

No New York Ban on Non-Competes... Yet

December 6, 2023

In speaking to reporters last week, Governor Kathy Hochul indicated that she would not sign the bill that would have banned virtually all non-competes in New York. Our summary of the proposed New York ban is available [here](#). Instead, Governor Hochul indicated her preference for finding a compromise that would ban non-competes for those earning less than \$250,000 per year, which would be the highest “minimum” threshold of any state in the country. Governor Hochul seems to be looking to strike the right balance between protecting low and middle-income workers and those who have a lot more negotiation power and are at industries that are an important part of New York’s economy.

Governor Hochul’s statements suggest that she has not been entirely swayed by pressure from various groups on both sides of the non-compete debate, including the Federal Trade Commission, which sent a [letter](#) to the Governor last month citing their proposed national ban on non-competes and research in favor of its proposed rule.¹

Current New York law allows non-competes and their enforcement to the extent they are necessary to protect an employer’s legitimate interests, do not impose an undue hardship on the employee, do not harm the public, and are reasonable in time period and geographic scope. For the time being, these standards remain in place, but we will continue to monitor developments as they arise. Please contact any of the authors or your regular Cleary Gottlieb contacts for further discussion if you have questions.

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¹ Alert Memorandum: [FTC Proposes Rule to Ban Non-Competes](#) (January 9, 2023)

