

HB 2754 -- COVENANT NOT TO COMPETE INVOLVING PHYSICIANS

SPONSOR: Keathley

The bill specifies that a "covenant not to compete" in which an employee agrees to refrain from competing with an employer for a certain period of time and/or within a certain geographic area after the employment ends is only valid and enforceable between a physician and an employer if:

- (1) The physician is providing health care services in a clinical setting;
- (2) The employer is not a nonprofit health care entity;
- (3) The covenant does not restrict the physician's competitive activities for more than a year; and
- (4) The covenant does not restrict the physician's competitive activities in a geographic area of more than 50 miles from the office or facility where the physician works.