AN ACT TO PLACE A STATUTORY LIMITATION OF 2 YEARS ON
NONCOMPETITION AGREEMENTS BETWEEN EMPLOYERS AND EMPLOYEES,
PARTNERS AND CORPORATIONS; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) Any person, including a corporation and the
individual shareholders of such corporation, who is employed as an
agent, servant or employee may agree with his employer to refrain
from carrying on or engaging in a business similar to that of the
employer and/or from soliciting customers of the employer within a
specified county or counties, municipality or municipalities, or
parts thereof, so long as the employer carried on a like business
therein, not to exceed a period of two (2) years from termination
of employment. An independent contractor, whose work is performed
pursuant to a written contract, may enter into an agreement to
refrain from carrying on or engaging in a business similar to the
business of the person with whom the independent contractor has
contracted, on the same basis as if the independent contractor
were an employee, for a period not to exceed two (2) years from
the date of the last work performed under the written contract.

(2) Upon or in anticipation of a dissolution of the
partnership, the partnership and the individual partners,
including a corporation and the individual shareholders if the
corporation is a partner, may agree that none of the partners will
carry on a similar business within the same county or counties, or
municipality or municipalities, or within specified parts thereof,
where the partnership business has been transacted, not to exceed
a period of two (2) years from the date of dissolution.
(3) Any person, including a corporation and the individual shareholders of such corporation, who sells the goodwill of a business may agree with the buyer that the seller will refrain from carrying on or engaging in a business similar to the business being sold or from soliciting customers of the business being sold within a county or counties, or municipality or municipalities, or parts thereof, so long as the buyer, or any person deriving title to the goodwill from him, carries on a like business therein, not to exceed a period of two (2) years from the date of sale.

(4) Parties to a franchise may agree that:

   (a) The franchisor shall refrain from selling, distributing or granting additional franchises to sell or distribute, within defined geographic territory, those products or services which are the subject of the franchise.

   (b) The franchisee shall:

      (i) During the term of the franchise, refrain from competing with the franchisor or other franchisees of the franchisor or engaging in any other business similar to that which is the subject of the franchise.

      (ii) For a period not to exceed two (2) years following severance of the franchise relationship, refrain from engaging in any other business similar to that which is the subject of the franchise and from competing with or soliciting the customers of the franchisor or other franchisees of the franchisor.

(5) Any agreement covered by this section shall be considered an obligation not to do, and failure to perform may entitle the obligee to recover damages for the loss sustained and the profit of which he has been deprived. In addition, upon proof of the obligor's failure to perform, and without the necessity of proving irreparable injury, a court of competent jurisdiction shall order injunctive relief enforcing the terms of the agreement.
SECTION 2. This act shall take effect and be in force from and after July 1, 2002.