



General Assembly

February Session, 2026

**Raised Bill No. 5492**

LCO No. 2515



Referred to Committee on LABOR AND PUBLIC  
EMPLOYEES

Introduced by:  
(LAB)

**AN ACT CONCERNING LIMITATIONS ON THE USE ON  
NONCOMPETE AGREEMENTS.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026*) As used in this section and  
2 sections 2 to 6, inclusive, of this act:

3 (1) "Annualized monetary compensation" means (A) wages,  
4 commissions, bonuses and equity incentives earned over the course of  
5 the prior calendar year, or portion thereof, for which the employee was  
6 employed, annualized based on the period of employment and  
7 calculated as of (i) the date that enforcement of the covenant not to  
8 compete is sought, or (ii) the date of separation from employment,  
9 whichever is earlier, and (B) payments made to independent contractors  
10 based on services rendered, annualized based on the period during  
11 which the independent contractor provided services and calculated as  
12 of (i) the date that enforcement of the covenant not to compete is sought,  
13 or (ii) the date of separation from employment, whichever is earlier;

14 (2) "Base salary and benefits" means (A) wages, commissions,

15 bonuses and equity incentives earned by an employee over the course  
16 of the prior calendar year, and (B) health insurance benefits and other  
17 fringe benefits received by an employee over the course of the prior  
18 calendar year;

19 (3) "Covenant not to compete" means a contract, provision or other  
20 agreement entered into, amended, extended or renewed on or after  
21 October 1, 2026, that, for any period of time after separation from  
22 employment, restrains a worker from, or imposes penalties on a worker  
23 for, engaging in any lawful profession, occupation, trade, calling or  
24 business of any kind in any geographic area of the state. "Covenant not  
25 to compete" does not include:

26 (A) A nonsolicitation agreement, provided such agreement (i) does  
27 not restrict a worker's activities for more than one year, and (ii) is no  
28 more restrictive than necessary in duration, geographic scope, type of  
29 work and type of employer;

30 (B) A nondisclosure or confidentiality agreement;

31 (C) A contract, contract provision or other agreement in which an  
32 employee agrees to not reapply for employment with an employer after  
33 being terminated by such employer;

34 (D) Any covenant not to compete, described in sections 20-14p, 20-  
35 670 and 31-50b of the general statutes; or

36 (E) Any contract, contract provision or other agreement made either  
37 (i) in anticipation of a sale of the goodwill of a business or all of the  
38 seller's ownership interest in a business, or (ii) as part of a partnership  
39 or ownership agreement;

40 (4) "Employee" means any individual employed or permitted to work  
41 by an employer;

42 (5) "Employer" has the same meaning as provided in section 31-71a  
43 of the general statutes;

44 (6) "Exclusivity agreement" means a contract, contract provision or  
45 other agreement entered into, amended, extended or renewed on or  
46 after October 1, 2026, that restrains a worker from, or imposes a penalty  
47 on a worker for, (A) being simultaneously employed by the employer  
48 and another employer, (B) working as an independent contractor while  
49 employed by the employer, or (C) being self-employed while employed  
50 by the employer;

51 (7) "Exempt employee" means any employee who is exempt from the  
52 minimum wage and overtime requirements of the Fair Labor Standards  
53 Act of 1938, as amended from time to time;

54 (8) "Hourly wage" means, (A) for an hourly employee, such  
55 employee's wages calculated on an hourly basis, and (B) for any other  
56 worker, such worker's annualized monetary compensation converted to  
57 an hourly rate by dividing such monetary compensation by two  
58 thousand eighty;

59 (9) "Independent contractor" has the same meaning as provided in  
60 section 36a-485 of the general statutes;

61 (10) "Legitimate business interest" means an employer's interest in the  
62 protection of trade secrets or confidential information that does not  
63 qualify as a trade secret or preserving established goodwill with such  
64 employer's customers;

65 (11) "Minimum fair wage" has the same meaning as provided in  
66 section 31-58 of the general statutes;

67 (12) "Nonsolicitation agreement" means (A) a contract, contract  
68 provision or other agreement between an employer and an employee  
69 that prohibits, upon separation of employment, such employee from  
70 soliciting any (i) employee of such employer to leave the employer, or  
71 (ii) customer of such employer to cease or reduce the extent to which  
72 such customer is doing business with such employer, or (B) a contract,  
73 contract provision or other agreement between an employer and a  
74 customer of such employer that prohibits such customer from soliciting

75 an employee of such employer to cease or reduce the extent to which  
76 such employee is doing work with such employer;

77 (13) "Separation from employment" means the date on which an  
78 employment relationship terminates between an employer or contractor  
79 and a worker;

80 (14) "Wages" has the same meaning as provided in section 31-58 of  
81 the general statutes; and

82 (15) "Worker" means an employee or an independent contractor.

83 Sec. 2. (NEW) (*Effective October 1, 2026*) (a) A covenant not to compete  
84 shall be void and unenforceable against a worker if (1) such worker is  
85 (A) an employee whose hourly wage is less than two times the  
86 minimum fair wage, or (B) an independent contractor whose hourly  
87 wage is less than five times the minimum fair wage, or (2) such covenant  
88 not to compete applies to (A) geographic areas in which a worker  
89 neither provided services nor had a material presence or influence  
90 during the two years prior to such worker's separation from  
91 employment, or (B) types of work that the worker did not perform  
92 during the two years prior to such worker's separation from  
93 employment.

94 (b) A covenant not to compete may be enforceable against a worker  
95 if such worker is (1) an employee whose hourly wage is two times or  
96 more than the minimum fair wage, or (2) an independent contractor  
97 whose hourly wage is five times or more than the minimum fair wage,  
98 provided the following conditions are met:

99 (A) The covenant not to compete restricts such worker's competitive  
100 activities for a period of not more than one year following the separation  
101 from employment, except a covenant not to compete may be enforceable  
102 for a period not to exceed two years following the separation from  
103 employment if such covenant not to compete is part of an agreement in  
104 which the worker is compensated with such worker's base salary and  
105 benefits for the entire duration of such covenant not to compete;

106 (B) The covenant not to compete is necessary to protect a legitimate  
107 business interest of the employer, provided (i) such legitimate business  
108 interest could not reasonably be protected by less restrictive means,  
109 including, but not limited to, a nondisclosure agreement, a  
110 nonsolicitation agreement or reliance on the protections provided by the  
111 provisions of chapter 625 of the general statutes, and (ii) the covenant  
112 not to compete is no more restrictive than necessary to protect such  
113 legitimate business interest in terms of the duration, geographic scope,  
114 type of work and type of employer of the covenant not to compete;

115 (C) The worker subject to the covenant not to compete is an exempt  
116 employee;

117 (D) A written copy of the covenant not to compete is provided to the  
118 worker not later than five business days prior to (i) the worker's  
119 deadline to accept an offer of employment, or enter into an independent  
120 contractor relationship, or (ii) the date the covenant not to compete is  
121 signed, whichever is earlier, and such written copy includes a statement  
122 of the worker's rights that contains the following:

123 (I) Not all covenants not to compete are enforceable against a worker;

124 (II) A covenant not to compete for a worker whose hourly wage is  
125 less than the amount described in subsection (a) of this section is not  
126 enforceable; and

127 (III) A worker has the right to consult with counsel prior to signing a  
128 covenant not to compete;

129 (E) The covenant not to compete is signed by the worker and the  
130 employer or contractor separately from any other agreement  
131 establishing the relationship between the worker and the employer or  
132 contractor;

133 (F) If the covenant not to compete is added to an existing employment  
134 or independent contractor agreement, such covenant not to compete is  
135 supported by sufficient consideration and is not the sole basis of the

136 continuation of such employment or contract relationship;

137 (G) The employment or contract relationship was not terminated by  
138 the worker for good cause attributable to the employer or contractor;

139 (H) The covenant not to compete does not require a worker to submit  
140 to adjudication in a forum outside of this state or otherwise deprive such  
141 worker of the protections or benefits of this section; and

142 (I) The covenant not to compete is consistent with the provisions of  
143 this section and other laws of this state.

144 Sec. 3. (NEW) (*Effective October 1, 2026*) (a) No employer or contractor  
145 shall request or require a worker to sign or agree to an exclusivity  
146 agreement unless:

147 (1) The worker is (A) an exempt employee whose hourly wage is  
148 more than two times the minimum fair wage, or (B) an independent  
149 contractor whose hourly wage is more than five times the minimum fair  
150 wage; or

151 (2) The worker's additional employment, self-employment or work  
152 as an independent contractor would (A) imperil the safety of such  
153 worker, such worker's coworkers or the public, or (B) substantially  
154 interfere with the reasonable and normal scheduling expectations for  
155 such worker. On-call shift scheduling shall not be considered a  
156 reasonable scheduling expectation for the purposes of this subdivision.

157 (b) Nothing in this section shall be construed to alter any obligations  
158 of a worker to an employer under existing law, including, but not  
159 limited to, the common law duty of loyalty, laws preventing conflicts of  
160 interest and any corresponding policies addressing such obligations.

161 Sec. 4. (NEW) (*Effective October 1, 2026*) (a) No court shall modify a  
162 covenant not to compete or an exclusivity agreement that violates the  
163 provisions of section 2 or 3 of this act for the purposes of enforcing such  
164 covenant not to compete or exclusivity agreement.

165 (b) If a covenant not to compete or an exclusivity agreement is held  
166 unenforceable by a court under section 2 or 3 of this act, any severable  
167 provision of a contract or other agreement unrelated to such covenant  
168 not to compete shall remain in full force and effect, including, but not  
169 limited to, any provisions that require the payment of damages  
170 resulting from any injury suffered by separation from employment.

171 (c) The party seeking to enforce a covenant not to compete or an  
172 exclusivity agreement against a worker shall have the burden of proof  
173 in any enforcement proceeding for such covenant not to compete or  
174 exclusivity agreement.

175 (d) The party required to compensate a worker in an agreement in  
176 which a worker is compensated with such worker's base salary and  
177 benefits for the entire duration of the covenant not to compete shall have  
178 the burden of proof in any proceeding to cease compensating such  
179 worker.

180 Sec. 5. (NEW) (*Effective October 1, 2026*) (a) Any worker aggrieved by  
181 a violation of the provisions of section 2 or 3 of this act may bring a civil  
182 action in the superior court for the judicial district where the violation is  
183 alleged to have occurred to recover damages, civil penalties and such  
184 equitable and injunctive relief as the court deems appropriate. Any  
185 person who prevails in such civil action may be awarded reasonable  
186 costs and attorney's fees to be taxed by the court.

187 (b) In any such action if the court finds that a covenant not to compete  
188 or an exclusivity agreement is in violation of section 2 or 3 of this act,  
189 the court may assess a civil penalty against the violator in an amount  
190 not exceeding five thousand dollars.

191 Sec. 6. (NEW) (*Effective October 1, 2026*) (a) The Attorney General may  
192 investigate, intervene or bring a civil action in the name of the state,  
193 seeking injunctive or declaratory relief, damages and any other relief  
194 that may be available under law, whenever any employer or contractor  
195 is or has engaged in a practice or pattern of conduct that:

196 (1) Subjects, or causes to be subjected, workers to a covenant not to  
197 compete that is in violation of section 2 of this act; or

198 (2) Subjects, or causes to be subjected, workers to an exclusivity  
199 agreement that is in violation of section 3 of this act.

200 (b) In conducting any investigation under this section, the Attorney  
201 General may issue subpoenas and interrogatories, and otherwise gather  
202 information, in the same manner and to the same extent as is provided  
203 in section 35-42 of the general statutes. No information obtained  
204 pursuant to the provisions of this subsection may be used in a criminal  
205 proceeding.

206 (c) If the Attorney General prevails in a civil action brought pursuant  
207 to this section, the court shall order the distribution of any award of  
208 damages to the injured worker. The court may also award civil penalties  
209 against each defendant in an amount not exceeding five thousand  
210 dollars. No employer or contractor, officer or agent that is found to have  
211 violated the provisions of section 2 or 3 of this act shall be liable for an  
212 additional penalty under section 31-69 of the general statutes.

213 (d) In lieu of bringing a civil action under this section, the Attorney  
214 General may accept an assurance of the discontinuance of any alleged  
215 unlawful practice from any employer engaged in such practice.  
216 Thereafter, any evidence of a violation of such assurance shall constitute  
217 prima facie proof of a violation of the applicable law in any action  
218 commenced by the Attorney General.

219 (e) Nothing in this section shall permit the Attorney General to bring  
220 an action that would otherwise be barred under the applicable statute  
221 of limitations.

222 (f) The Attorney General shall post on the Attorney General's Internet  
223 web site information on how to file a complaint with the Attorney  
224 General for an alleged violation of section 2 or 3 of this act.

225 (g) Nothing in this section shall permit the Attorney General to assert

226 any claim against a state agency or a state officer or state employee in  
227 such officer's or employee's official capacity, regarding actions or  
228 omissions of such state agency, state officer or state employee. If the  
229 Attorney General determines that a state officer or state employee is not  
230 entitled to indemnification under section 5-141d of the general statutes,  
231 the Attorney General may, as it relates to such officer or employee, take  
232 any action authorized under this section.

233 Sec. 7. Section 31-50a of the general statutes is repealed and the  
234 following is substituted in lieu thereof (*Effective October 1, 2026*):

235 (a) No employer may require any person employed in the  
236 classification 339032 of the standard occupational classification system  
237 of the Bureau of Labor Statistics of the United States Department of  
238 Labor to enter into an agreement prohibiting such person from engaging  
239 in the same or a similar job, at the same location at which the employer  
240 employs such person, for another employer or as a self-employed  
241 person, unless the employer proves that such person has obtained trade  
242 secrets, as defined in subsection (d) of section 35-51, of the employer.

243 (b) (1) Any person who is aggrieved by a violation of this section may  
244 bring a civil action in the Superior Court to recover damages and for  
245 such injunctive and equitable relief as the court deems appropriate.

246 (2) The Labor Commissioner may request the Attorney General to  
247 bring an action in the superior court for the judicial district of Hartford  
248 for restitution on behalf of any person injured by any violation of this  
249 section and for such injunctive or equitable relief as the court deems  
250 appropriate.

251 (c) The provisions of this section shall apply to agreements entered  
252 into, renewed or extended on or after October 1, 2007, and before  
253 October 1, 2026.

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>October 1, 2026</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>October 1, 2026</i>	New section
Sec. 5	<i>October 1, 2026</i>	New section
Sec. 6	<i>October 1, 2026</i>	New section
Sec. 7	<i>October 1, 2026</i>	31-50a

**LAB**      *Joint Favorable*