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	CONTRACT AMENDMENTS
	2019 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: Mike Schultz
	Senate Sponsor: Daniel Hemmert
L	ONG TITLE
G	General Description:
	This bill modifies provisions related to the enforceability of certain agreements.
H	lighlighted Provisions:
	This bill:
	 modifies the permissible duration of an employment contract that contains a
po	ost-employment restrictive covenant for a broadcasting employee; and
	 limits the enforcement of an agreement or stipulation to confess judgment.
N	Ioney Appropriated in this Bill:
	None
0	Other Special Clauses:
	None
U	Itah Code Sections Affected:
A	MENDS:
	34-51-201, as last amended by Laws of Utah 2018, Chapter 465
E	NACTS:
	78B-22-101, Utah Code Annotated 1953
	78B-22-102, Utah Code Annotated 1953
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B	e it enacted by the Legislature of the state of Utah:
	Section 1. Section 34-51-201 is amended to read:
	34-51-201. Post-employment restrictive covenants.
	(1) Except as provided in Subsection (2) and in addition to any requirements imposed

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30	under common law, for a post-employment restrictive covenant entered into on or after May
31	10, 2016, an employer and an employee may not enter into a post-employment restrictive
32	covenant for a period of more than one year from the day on which the employee is no longer
33	employed by the employer. A post-employment restrictive covenant that violates this
34	subsection is void.
35	(2) (a) Subject to Subsection (2)(b), a post-employment restrictive covenant between a
36	broadcasting company and a broadcasting employee is valid only if:
37	(i) the broadcasting employee is an exempt broadcasting employee;
38	(ii) the post-employment restrictive covenant is part of a written employment contract
39	[with a term of no more than four years] of reasonable duration, based on industry standards,
40	the position, the broadcasting employee's experience, geography, and the parties' unique
41	circumstances; and
42	(iii) (A) the broadcasting company terminates the broadcasting employee for cause; or
43	(B) the broadcasting employee breaches the employment contract in a manner that
44	results in the broadcasting employee no longer being employed by the broadcasting company.
45	(b) A post-employment restrictive covenant described in Subsection (2)(a) is
46	enforceable for no longer than the earlier of:
47	(i) one year after the day on which the broadcasting employee is no longer employed by
48	the broadcasting company; or
49	(ii) the day on which the original term of the employment contract containing the
50	post-employment restrictive covenant ends.
51	(c) A post-employment restrictive covenant between a broadcasting company and a
52	broadcasting employee that does not comply with this subsection is void.
53	Section 2. Section 78B-22-101 is enacted to read:
54	Part 22. Agreements to Confess Judgment
55	78B-22-101. Definitions.
56	Reserved
57	Section 3. Section 78B-22-102 is enacted to read:

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58 <u>78B-22-102.</u> Certain agreements to confess judgment void.

- 59 An agreement or stipulation to confess judgment is void if the agreement or stipulation
- 60 <u>is executed:</u>
- 61 (1) on or after May 14, 2019; and
- 62 (2) before a default giving rise to an action in which the judgment under the agreement
- 63 <u>or stipulation is to be confessed.</u>