

56 or other method of the tangible or intangible assets of a business entity, or a division or
57 segment of the business entity.

58 Section 3. Section 34-51-201 is enacted to read:

59 **Part 2. Scope of Post-Employment Restrictions**

60 **34-51-201. Post-employment restrictive covenants.**

61 In addition to any requirements imposed under common law, ~~§~~→ **for a post-employment**
61a **restrictive covenant entered into on or after May 10, 2016, ←~~§~~** an employer and an
62 employee may not enter into a post-employment restrictive covenant for a period of more than
63 one year from the day on which the employee is no longer employed by the employer. A
64 post-employment restrictive covenant that violates this section is void.

65 Section 4. Section 34-51-202 is enacted to read:

66 **34-51-202. Exceptions.**

67 (1) This chapter does not prohibit a reasonable severance agreement mutually and
68 freely agreed upon in good faith at or after the time of termination that includes a
69 post-employment restrictive covenant. A severance agreement remains subject to any
70 requirements imposed under common law.

71 (2) This chapter does not prohibit a ~~§~~→ **post-employment ←~~§~~** restrictive covenant related
71a to or arising out of the
72 sale of a business, if the individual subject to the restrictive covenant receives value ~~§~~→ [**from the**
73 **transaction] related to the sale of the business ←~~§~~** .

74 Section 5. Section 34-51-301 is enacted to read:

75 **Part 3. Remedies**

76 **34-51-301. Award of arbitration costs, attorney fees and court costs, and damages.**

77 If an employer seeks to enforce a post-employment restrictive covenant through
78 arbitration or by filing a civil action and it is determined that the post-employment restrictive
79 covenant is unenforceable, the employer is liable for the employee's:

80 (1) costs associated with arbitration;

81 (2) attorney fees and court costs; and

82 (3) actual damages.