

# Washington

## Washington Enacts Noncompete Ban

On March 23, 2026, Washington enacted a [law](#) banning virtually all noncompete agreements for employees and independent contractors. The new law takes effect on **June 30, 2027**.

### Overview of Noncompete Ban

The new law makes all noncompete agreements void and unenforceable as of June 30, 2027, regardless of when the agreements were entered into. Previously, Washington permitted reasonable noncompete agreements for certain highly compensated employees.

“Noncompetition covenant” is defined as a written or oral covenant, agreement or contract that prohibits or restrains an individual from engaging in a lawful profession, trade or business; restrains a performer from engaging in a lawful performance; prevents the acceptance or transaction of business with a customer; or requires individuals to repay, forfeit or lose any right, benefit or compensation for engaging in a lawful profession, trade or business.

### Exceptions

The new law permits the following:

- **Nonsolicitation agreements** that expire within 18 months of an employee’s termination of employment and meet other statutory requirements;
- **Confidentiality and trade secret agreements**;
- Covenants entered into by a person purchasing or selling the **goodwill of a business** or otherwise acquiring or disposing of an ownership interest if the person signing the covenant purchases, sells, acquires or disposes of an ownership interest representing one percent or more of the business;
- Covenants entered into by a **franchisee** when the franchise sale complies with state law; and
- Agreements to **repay out-of-pocket educational expenses** if the agreement expires within 18 months of the employee’s start date, prorates the repayment and does not require repayment if the employee’s separation from employment is based on good cause.

### Notice Requirements

By **Oct. 1, 2027**, employers must make reasonable efforts to provide written notice to current and former employees and independent contractors with

### Important Dates

#### **March 23, 2026**

Washington enacts a broad ban on noncompete agreements.

#### **June 30, 2027**

The new law takes effect.

#### **Oct. 1, 2027**

Employers must provide written notice that noncompete agreements are void and unenforceability.

whom the employer has an active noncompete agreement that such agreement is void and unenforceable.

## **Penalties**

The attorney general and individuals aggrieved by a violation of the law may file a cause of action. Employers found in violation of the law may be liable for the greater of actual damages or \$5,000, plus reasonable attorney fees and costs.

## **Employer Takeaways**

Employers may consider reviewing existing employee agreements or template agreements to determine whether any contain noncompete provisions that would be invalidated under the new law. Employers may also begin preparing revisions to such agreements and consider whether to use alternative provisions (e.g., nondisclosure provisions) to protect competitive business information. Finally, employers may begin reviewing existing noncompete agreements and drafting a template notice to be sent to such individuals with whom the employer has entered into a noncompete agreement.