

By: Hunter

H.B. No. 3322

A BILL TO BE ENTITLED

AN ACT

relating to covenants not to compete.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 15.50, Business & Commerce Code, is amended by adding Subsection (d) to read as follows:

(d) For purposes of Subsection (b), "relating to the practice of medicine" does not include a physician's employment by or ownership interest in an entity that is not practicing medicine, as that term is defined by Section 151.002, Occupations Code. A licensed hospital or a licensed ambulatory center is not an entity that is practicing medicine, as that term is defined by Section 151.002, Occupations Code.

SECTION 2. Section 15.50(d), Business & Commerce Code, as added by this Act:

(1) clarifies the area of law the provision addresses and does not substantively change that law; and

(2) applies to a covenant entered into before, on, or after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.