

# Noncompetes Remain Enforceable in Maine Following Governor's Veto That Recognizes the Importance of Noncompetes by Employers

Article By:

Daniel R. Levy

---

On March 29, 2024, Maine Governor Janet T. Mills [vetoed a bill](#) that would have banned all employee noncompete agreements in the State of Maine. Both chambers of the Maine legislature passed L.D. 1496, *An Act to Prohibit Noncompete Clauses*, that if enacted, would have banned employers from entering into noncompete clauses with employees and would have permitted noncompete agreements in Maine in only three limited circumstances: (i) the sale of a business; (ii) a shareholder in a limited liability company who sells or disposes all of the shareholders shares; or (iii) member of a partnership if the partnership is dissolved.

Governor Mills identified several reasons supporting her decision to veto the bill, most notably that noncompetes are valuable to protect an employer's confidential information from disclosure to a commercial competitor. The Governor reasoned that the bill "ignores the fact that noncompete agreements can be critical tools to prevent employees from taking unfair advantage of their former employers." Governor Mills recognized the investment that employers place in their employees by entrusting them with their confidential information, stating that it would be "unfair and contrary to public policy" to prohibit employers from restricting their employees from bringing such confidential information to a competitor. Her message to the Maine Legislature recognized the importance of the use of noncompete agreements in the employment setting:

Whether a technology start-up or a microbrewery, businesses must hire employees and invest heavily in their training and development in order to grow. In doing so, these employees are often entrusted with manufacturing techniques, commercial strategies, or other confidential information that is integral to the success of the business. It would both be unfair and contrary to public policy to prohibit employers from requiring a commitment from their employees not to take what they have learned and immediately put that sensitive information to work for a competitor.

The Governor also referenced the fact that the state already has in place a law that "places strict limits on the use of noncompete agreements in Maine" and that there is "no evidence that the recently enacted statute is inadequate, or that noncompete agreements are being abused in Maine." Finally, Governor Mills recognized that the Federal Trade Commission (FTC) is expected to adopt new regulations governing the use of noncompete agreements and that enacting new state-level

restrictions at this time would be ill-advised.

---

In her veto message to the Maine Legislature, Governor Mills recognized that her office approached the bill's sponsor with an amendment and intimated that she would have signed the bill into law with the amendment. Presumably that amendment would have permitted the use of employee non-competes to protect employer's confidential information. Following the Governor's veto, the bill will only become law if the Maine Legislature overrides the veto by a two-thirds vote of those members present and voting of both chambers, but it is unlikely that there is enough support in the Maine Legislature to overturn the veto.

We will continue to monitor further developments in noncompete law in Maine. Businesses with employees in Maine should evaluate their non-competition agreements with their employees to ensure that they comply with [existing Maine noncompete law](#).

©2025 Epstein Becker & Green, P.C. All rights reserved.

---

National Law Review, Volume XIV, Number 92

Source URL: <https://natlawreview.com/article/noncompetes-remain-enforceable-maine-following-governors-veto-recognizes-importance>