



2026 South Dakota Legislature
House Bill 1180
ENROLLED

AN ACT

ENTITLED An Act to ensure the validity of non-compete agreements in the context of jointly owned business entities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That a NEW SECTION be added to chapter 53-9:

In any governing document of a business entity, or as part of a contract for the purchase, sale, or transfer of an ownership interest in the entity, the parties may agree that an owner, after the transfer of the interest in the entity, may not engage, directly or indirectly, in the same or similar type of business conducted by the entity during the owner's period of ownership, within the specified geographic area in which the entity conducts business, for a period not exceeding three years from the date of transfer.

An Act to ensure the validity of non-compete agreements in the context of jointly owned business entities.

I certify that the attached Act originated in
the:
House as Bill No. 1180

Received at this Executive Office
this ____ day of _____,
2026 at _____ M.

Chief Clerk of the House

By _____
for the Governor

Speaker of the House

The attached Act is hereby
approved this _____ day of
_____, A.D., 2026

Attest:

Chief Clerk of the House

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

President of the Senate

Attest:

Filed _____, 2026
at _____ o'clock __ M.

Secretary of the Senate

Secretary of State

House Bill No. 1180
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State