

As Introduced

135th General Assembly  
Regular Session  
2023-2024

S. B. No. 339

Senators Blessing, DeMora

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A BILL

To enact sections 4119.01, 4119.02, 4119.03, and 1  
4119.04 of the Revised Code to prohibit 2  
agreements that restrain engaging in a lawful 3  
profession or business after the conclusion of 4  
an employment relationship. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 4119.01, 4119.02, 4119.03, and 6  
4119.04 of the Revised Code be enacted to read as follows: 7

**Sec. 4119.01.** As used in this chapter: 8

(A) "Employer" means a person who hires or contracts with 9  
a worker to perform services for the person. 10

(B) (1) "Worker" means an individual who provides services 11  
for an employer. 12

(2) "Worker" includes an employee, independent contractor, 13  
extern, intern, volunteer, apprentice, sole proprietor who 14  
provides service to a client or customer, and an individual who 15  
provides service through a business or nonprofit entity or 16  
association. 17

**Sec. 4119.02.** (A) Beginning on the effective date of this 18

section, no employer shall enter into, attempt to enter into, 19  
present to a worker or prospective worker as a term of hire, or 20  
attempt to enforce an agreement, or part of an agreement, that 21  
prohibits the worker from, penalizes the worker for, or 22  
functions to prevent the worker from seeking or accepting work 23  
with a person, or operating a business, after the conclusion of 24  
the relationship between the employer and worker, including any 25  
of the following: 26

(1) An agreement that the worker will not work for another 27  
employer for a specified period of time, not work in a specified 28  
geographical area, or not work for another employer in a 29  
capacity similar to the worker's work for the employer; 30

(2) An agreement that requires the worker to pay for lost 31  
profits, lost goodwill, or liquidated damages because the worker 32  
terminates the work relationship; 33

(3) An agreement that imposes a fee or cost on a worker 34  
for terminating the work relationship, including a replacement 35  
hire fee, a retraining fee, reimbursement for immigration or 36  
visa-related costs, or bondage fee; 37

(4) An agreement that requires a worker who terminates the 38  
work relationship to reimburse the employer for an expense 39  
incurred by the employer during the relationship for training, 40  
orientation, evaluation, or other service intended to provide 41  
the worker with skills to perform the work or to improve 42  
performance. 43

(B) An agreement, or part of an agreement, between an 44  
employer and worker entered into, modified, or extended on or 45  
after the effective date of this section that is prohibited 46  
under division (A) of this section is void. 47

<u>(C) This section does not do either of the following:</u>	48
<u>(1) Prevent a person or federal, state, or local</u>	49
<u>government agency from paying or forgiving a debt or from</u>	50
<u>providing other benefits to a person after the person completes</u>	51
<u>a specified time period of employment or work relationship with</u>	52
<u>an employer or other entity;</u>	53
<u>(2) Limit or prohibit any loan repayment assistance</u>	54
<u>program or loan forgiveness program provided by a federal,</u>	55
<u>state, or local government agency.</u>	56
<b>Sec. 4119.03.</b> <u>(A) Except as provided in division (B) of</u>	57
<u>this section, with respect to any agreement between an employer</u>	58
<u>and worker entered into, modified, or extended on or after the</u>	59
<u>effective date of this section, both of the following apply:</u>	60
<u>(1) No employer shall require, as a condition of</u>	61
<u>employment, a worker who primarily resides and does business in</u>	62
<u>this state to agree to a provision that does either of the</u>	63
<u>following:</u>	64
<u>(a) Requires the worker to adjudicate a claim arising in</u>	65
<u>this state in a venue or forum that is outside of this state;</u>	66
<u>(b) Deprives the worker of any substantive legal</u>	67
<u>protection provided by the laws of this state with respect to a</u>	68
<u>controversy arising in this state.</u>	69
<u>(2) Any agreement between an employer and worker that</u>	70
<u>violates division (A)(1) of this section is void, and the matter</u>	71
<u>shall be adjudicated in this state and the laws of this state</u>	72
<u>shall govern the dispute.</u>	73
<u>(B) This section does not apply to an agreement between an</u>	74
<u>employer and worker who is individually represented by legal</u>	75

counsel in negotiating the terms of the agreement and, at the 76  
option of the worker, designates either the venue or forum in 77  
which a controversy arising from the agreement may be 78  
adjudicated or the choice of law to be applied. For purposes of 79  
this division, a worker is not individually represented by legal 80  
counsel if the counsel is paid for by, or was selected based on 81  
the suggestion of, the employer. 82

**Sec. 4119.04.** (A) A worker or prospective worker may bring 83  
a civil action against an employer for a violation of this 84  
chapter in a court of competent jurisdiction. In the event a 85  
worker or prospective worker prevails in the action, the court 86  
shall award costs and reasonable attorney's fees to the worker 87  
or prospective worker. The court may award any of the following, 88  
as appropriate: 89

(1) Actual damages; 90

(2) Punitive damages not to exceed five thousand dollars; 91

(3) Injunctive relief. 92

(B)(1) A worker or prospective worker may file a complaint 93  
with the attorney general alleging a violation of this chapter. 94  
The attorney general shall investigate all complaints filed with 95  
the attorney general. If, after investigating a complaint, the 96  
attorney general determines that it is likely a violation of 97  
this chapter has occurred, the attorney general may bring an 98  
action described in division (A) of this section against the 99  
employer on behalf of the worker or prospective worker who is 100  
the subject of the complaint. In the event the attorney general 101  
prevails in the action, the court shall award costs and 102  
reasonable attorney's fees to the attorney general and any other 103  
remedy described in division (A) of this section to the worker 104

or prospective worker. The attorney general shall notify the 105  
director of commerce of any complaint submitted to the attorney 106  
general that may constitute a violation of this chapter. 107

(2) A worker or prospective worker also may file a 108  
complaint with the director of commerce alleging a violation of 109  
this chapter. The director shall investigate all complaints 110  
filed with the director. If, after investigating a complaint, 111  
the director determines that it is likely a violation of this 112  
chapter has occurred, the director shall forward the complaint 113  
and the results of investigation to the attorney general. The 114  
attorney general may bring an action described in division (A) 115  
of this section against the employer on behalf of the worker or 116  
prospective worker who is the subject of the complaint. 117

(C) The attorney general and the director of commerce 118  
shall enter into a written agreement coordinating their 119  
responsibilities with respect to this section. 120

(D) This section does not limit the rights of any person, 121  
or the obligations of any covered person, under any state or 122  
federal law that directly and specifically regulates the manner, 123  
content, or terms and conditions of any financial transaction, 124  
or any related account, product, or service, with respect to a 125  
consumer. 126