corporation; upon or in anticipation of a dissociation of a partner or member; or as part of an agreement addressing the dissociation or sale of a partner, member, or shareholder's ownership interest, may agree that all or any number of them will not carry on a similar business within ~~the same city~~ a reasonable geographic area where the partnership, limited liability company, or corporation business has been transacted, or within a specified part ~~thereof~~ of the area.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1351.

House Vote: Yeas 82 Nays 9 Absent 3

Senate Vote: Yeas 40 Nays 5 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,

at _____ o'clock _____ M.

Secretary of State