

1 **POST-EMPLOYMENT RESTRICTIONS AMENDMENTS**

2 2018 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Mike Schultz**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions of the Post-employment Restrictions Act.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ prohibits an employer and an employee from entering into a post-employment
14 restrictive covenant if the employer's primary business is news media; and
- 15 ▶ makes technical and conforming changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **34-51-102**, as enacted by Laws of Utah 2016, Chapter 153

23 **34-51-201**, as enacted by Laws of Utah 2016, Chapter 153

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

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

27 **34-51-102. Definitions.**



28 As used in this chapter:

29 (1) (a) "News media" means a printed, photographic, electromagnetic, or electronic
30 means of disseminating news to the general public.

31 (b) "News media" includes a newspaper, magazine, press association, news agency,
32 wire service, radio station, television station, and television network.

33 ~~[(1)]~~ (2) (a) "Post-employment restrictive covenant," also known as a "covenant not to
34 compete" or "noncompete agreement," means an agreement, written or oral, between an
35 employer and employee under which the employee agrees that the employee, either alone or as
36 an employee of another person, will not compete with the employer in providing products,
37 processes, or services that are similar to the employer's products, processes, or services.

38 (b) "Post-employment restrictive covenant" does not include nonsolicitation
39 agreements or nondisclosure or confidentiality agreements.

40 ~~[(2)]~~ (3) "Sale of a business" means a transfer of the ownership by sale, acquisition,
41 merger, or other method of the tangible or intangible assets of a business entity, or a division or
42 segment of the business entity.

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

44 **34-51-201. Post-employment restrictive covenants.**

45 (1) In addition to any requirements imposed under common law, for a
46 post-employment restrictive covenant entered into on or after May 10, 2016, an employer and
47 an employee may not enter into a post-employment restrictive covenant for a period of more
48 than one year from the day on which the employee is no longer employed by the employer.

49 (2) An employer and an employee may not enter into a post-employment restrictive
50 covenant if the employer's primary business is news media.

51 (3) A post-employment restrictive covenant that violates this section is void.