

POST-EMPLOYMENT RESTRICTIONS AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Post-employment Restrictions Act.

Highlighted Provisions:

This bill:

▶ provides that a post-employment restrictive covenant is void if:

- the post-employment restrictive covenant is between an employer and a nonexempt employee; or
- the employer lays off the employee.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

34-51-201, as last amended by Laws of Utah 2019, Chapter 132

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 -- Disability support provider restrictions.



28 (1) (a) Except as provided in Subsection (2) and in addition to any requirements
29 imposed under common law, for a post-employment restrictive covenant entered into on or
30 after May 10, 2016, an employer and an employee may not enter into a post-employment
31 restrictive covenant for a period of more than one year from the day on which the employee is
32 no longer employed by the employer.

33 (b) A post-employment restrictive covenant that violates this subsection is void.

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

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

37 (ii) the post-employment restrictive covenant is part of a written employment contract
38 of reasonable duration, based on industry standards, the position, the broadcasting employee's
39 experience, geography, and the parties' unique circumstances; and

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

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

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

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

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

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

51 (3) The following post-employment restrictive covenants are void:

52 (a) a post-employment restrictive covenant entered into on or after May 1, 2024,
53 between an employer and an employee who is nonexempt under the Fair Labor Standards Act
54 of 1978, 29 U.S.C. Sec. 209 et seq.; and

55 (b) a post-employment restrictive covenant, if the employer lays off the employee.

56 Section 2. **Effective date.**

57 This bill takes effect on May 1, 2024.