

Katy Hall proposes the following substitute bill:

1 **Healthcare Worker Post-employment Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Katy Hall

Senate Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill amends provisions relating to a non-compete agreement for a healthcare worker.

5 **Highlighted Provisions:**

6 This bill:

7 ▶ defines terms;

8 ▶ makes void a non-compete agreement entered into between an employer and a healthcare
9 worker;

10 ▶ makes void a nonsolicitation agreement between a person and a healthcare worker under
11 certain circumstances; and

12 ▶ makes technical changes.

13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 None

17 **Utah Code Sections Affected:**

18 **AMENDS:**

19 **34-51-102**, as last amended by Laws of Utah 2018, Chapter 465

20 **34-51-201**, as last amended by Laws of Utah 2019, Chapter 132

21 **34-51-202**, as enacted by Laws of Utah 2016, Chapter 153

22 **34-51-301**, as enacted by Laws of Utah 2016, Chapter 153

23 **34A-5-114**, as last amended by Laws of Utah 2025, Chapters 173, 425

24 **ENACTS:**

25 **34-51-203**, Utah Code Annotated 1953

26 **REPEALS:**

27 **34-51-101**, as enacted by Laws of Utah 2016, Chapter 153

29
30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section **34-51-102** is amended to read:

32 **34-51-102 . Definitions.**

33 As used in this chapter:

34 (1) "Broadcasting employee" means an employee of a broadcasting company.

35 (2) "Broadcasting company" means a person engaged in the business of:

36 (a) distributing or transmitting electronic or electromagnetic signals to the general public
37 using one or more of the following:

38 (i) television;

39 (ii) cable; or

40 (iii) radio; or

41 (b) preparing, developing, or creating one or more programs or messages for distribution
42 or transmission by means described in Subsection (2)(a).

43 (3) "Exempt broadcasting employee" means a broadcasting employee who is compensated
44 on a salary basis, as defined in 29 C.F.R. Sec. 541.602, at a rate equal to or greater than
45 the greater of:

46 (a) \$913 per week, or an equivalent amount if calculated for a period longer than one
47 week; or

48 (b) the rate at which an employee qualifies as exempt under the Fair Labor Standards
49 Act, 29 U.S.C. Sec. 213(a) on a salary basis as defined in 29 C.F.R. Part 541.

50 (4) "Healthcare non-compete agreement" means an agreement between a person and a
51 healthcare worker within which the healthcare worker agrees that, after the day on which
52 the healthcare worker no longer works for or with the person, the healthcare worker will
53 not engage in a service that the healthcare worker may provide under the scope of the
54 healthcare worker's license:

55 (a) for a restricted period of time; or

56 (b) within a specific geographic area.

57 (5) "Healthcare worker" means an individual licensed and practicing as:

58 (a) an advanced practice registered nurse intern under Title 58, Chapter 31b, Nurse
59 Practice Act;

60 (b) an advanced practice registered nurse under Title 58, Chapter 31b, Nurse Practice
61 Act;

62 (c) an advanced practice registered nurse - CRNA without prescriptive practice under

63 Title 58, Chapter 31b, Nurse Practice Act;

64 (d) an associate marriage and family therapist under Section 58-60-304;

65 (e) a behavioral health coach under Section 58-60-603;

66 (f) a behavioral health technician under Section 58-60-603;

67 (g) a certified dietitian as that term is defined in Section 58-49-2;

68 (h) a certified psychology resident under Title 58, Chapter 60, Part 4, Clinical Mental
69 Health Counselor Licensing Act;

70 (i) a certified social worker under Title 58, Chapter 60, Part 2, Social Worker Licensing
71 Act;

72 (j) a clinical mental health counselor under Title 58, Chapter 60, Part 4, Clinical Mental
73 Health Counselor Licensing Act;

74 (k) a clinical social worker under Title 58, Chapter 60, Part 2, Social Worker Licensing
75 Act;

76 (l) a dentist as that term is defined in Section 58-69-102;

77 (m) a genetic counselor as that term is defined in Section 58-75-102;

78 (n) a licensed assistant behavior analyst under Title 58, Chapter 61, Part 7, Behavior
79 Analyst Licensing Act;

80 (o) a licensed behavior analyst under Title 58, Chapter 61, Part 7, Behavior Analyst
81 Licensing Act;

82 (p) a licensed massage therapist as that term is defined in Section 58-47b-102;

83 (q) a licensed practical nurse under Title 58, Chapter 31b, Nurse Practice Act;

84 (r) a marriage and family therapist under Section 58-60-304;

85 (s) a medication aide certified as that term is defined in Section 58-31b-102;

86 (t) a mental health therapist as that term is defined in Section 58-60-102;

87 (u) a naturopathic physician as that term is defined in Section 58-71-102;

88 (v) a nurse midwife as that term is defined in Section 58-44a-102;

89 (w) an optometrist as that term is defined in Section 58-16a-102;

90 (x) a physical therapist under Section 58-24b-302;

91 (y) a physician as that term is defined in Section 58-68-102;

92 (z) a physician assistant as that term is defined in Section 58-70a-102;

93 (aa) a psychologist under Section 58-61-301;

94 (bb) a podiatric physician under Section 58-5a-301;

95 (cc) a radiology practitioner as that term is defined in Section 58-54-102;

96 (dd) a registered nurse under Title 58, Chapter 31b, Nurse Practice Act;

97 (ee) a respiratory care practitioner as that term is defined in Section 58-57-2;
98 (ff) a social service worker under Title 58, Chapter 60, Part 2, Social Worker Licensing
99 Act; or
100 (gg) a substance use disorder counselor under Title 58, Chapter 60, Part 5, Substance
101 Use Disorder Counselor Act.

102 (6) "Nonsolicitation agreement" means an agreement, between a person and an individual
103 who works for or with the person, in which the individual agrees that on or after the day
104 on which the individual no longer works for or with the person, the individual will not
105 solicit the person's clients, customers, or employees.

106 [(4)] (7)(a) ["Post-employment restrictive covenant," also known as a "covenant not to
107 compete" or "noncompete agreement,"] "Non-compete agreement" means an
108 agreement, written or oral, between an employer and employee under which the
109 employee agrees that on or after the day on which the employer no longer employs
110 the employee, the employee, either alone or as an employee of another person, will
111 not compete with the employer in providing [products, processes, or services] a
112 product, process, or service that [are] is similar to the employer's [products, processes,
113 or services] product, process, or service.

114 (b) ["Post-employment restrictive covenant"] "Non-compete agreement" does not include[
115 nonsolicitation agreements or nondisclosure or confidentiality agreements.] :
116 (i) a nonsolicitation agreement;
117 (ii) a nondisclosure agreement; or
118 (iii) a confidentiality agreement.

119 [(5)] (8) "Sale of a business" means a transfer of the ownership by sale, acquisition, merger,
120 or other method of the tangible or intangible assets of a business entity, or a division or
121 segment of the business entity.

122 Section 2. Section **34-51-201** is amended to read:

123 **34-51-201 . Non-compete agreements.**

124 (1)(a) Except as provided in Subsection (2) and in addition to any requirements imposed
125 under common law, for a [post-employment restrictive covenant] non-compete
126 agreement entered into on or after May 10, 2016, an employer and an employee may
127 not enter into a [post-employment restrictive covenant] non-compete agreement for a
128 period of more than one year from the day on which the employee is no longer
129 employed by the employer.

130 (b) On or after May 6, 2026, a person and a healthcare worker may not enter into a

healthcare non-compete agreement.

(c) [-]A [post-employment restrictive covenant] non-compete agreement that violates this [subsektion] Subsection (1) is void.

(2)(a) Subject to Subsection (2)(b), a [post-employment restrictive covenant]

non-compete agreement between a broadcasting company and a broadcasting employee is valid only if:

- (i) the broadcasting employee is an exempt broadcasting employee;
- (ii) the ~~post-employment restrictive covenant~~ non-compete agreement is part of a written employment contract of reasonable duration, based on industry standards, the position, the broadcasting employee's experience, geography, and the parties' unique circumstances; and

(iii)(A) the broadcasting company terminates the broadcasting employee for cause; or

(B) the broadcasting employee breaches the employment contract in a manner that results in the broadcasting employee no longer being employed by the broadcasting company.

(b) A [post-employment restrictive covenant] non-compete agreement described in Subsection (2)(a) is enforceable for no longer than the earlier of:

(i) one year after the day on which the broadcasting employee is no longer employed by the broadcasting company; or

(ii) the day on which the original term of the employment contract containing the [post-employment restrictive covenant] non-compete agreement ends.

(c) A [post-employment restrictive covenant] non-compete agreement between a broadcasting company and a broadcasting employee that does not comply with subsection] Subsection (2) is void.

(3) Nothing in this section affects an agreement that is not a:

- (a) non-compete agreement; or
- (b) healthcare non-compete agreement.

Section 3. Section **34-51-202** is amended to read:

34-51-202 . Exceptions.

(1) This chapter does not prohibit[-] :

(a) a reasonable severance agreement mutually and freely agreed upon in good faith at or after the time of termination that includes a [post-employment restrictive covenant]. A severance agreement remains subject to any requirements imposed under common

165 law.] non-compete agreement; or
166 [(2)] (b) [This chapter does not prohibit a post-employment restrictive covenant] a
167 non-compete agreement related to or arising out of the sale of a business, if the
168 individual subject to the [restrictive covenant] non-compete agreement receives value
169 related to the sale of the business.

170 (2) Notwithstanding Subsection (1)(a), a severance agreement remains subject to any
171 requirements imposed under common law.

172 Section 4. Section **34-51-203** is enacted to read:

173 **34-51-203 . Nonsolicitation agreements.**

174 (1) On or after May 6, 2026, a person and a healthcare worker may not enter into
175 nonsolicitation agreement that prevents a healthcare worker from informing a patient of
176 any of the following:
177 (a) the healthcare worker's current place of employment; or
178 (b) the healthcare worker's future place of employment.

179 (2) A nonsolicitation agreement that violates Subsection (1) is void.

180 Section 5. Section **34-51-301** is amended to read:

181 **34-51-301 . Award of arbitration costs, attorney fees and court costs, and**
182 **damages.**

183 If an employer seeks to enforce a [post-employment restrictive covenant] non-compete
184 agreement through arbitration or by filing a civil action and it is determined that the [
185 ~~post-employment restrictive covenant~~] non-compete agreement is unenforceable, the employer
186 is liable for the employee's:

187 (1) costs associated with arbitration;
188 (2) attorney fees and court costs; and
189 (3) actual damages.

190 Section 6. Section **34A-5-114** is amended to read:

191 **34A-5-114 . Limitations on enforceability of nondisclosure and**
192 **non-disparagement clauses -- Retaliation prohibited.**

193 (1) As used in this section:

194 (a) "Confidentiality clause" means a nondisclosure clause or a non-disparagement clause.
195 (b) "Employee" means a current or a former employee.
196 (c) "Nondisclosure clause" means an agreement between an employee and employer that
197 prevents, or has the effect of preventing, an employee from disclosing or discussing:
198 (i) sexual assault;

199 (ii) allegations of sexual assault;

200 (iii) sexual harassment; or

201 (iv) allegations of sexual harassment.

202 (d) "Non-compete agreement" means the same as that term is defined in Section
203 34-51-102.

204 [(d)] (e) "Non-disparagement clause" means an agreement between an employee and
205 employer that prohibits, or has the effect of prohibiting, an employee from making a
206 negative statement that is:

207 (i) about the employer; and

208 (ii) related to:

209 (A) a claim of sexual assault or sexual harassment;

210 (B) a sexual assault dispute; or

211 (C) a sexual harassment dispute.

212 [(e) "Post-employment restrictive covenant" means the same as that term is defined in
213 Section 34-51-102.]

214 (f) "Proprietary information" means an employer's business plan or customer
215 information.

216 (g) "Retaliate" means taking an adverse action against an employee because the
217 employee made an allegation of sexual harassment or assault, including:
218 (i) discharge;
219 (ii) suspension;
220 (iii) demotion; or
221 (iv) discrimination in the terms, conditions, or privileges of employment.

222 (h)(i) "Sexual assault" means:

223 (A) conduct that would constitute a violation of 18 U.S.C. Secs. 2241 through
224 2244; or

225 (B) criminal conduct described in Title 76, Chapter 5, Part 4, Sexual Offenses.

226 (ii) "Sexual assault" does not include criminal conduct described in:

227 (A) Section 76-5-417, enticing a minor;

228 (B) Section 76-5-418, sexual battery;

229 (C) Section 76-5-419, lewdness; or

230 (D) Section 76-5-420, lewdness involving a child.

231 (i) "Sexual assault dispute" means a dispute between an employer and the employer's
232 employee relating to alleged sexual assault.

233 (j) "Sexual harassment" means harassment on the basis of sex, sexual orientation, or
234 gender, as prohibited in:
235 (i) Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sec. 2000e et seq.; or
236 (ii) Subsection 34A-5-106(1)(a)(i).
237 (k) "Sexual harassment dispute" means a dispute between an employer and the
238 employer's employee relating to alleged sexual harassment.
239 (2)(a) A confidentiality clause regarding sexual misconduct, as a condition of
240 employment, is against public policy and is void and unenforceable.
241 (b) After an employee makes an allegation of sexual harassment or sexual assault, an
242 employer of any sized business, regardless of Subsection 34-5-102(1)(i)(D):
243 (i) may not retaliate against the employee because the employee made an allegation
244 of sexual harassment or assault; or
245 (ii) may not retaliate based on an employee's refusal to enter into a confidentiality
246 clause or an employment contract that, as a condition of employment, contains a
247 confidentiality clause.
248 (c) An employee may, within three business days after the day on which the employee
249 agrees to a settlement agreement that includes a confidentiality clause regarding
250 sexual misconduct, withdraw from the settlement agreement.
251 (3) An employer who attempts to enforce a confidentiality clause in violation of this section:
252 (a) is liable for all costs, including reasonable attorney fees, resulting from legal action
253 to enforce the confidentiality clause; and
254 (b) is not entitled to monetary damages resulting from a breach of a confidentiality
255 clause.
256 (4) This section does not:
257 (a) prohibit an agreement between an employee who alleges sexual assault or sexual
258 harassment and an employer from containing a nondisclosure clause, a
259 non-disparagement clause, or any other clause prohibiting disclosure of:
260 (i) the amount of a monetary settlement; or
261 (ii) at the request of the employee, facts that could reasonably lead to the
262 identification of the employee;
263 (b) prohibit an employer from requiring an employee to:
264 (i) sign a [post-employment restrictive covenant] non-compete agreement; or
265 (ii) agree not to disclose an employer's non-public trade secrets, proprietary
266 information, or confidential information that does not involve illegal acts;

267 (c) authorize an employee to:

268 (i) disclose data otherwise protected by law or legal privilege; or

269 (ii) knowingly make statements or disclosures that are false or made with reckless

270 disregard of the truth;

271 (d) prohibit an employee from discussing sexual misconduct or allegations of sexual

272 misconduct in a civil or criminal case when subpoenaed if the sexual misconduct or

273 allegations of sexual misconduct are against the individual whom the employee

274 alleged engaged in sexual misconduct;

275 (e) permit a disclosure that would violate state or federal law; or

276 (f) limit other grounds that may exist at law or in equity for the unenforceability of a

277 confidentiality clause.

278 **Section 7. Repealer.**

279 This bill repeals:

280 **Section 34-51-101, Title.**

281 **Section 8. Effective Date.**

282 This bill takes effect on May 6, 2026.