

Senator Ed Mayne proposes the following substitute bill:

EMPLOYEE NONCOMPETITION CONTRACTS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Ed Mayne

LONG TITLE

General Description:

This bill modifies the Judicial Code to address employee noncompetition contracts.

Highlighted Provisions:

This bill:

- provides when noncompetition contracts are unenforceable.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

78-27-65, Utah Code Annotated 1953

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

Section 1. Section 78-27-65 is enacted to read:

78-27-65. Employment related to noncompetition contracts.

A provision of a contract between an employer and an employee that restricts or prohibits the employee from competing with the employer after the employee no longer works for the employer may not be enforced if the employee's employment is terminated pursuant to a



26 reduction in force.