

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

SENATE BILL 139

5 By: Senator J. Boyd
6 By: Representative Gramlich
7

For An Act To Be Entitled

8
9 AN ACT TO CLARIFY THAT A COVENANT NOT TO COMPETE
10 AGREEMENT IS UNENFORCEABLE FOR CERTAIN LICENSED
11 MEDICAL PROFESSIONALS; AND FOR OTHER PURPOSES.
12
13

Subtitle

14
15 TO CLARIFY THAT A COVENANT NOT TO
16 COMPETE AGREEMENT IS UNENFORCEABLE FOR
17 CERTAIN LICENSED MEDICAL PROFESSIONALS.
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 4-75-101(h), concerning ancillary
22 agreements and existing common law standards governing covenant not to
23 compete agreements, is amended to read as follows:

24 (h)(1) This ~~subsection~~ section does not apply to a covenant not to
25 compete agreement that is ancillary to other contractual relationships,
26 including any type of agreement for the sale and purchase of a business,
27 franchise agreement, and any other agreement not ancillary to an employment
28 relationship or employment contract.

29 (2) Existing common law standards governing a covenant not to
30 compete agreement outside the employment background shall remain in effect.
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32 SECTION 2. Arkansas Code § 4-75-101(j), concerning the applicability
33 of covenant not to compete agreements, is amended to read as follows:

34 (j) ~~This~~ Except as provided under subsection (k) of this section, this
35 section shall not:

36 (1) Be read to impair, limit, or change a party's protections



1 and rights under the Arkansas Trade Secrets Act, § 4-75-601 et seq.; or
2 (2) Apply to a person holding a professional license under
3 Arkansas Code Title 17, Subtitle 3.

4
5 SECTION 3. Arkansas Code § 4-75-101, concerning covenant not to
6 compete agreements, is amended to add an additional subsection to read as
7 follows:

8 (k)(1) A covenant not to compete agreement that restricts the right of
9 a physician to practice within the physician's scope of practice is void.

10 (2) As used in subdivision (k)(1) of this section, "physician"
11 means a person authorized or licensed to practice medicine under the Arkansas
12 Medical Practices Act, § 17-95-201 et seq., § 17-95-301 et seq., and § 17-95-
13 401 et seq., and a person authorized to practice osteopathy under § 17-91-101
14 et seq.