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Utah Bill Seeks To Ban Post-Employment Non-Compete Restrictions

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On February 2, 2016, the Post-Employment Restrictions Act, H.B. 251, was introduced in the Utah House of Representatives. Sponsored by Representative Mike Schultz (R), the bill would prohibit most types of agreements and policies that restrict an employee's actions after termination of employment.

Specifically, the bill would ban post-employment restrictions that restrict the employee from:

- providing products, processes, or services that are similar to the employer's products, processes, or services;
- working in the same industry as the employer, or
- owning, either directly or indirectly, an interest in an entity that provides products, processes, or services that are similar to the employer's products, processes, or services.

In short, this bill would prevent Utah employers from having non-compete agreements with its employees that extend beyond the termination of the employment relationship.

We will continue to monitor this bill with our Government Affairs group keeping close tabs on it. In the meantime, if you have any questions or concerns about this legislation, please contact me at BBenard@hollandhart.com or feel free to contact the Holland & Hart attorney with whom you typically work.

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