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The first attempt to further revise the 2016 Utah law on post-employment restrictive covenants (non-competes) has failed. House Bill 81, by Representative Greene from Utah County, would have further limited the use and viability of non-compete agreements in Utah. Late Friday February 17, 2017, the House rejected the bill (22 voted “yes” and 49 voted “no”). With this defeat, there is no new non-compete bill in play at the Legislature.

Much of the floor debate focused on waiting for the results of the non-compete study that is being conducted by the Cicero Group (Labor & Employment Partner Bryan Benard spent hours assisting with drafting questions for the surveys). The study was part of the compromise with House Leadership brokered last year by the working group created by the Salt Lake Chamber and the Governor’s Office of Economic Development. The research study results will be released on February 24, 2017.

After the study results are released, it is likely that Representative Schultz (and Speaker Hughes) will propose a bill related to the results, so please stay tuned.

Other bills to watch:

HB238, revisions to the Payment of Wages Act, passed the House earlier this week and is now in Senate committee.

HB242 proposed extending Family and Medical Leave Act requirements to employers with 30 or more employees (rather than 50 or more under federal law). This bill is currently being held in committee and it is rumored that it will not proceed.

HB213 contains significant revisions to Utah’s Antidiscrimination Act which could be harmful to Utah employers. Currently, the bill is headed to the House Business and Labor Committee for hearing.

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