HOUSE BILL NO. 245

INTRODUCED BY ADDY, J. JENSEN, BERGENE

IN THE HOUSE

	IN THE HOUSE
January 14, 1983	Introduced and referred to Committee on Judiciary.
January 18, 1983	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
January 20, 1983	Second reading, pass consideration.
January 21, 1983	Second reading, do pass.
January 22, 1983	Considered correctly engrossed.
January 24, 1983	Third reading, passed. Transmitted to Senate.
	IN THE SENATE
January 25, 1983	Introduced and referred to Committee on Judiciary.
February 8, 1983	Committee recommend bill be not concurred in. Report adopted. Ayes, 48; Noes, 0.
	IN THE HOUSE
February 8, 1983	Returned to House.
February 10, 1983	On motion, request of Senate granted for return of H. B. No. 245 for further consideration.

IN THE SENATE

February 10, 1983	Rereferred to Committee on Judiciary.
March 11, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 14, 1983	Second reading, concurred in.
March 16, 1983	Third reading, concurred in. Ayes, 46; Noes, 1.
IN TH	E HOUSE
March 16, 1983	Returned to House with amendments.
March 30, 1983	Second reading, amendments concurred in.
March 31, 1983	Third reading, amendments concurred in.
	Sent to enrolling.
	Reported correctly enrolled.

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE GEOGRAPHICAL AREA THAT MAY BE COVERED BY CONTRACTS NOT TO COMPETE AND TO PROVIDE THAT SUCH CONTRACTS MAY NOT COVER LICENSED PROFESSIONS AND OCCUPATIONS: AMENDING SECTIONS 28-2-704 AND 28-2-705. MCA."

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

Section 1. Section 28-2-704, MCA, is amended to read: *28-2-704. Exception — sale of goodwill of business. One who sells the goodwill of a professione trades or business may agree with the buyer to refrain from carrying on a similar professional trades or business within a specified county -- city -- or part any state or territory of the United States or the District of Columbia or any part or parts thereof so long as the buyer or any person deriving title to the goodwill from him carries on a like profession. trade of business therein. Howevery such an agreement may not be made when the seller is selling the goodwill of a profession or occupation for which a license is required under Title 37."

Section 2. Section 28-2-705, MCA, is amended to read: *28-2-705. Exception - dissolution of partnership.

Partners may, upon or in anticipation of a dissolution of the partnership, agree that none of them will carry on a similar professions trades or business within the same city or--town--where-the-partmership-basiness-has-been-transacted or within a specified port thereof any state or territory of the United States or the District of Columbia or dow part or purits thereof. However, such an acresser may not be made as to a profession or occupation for which as leense is required woder litle 37."

-End-

48th Legislature

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HB 0245/02

HB 0245/02

Approved by Committee on Judiciary

2	INTRODUCED BY ADDY, J. JENSEN, BERGENE
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE
5	GEOGRAPHICAL AREA THAT MAY BE COVERED BY CONTRACTS NOT TO
6	COMPETE AND TO PROVIDE THAT SUCH-CONTRACTS-MAY-NOT-COVER
7	LICENSEDPROFESSIONSANDOCCUPATIONS WHEN SUCH CONTRACTS
8	CONCERN PARTNERSHIPS THEY MAY ONLY BE MADE UPON DISSOLUTION
9	OF PARTNERSHIP; AMENDING SECTIONS 28-2-704 AND 28-2-705.
10	MCA=*
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 28-2-704, MCA, is amended to read:
14	*28-2-704. Exception sale of goodwill of business.
15	One who sells the goodwill of a professions—trades—ar
16	business may agree with the buyer to refrain from carrying
17	on a similar <u>professions—trades—or</u> business within a
18	specified-countyycityyor-part any state-or-territory-of
19	the United States or the District of Columbia or any part or
ĵο	parts THE STATE OF MONTANA OR ANY PART thereof so long as
21	the buyer or any person deriving title to the goodwill from
22	him carries on a like <u>professions—trader—or</u> business
23	therein. Howevery such an agreement may not be made when
24	the seller-is selling-the goodwill of a profession or
25	occupationfor-which-s-license-is-required-under-litte-37."

HOUSE BILL NO. 245

1	Section 2. Section 28-2-705, MCA, is amended to read:
2	"28-2-705. Exception — dissolution of partnership.
3	Partners may, upon or in-enticipation of a dissolution of
4	the partnership, agree that name ONE OR MORE of them will
5	MAY NOT carry on a similar profession tradex or business
6	within the same-city-or-town-where-the-partnership-business
7	has-been-transacted-or-within-a-specified-partthereof any
8	state-or-territory of the United States or the District of
9	Columbia or ony port or sports thereof. Howevery such an
10	agreement - may not be made as to a profession or occupation
11	for which a license is required under little 31 THE STATE DE
12	MONTANA OR ANY PART_THEREDE."

-End-

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1	HOUSE BILL NO. 245
2	INTRODUCED BY ADDY, J. JENSEN, BERGENE

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE
5 GEOGRAPHICAL AREA THAT MAY BE COVERED BY CONTRACTS NOT TO
6 COMPETE AND TO PROVIDE THAT SUCH CONTRACTS MAY NOT COVER
7 LIGENSED PROFESSIONS—AND OCCUPATIONS WHEN SUCH CONTRACTS
8 CONCERN PARTNERSHIPS THEY MAY ONLY BE MADE UPON DISSOLUTION
9 DE PARTNERSHIP; AMENDING SECTIONS 28-2-704 AND 28-2-705.
10 MCA."

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

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business may agree with the buyer to refrain from carrying
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specified county: city, or part any state or territory of
the United States or the District of Golumbia or any part or
parts THE STATE OF MONTANA OR ANY PART thereof so long as
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8	state-or-iterritory of the United States or the District of
9	<u>Columbia-or-ony-part-or-sparts-thereof</u>
10	agreement may not be made as to a profession or occupation
11	for-which-a-license-is-required under-Title-37 THE STATE OF
12	MONTANA OR ANY PART THEREOF.

-End-

THIRD READING

SENATE STANDING COMMITTEE REPORT (Judiciary)

That House Bill No. 245 be amended as follows:

1. Page 1, line 14.
Following: "business."
Insert: "(1)"

Page 1, line 20.

Strike: "THE STATE OF MONTANA OR ANY PART thereof"
Insert: "the areas provided in subsection (2)"

3. Page 1, line 25.

Following: "-"

Insert: "(2) The agreement authorized in subsection (1) may
apply in:

- (a) the city where the principal office of the business is located;
- (b) the county where the principal office of the business is located;
- (c) a city in any county adjacent to the county in which the principal office of the business is located;
- (d) Any county adjacent to the county in which the principal office of the business is located; or
 - (e) any combination of the foregoing."

4. Page 2, lines ll and l2.

Strike: "THE STATE OF MONTANA OR ANY FART THEFE OF"
Insert: "the areas provided in 28-2-704(2)"

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8	CONCERM PARTNERSHIPS THEY MAY ONLY BE MADE UPON DISSOLUTION
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12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 28-2-704, MCA, is amended to read:
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15	(1) One who sells the goodwill of a professionstrades-cor
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19	the_United_States-of_the_District_of_Golumbia_of_mov_part_of
20	parts IHE STATEBEMONTAWAORANYPART thereof AREAS
21	PROVIDED IN SUBSECTION (2) so long as the buyer or any
22	person deriving title to the goodwill from him carries on a
23	like <u>professionsmiradesmor</u> business therein. <u>Howeversmith</u>
24	on_agcaement=may=not=bermoder=ben=tbermaeller=is=selling==tbe
25	goodmittofa-profession-or-occupation-for-which-a-license

HOUSE BILL NO. 245

1	is-required-voder-litte-31x
2	121_IHE_AGREEMENT_AUTHORIZED_IN_SUBSECTION_(1)_MAY
3	APPLY_IN:
4	(A) THE CITY WHERE THE PRINCIPAL OFFICE OF THE
5	BUSINESS_IS_LOCATED:
6	(B) THE COUNTY WHERE THE PRINCIPAL DEFICE OF THE
7	BUSINESS IS LOCATED:
8	(C) A CITY IN ANY COUNTY ADJACENT TO THE COUNTY IN
9	WHICH_THE_PRINCIPAL_DEFICE_OF_THE_BUSINESS_IS_LOCATED:
10	(D) ANY COUNTY ADJACENT TO THE COUNTY IN WHICH THE
11	PRINCIPAL DEFICE OF THE BUSINESS IS LOCATED: OR
12	LET ANY COMMINATION OF THE EDREGUING."
13	Section 2. Section 28-2-705, MCA. is amended to read:
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19	hasseentransacted-or-within-a-specified-part-thereof any
20	<u>state_or_torritory_of_tbe_Woited_States_or_theBistrict=_of</u>
21	Solumbis-cor-sory-sportc-cor-porta-thersof* Howevery-apph-an
22	agreement=may=not=be=made=as=to=a=profession==qr==occupation
23	for=_which=o=licenae=ia=rsquired=under=little_37 IHE STATE=8E
24	MONTANA-OR-ANY-PARY-IHEREGE AREAS_PROVIDED_IN_28-2-104121."

-End-