

## HB0199S01 compared with HB0199

~~{deleted text}~~ shows text that was in HB0199 but was deleted in HB0199S01.

Inserted text shows text that was not in HB0199 but was inserted into HB0199S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

~~{POST-EMPLOYMENT RESTRICTIONS}~~ Senate Committee proposes the following substitute bill:

### CONTRACT AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mike Schultz**

Senate Sponsor: ~~{\_\_\_\_\_}~~ Daniel Hemmert

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#### LONG TITLE

##### General Description:

This bill modifies provisions ~~{of}~~ related to the ~~{Post-employment Restrictions Act relating to broadcasting employees and broadcasting companies}~~ enforceability of certain agreements.

##### Highlighted Provisions:

This bill:

- ▶ modifies the permissible duration of an employment contract that contains a post-employment restrictive covenant for a broadcasting employee ~~{;}~~ and
- ▶ limits the enforcement of an agreement or stipulation to confess judgment.

##### Money Appropriated in this Bill:

None

##### Other Special Clauses:

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None

### Utah Code Sections Affected:

AMENDS:

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

ENACTS:

**78B-22-101, Utah Code Annotated 1953**

**78B-22-102, Utah Code Annotated 1953**

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*Be 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 under common law, for a post-employment restrictive covenant entered into on or after May 10, 2016, an employer and an employee may not enter into a post-employment restrictive covenant for a period of more than one year from the day on which the employee is no longer employed by the employer. A post-employment restrictive covenant that violates this subsection is void.

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

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

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

(iii) (A) the broadcasting company terminates the broadcasting employee for cause; or  
(B) the broadcasting employee breaches the employment contract in a manner that results in the broadcasting employee no longer being employed by the broadcasting company.

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

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

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

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

Section 2. Section 78B-22-101 is enacted to read:

### **Part 22. Agreements to Confess Judgment**

#### **78B-22-101. Definitions.**

Reserved

Section 3. Section 78B-22-102 is enacted to read:

#### **78B-22-102. Certain agreements to confess judgment void.**

An agreement or stipulation to confess judgment is void if the agreement or stipulation is executed:

(1) on or after May 14, 2019; and

(2) before a default giving rise to an action in which the judgment under the agreement or stipulation is to be confessed.