

**Jen Plumb** proposes the following substitute bill:

**Veterinary Post-employment Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jen Plumb**

House Sponsor: Katy Hall

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to veterinarians.

**Highlighted Provisions:**

This bill:

- defines terms;
- provides that a veterinarian non-compete agreement that a veterinarian and a person enter into on or after May 6, 2026, is void;
- provides that if a veterinarian has a 5% ownership interest in a person's business, the veterinarian and the person may enter into a non-compete agreement;
- makes void a provision requiring that a dispute arising from a veterinarian non-compete agreement be resolved outside of this state;
- provides that a nondisclosure clause or a nonsolicitation agreement that a person and a veterinarian enter into on or after May 6, 2026, is void;
- amends provisions providing for an award of damages and attorney fees for a nonsolicitation agreement or a nondisclosure clause;
- provides a coordination clause between this bill and H.B. 270, Healthcare Worker Post-employment Amendments; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a coordination clause.

**Utah Code Sections Affected:**

AMENDS:

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

- 29           **34-51-201**, as last amended by Laws of Utah 2019, Chapter 132  
 30           **34-51-202**, as enacted by Laws of Utah 2016, Chapter 153  
 31           **34-51-301**, as enacted by Laws of Utah 2016, Chapter 153  
 32           **34A-5-114**, as last amended by Laws of Utah 2025, Chapters 173, 425

## ENACTS:

- 34           **34-51-205**, Utah Code Annotated 1953  
 35           **34-51-206**, Utah Code Annotated 1953

## REPEALS:

- 37           **34-51-101**, as enacted by Laws of Utah 2016, Chapter 153

**Utah Code Sections affected by Coordination Clause:**

- 39           **34-51-201 (05/06/26)**, as last amended by Laws of Utah 2019, Chapter 132

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41 *Be it enacted by the Legislature of the state of Utah:*

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

43           **34-51-102 . Definitions.**

44           As used in this chapter:

- 45           (1) "Broadcasting employee" means an employee of a broadcasting company.  
 46           (2) "Broadcasting company" means a person engaged in the business of:  
 47           (a) distributing or transmitting electronic or electromagnetic signals to the general public  
 48           using one or more of the following:  
 49           (i) television;  
 50           (ii) cable; or  
 51           (iii) radio; or  
 52           (b) preparing, developing, or creating one or more programs or messages for distribution  
 53           or transmission by means described in Subsection (2)(a).  
 54           (3) "Exempt broadcasting employee" means a broadcasting employee who is compensated  
 55           on a salary basis, as defined in 29 C.F.R. Sec. 541.602, at a rate equal to or greater than  
 56           the greater of:  
 57           (a) \$913 per week, or an equivalent amount if calculated for a period longer than one  
 58           week; or  
 59           (b) the rate at which an employee qualifies as exempt under the Fair Labor Standards  
 60           Act, 29 U.S.C. Sec. 213(a) on a salary basis as defined in 29 C.F.R. Part 541.  
 61           (4)(a) [~~"Post-employment restrictive covenant," also known as a "covenant not to~~  
 62           ~~compete" or "noncompete]~~ "Non-compete agreement[;]" means an agreement, written

63 or oral, between an employer and employee under which the employee agrees that on  
 64 or after the day on which the employer no longer employs the employee, the  
 65 employee, either alone or as an employee of another person, will not compete with  
 66 the employer in providing [products, processes, or services] a product, process, or  
 67 service that [are] is similar to the employer's [products, processes, or services] product,  
 68 process, or service.

69 (b) [~~Post-employment restrictive covenant~~] "Non-compete agreement" does not include:

70 (i) [-] a nonsolicitation [agreements] agreement;

71 (ii) [~~or~~] a nondisclosure agreement; or

72 (iii) [-] a confidentiality [agreements] agreement.

73 (5) "Nondisclosure clause" means an agreement, between a person and an individual who  
 74 works for or with the person, that prevents, or has the effect of preventing, the individual  
 75 from disclosing or discussing information the individual learned as a result of the  
 76 individual working for or with the person.

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

81 [(5)] (7) "Sale of a business" means a transfer of the ownership by sale, acquisition, merger,  
 82 or other method of the tangible or intangible assets of a business entity, or a division or  
 83 segment of the business entity.

84 (8) "Veterinarian" means the same as that term is defined in Section 58-28-102.

85 (9) "Veterinarian non-compete agreement" means an agreement between a veterinarian and  
 86 a person under which the veterinarian agrees that after the day on which the veterinarian  
 87 no longer works for or with the person, the veterinarian will not:

88 (a) compete with the person in providing a product, process, or service that is similar to  
 89 the person's product, process, or service; or

90 (b) work within a specific geographic area.

91 *The following section is affected by a coordination clause at the end of this bill.*

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

93 **Part 2. Non-compete Agreements, Nondisclosure Clauses, and Nonsolicitation**

94

### Agreements

95 **34-51-201 . Non-compete agreements.**

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

102 (b) [-]A [~~post-employment restrictive covenant~~] non-compete agreement that violates this [  
103 ~~subsection~~] Subsection (1) is void.

104 (2)(a) Subject to Subsection (2)(b), a [~~post-employment restrictive covenant~~]  
105 non-compete agreement between a broadcasting company and a broadcasting  
106 employee is valid only if:

107 (i) the broadcasting employee is an exempt broadcasting employee;

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

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

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

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

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

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

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

126 (3)(a) Subject to Subsection (3)(b), on or after May 6, 2026, a person and a veterinarian  
127 may not enter into a veterinarian non-compete agreement.

128 (b) Subsection (3)(a) does not apply if the veterinarian has at least a 5% ownership

129 interest in the person's business.

130 (c) A veterinarian non-compete agreement that violates this Subsection (3) is void.

131 (4) If a provision in a veterinarian non-compete agreement entered into on or after May 6,  
 132 2026, requires that the parties to a dispute arising under the veterinarian non-compete  
 133 agreement resolve the dispute in a forum outside of this state, the provision:

134 (a) is void and unenforceable; and

135 (b) is considered against the public policy of this state.

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

137 (a) non-compete agreement; or

138 (b) veterinarian non-compete agreement.

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

140 **34-51-202 . Exceptions for non-compete agreements.**

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

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

146 [(2)] (b) [This chapter does not prohibit a post-employment restrictive covenant] a  
 147 non-compete agreement related to or arising out of the sale of a business, if the  
 148 individual subject to the [~~restrictive covenant~~] non-compete agreement receives value  
 149 related to the sale of the business.

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

152 Section 4. Section **34-51-205** is enacted to read:

153 **34-51-205 . Nondisclosure clauses.**

154 (1) On or after May 6, 2026, a person and a veterinarian may not enter into a nondisclosure  
 155 clause in which the individual agrees to not disclose or discuss the individual's  
 156 experience working for or with the person.

157 (2) A nondisclosure clause that violates this section is void.

158 Section 5. Section **34-51-206** is enacted to read:

159 **34-51-206 . Nonsolicitation agreements.**

160 (1) On or after May 6, 2026, a person and a veterinarian may not enter into a nonsolicitation  
 161 agreement.

162 (2) A nonsolicitation agreement that violates this section is void.

163 Section 6. Section **34-51-301** is amended to read:

164 **34-51-301 . Award of arbitration costs, attorney fees and court costs, and**  
 165 **damages.**

166 If an employer seeks to enforce a [~~post-employment restrictive covenant~~] non-compete  
 167 agreement, nondisclosure clause, or nonsolicitation agreement through arbitration or by filing  
 168 a civil action and it is determined that the [~~post-employment restrictive covenant~~] non-compete  
 169 agreement, nondisclosure clause, or nonsolicitation agreement is unenforceable, the employer  
 170 is liable for the employee's:

- 171 (1) costs associated with arbitration;
- 172 (2) attorney fees and court costs; and
- 173 (3) actual damages.

174 Section 7. Section **34A-5-114** is amended to read:

175 **34A-5-114 . Limitations on enforceability of nondisclosure and**  
 176 **non-disparagement clauses -- Retaliation prohibited.**

177 (1) As used in this section:

- 178 (a) "Confidentiality clause" means a nondisclosure clause or a non-disparagement clause.
- 179 (b) "Employee" means a current or a former employee.
- 180 (c) "Non-compete agreement" means the same as that term is defined in Section
- 181 34-51-102.

182 [(e)] (d) "Nondisclosure clause" means an agreement between an employee and employer  
 183 that prevents, or has the effect of preventing, an employee from disclosing or  
 184 discussing:

- 185 (i) sexual assault;
- 186 (ii) allegations of sexual assault;
- 187 (iii) sexual harassment; or
- 188 (iv) allegations of sexual harassment.

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

- 192 (i) about the employer; and
- 193 (ii) related to:
  - 194 (A) a claim of sexual assault or sexual harassment;
  - 195 (B) a sexual assault dispute; or
  - 196 (C) a sexual harassment dispute.

- 197            [(e) "~~Post-employment restrictive covenant~~" means the same as that term is defined in  
198            Section 34-51-102.]
- 199            (f) "Proprietary information" means an employer's business plan or customer  
200            information.
- 201            (g) "Retaliate" means taking an adverse action against an employee because the  
202            employee made an allegation of sexual harassment or assault, including:  
203            (i) discharge;  
204            (ii) suspension;  
205            (iii) demotion; or  
206            (iv) discrimination in the terms, conditions, or privileges of employment.
- 207            (h)(i) "Sexual assault" means:  
208                    (A) conduct that would constitute a violation of 18 U.S.C. Secs. 2241 through  
209                    2244; or  
210                    (B) criminal conduct described in Title 76, Chapter 5, Part 4, Sexual Offenses.  
211            (ii) "Sexual assault" does not include criminal conduct described in:  
212                    (A) Section 76-5-417, enticing a minor;  
213                    (B) Section 76-5-418, sexual battery;  
214                    (C) Section 76-5-419, lewdness; or  
215                    (D) Section 76-5-420, lewdness involving a child.
- 216            (i) "Sexual assault dispute" means a dispute between an employer and the employer's  
217            employee relating to alleged sexual assault.
- 218            (j) "Sexual harassment" means harassment on the basis of sex, sexual orientation, or  
219            gender, as prohibited in:  
220                    (i) Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sec. 2000e et seq.; or  
221                    (ii) Subsection 34A-5-106(1)(a)(i).
- 222            (k) "Sexual harassment dispute" means a dispute between an employer and the  
223            employer's employee relating to alleged sexual harassment.
- 224            (2)(a) A confidentiality clause regarding sexual misconduct, as a condition of  
225            employment, is against public policy and is void and unenforceable.
- 226            (b) After an employee makes an allegation of sexual harassment or sexual assault, an  
227            employer of any sized business, regardless of Subsection 34-5-102(1)(i)(D):  
228                    (i) may not retaliate against the employee because the employee made an allegation  
229                    of sexual harassment or assault; or  
230                    (ii) may not retaliate based on an employee's refusal to enter into a confidentiality

231 clause or an employment contract that, as a condition of employment, contains a  
232 confidentiality clause.

233 (c) An employee may, within three business days after the day on which the employee  
234 agrees to a settlement agreement that includes a confidentiality clause regarding  
235 sexual misconduct, withdraw from the settlement agreement.

236 (3) An employer who attempts to enforce a confidentiality clause in violation of this section:

237 (a) is liable for all costs, including reasonable attorney fees, resulting from legal action  
238 to enforce the confidentiality clause; and

239 (b) is not entitled to monetary damages resulting from a breach of a confidentiality  
240 clause.

241 (4) This section does not:

242 (a) prohibit an agreement between an employee who alleges sexual assault or sexual  
243 harassment and an employer from containing a nondisclosure clause, a  
244 non-disparagement clause, or any other clause prohibiting disclosure of:

245 (i) the amount of a monetary settlement; or

246 (ii) at the request of the employee, facts that could reasonably lead to the  
247 identification of the employee;

248 (b) prohibit an employer from requiring an employee to:

249 (i) sign a [~~post-employment restrictive covenant~~] non-compete agreement; or

250 (ii) agree not to disclose an employer's non-public trade secrets, proprietary  
251 information, or confidential information that does not involve illegal acts;

252 (c) authorize an employee to:

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

254 (ii) knowingly make statements or disclosures that are false or made with reckless  
255 disregard of the truth;

256 (d) prohibit an employee from discussing sexual misconduct or allegations of sexual  
257 misconduct in a civil or criminal case when subpoenaed if the sexual misconduct or  
258 allegations of sexual misconduct are against the individual whom the employee  
259 alleged engaged in sexual misconduct;

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

261 (f) limit other grounds that may exist at law or in equity for the unenforceability of a  
262 confidentiality clause.

263 **Section 8. Repealer.**

264 This bill repeals:

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

266 Section 9. **Effective Date.**

267 This bill takes effect on May 6, 2026.

268 Section 10. **Coordinating S.B. 111 with H.B. 270.**

269 If S.B. 111, Veterinary Post-employment Amendments, and H.B. 270, Healthcare

270 Worker Post-employment Amendments, both pass and become law, the Legislature intends

271 that, on May 6, 2026:

272 (a) Subsection 34-51-201(3) enacted by H.B. 270 be omitted; and

273 (b) Subsection 34-51-201(5) enacted by S.B. 111 be amended to read:

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

275 (a) non-compete agreement;

276 (b) healthcare non-compete agreement; or

277 (c) veterinarian non-compete agreement."