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IN THE CONGRESS OF THE  
UNITED STATES

*November 21, 2020*

Sponsor: Senator Schlorp (L-CA)

CoSponsor: Senator Kyouko (D-NY) and Senator Smith (L-LA)

Introduce the Following Bill to the Virtual Congress of the United States of America:

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**S. 10**

**A Bill**

*To Protect the Rights of Workers, Create More Competition, and Promote the Free  
Market Through the Prohibition of Certain Non-Compete Agreements.*

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE  
UNITED STATES IN THE CONGRESS HERE ASSEMBLED THAT:

**SECTION 1. SHORT TITLE**

This Legislation may be cited as the “Worker Independence Act”

**SECTION 2. DEFINITIONS**

In this Act:

(a) “Non-Compete Agreement” shall be defined as a contract in which an employee is prohibited from entering into competition with an employer in a geographic area after their employment has been terminated.

(i) Under this context, “Geographic Area” shall be defined as any non-compete agreement which requires an employee to find work in another state in order to enter into competition with the employer

(b) “Employee” shall be defined in the same manner as Section 3(d) of the Fair Labor Standards Act.

(c) “Employer” shall be defined in the same manner as Section 3(e) of the Fair Labor Standards Act.

(d) “Trade Secret” shall be defined in the same manner as 18 U.S. Code § 1839(3)

(e) “Business Entity” shall be defined as any economic partnership between two or more individuals.

### **SECTION 3. PROHIBITING NONCOMPETES**

(a) Any Non-Compete Agreement entered into before the Worker Independence Act is enacted shall hereby be declared null and void.

(i) An employer shall no longer have any power to enforce any Non-Compete Agreement agreed to before this legislation is enacted.

(b) Employers shall hereby be prohibited from entering or threatening to enter into any Non-Compete Agreement, and shall hereby be prohibited from renewing any past Non-Compete Agreement.

(i) Exceptions to this rule include:

(1) Non-Compete Agreements made after the purchase or sale of a business entity in a specific geographic area.

(2) Dissolved Partnerships between two separate business entities in which it is mutually agreed whilst not under duress.

(3) Employees which fall under Section 13(a)(1) of the Fair Labor Standards Act

### **SECTION 4. CLARIFICATIONS**

(a) This Act shall not be construed to impede the ability to:

(i) Form contracts which prohibit the sharing of trade secrets, including after the employee is no longer employed by the employer,

(ii) Form contracts which prohibit a party from selling or disposing of a business entity which had been recently purchased or sold.

(iii) Enforce any of the provisions contained in the Free Enterprise Structure Act or any of the provisions contained in the Fair Labor Standards Act.

### **SECTION 5. PUBLIC AWARENESS**

The provisions of this act may not be obscured or otherwise concealed from an employee by an employer.

### **SECTION 6. ENFORCEMENT**

This Legislation shall be enforced by the Department of Labor in the same manner that is utilized to enforce provisions of the Fair Labor Standards Act.

**SECTION 7. SEVERABILITY**

If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**SECTION 8. TIMELINE**

This legislation shall go into effect Fiscal Year 2021.

**SECTION 9. NULL AND VOID**

All laws in conflict with this legislation are hereby declared null and void.