

1                   **POST-EMPLOYMENT RESTRICTIONS AMENDMENTS**

2                                   2019 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Mike Schultz**

5                                   Senate Sponsor: Daniel Hemmert

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7   **LONG TITLE**

8   **General Description:**

9           This bill modifies provisions of the Post-employment Restrictions Act relating to  
10 broadcasting employees and broadcasting companies.

11 **Highlighted Provisions:**

12           This bill:

13           ▶ modifies the permissible duration of an employment contract that contains a  
14 post-employment restrictive covenant for a broadcasting employee.

15 **Money Appropriated in this Bill:**

16           None

17 **Other Special Clauses:**

18           None

19 **Utah Code Sections Affected:**

20 AMENDS:

21           **34-51-201**, as last amended by Laws of Utah 2018, Chapter 465

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

24           Section 1. Section **34-51-201** is amended to read:

25           **34-51-201. Post-employment restrictive covenants.**

26           (1) Except as provided in Subsection (2) and in addition to any requirements imposed  
27 under common law, for a post-employment restrictive covenant entered into on or after May



28 10, 2016, an employer and an employee may not enter into a post-employment restrictive  
29 covenant for a period of more than one year from the day on which the employee is no longer  
30 employed by the employer. A post-employment restrictive covenant that violates this  
31 subsection is void.

32 (2) (a) Subject to Subsection (2)(b), a post-employment restrictive covenant between a  
33 broadcasting company and a broadcasting employee is valid only if:

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

35 (ii) the post-employment restrictive covenant is part of a written employment contract  
36 [~~with a term of no more than four years~~] of reasonable duration, based on industry standards,  
37 the position, the broadcasting employee's experience, geography, and the parties' unique  
38 circumstances; and

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

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

42 (b) A post-employment restrictive covenant described in Subsection (2)(a) is  
43 enforceable for no longer than the earlier of:

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

46 (ii) the day on which the original term of the employment contract containing the  
47 post-employment restrictive covenant ends.

48 (c) A post-employment restrictive covenant between a broadcasting company and a  
49 broadcasting employee that does not comply with this subsection is void.