

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 520, Page 3, Section 173.670, Line 68, by
2 inserting immediately after said line the following:

3
4 "431.202. 1. A reasonable covenant in writing promising not to solicit, recruit, hire or
5 otherwise interfere with the employment of one or more employees shall be enforceable and not a
6 restraint of trade pursuant to subsection 1 of section 416.031 if:

7 (1) Between two or more corporations or other business entities seeking to preserve
8 workforce stability (which shall be deemed to be among the protectable interests of each corporation
9 or business entity) during, and for a reasonable period following, negotiations between such
10 corporations or entities for the acquisition of all or a part of one or more of such corporations or
11 entities;

12 (2) Between two or more corporations or business entities engaged in a joint venture or other
13 legally permissible business arrangement where such covenant seeks to protect against possible
14 misuse of confidential or trade secret business information shared or to be shared between or among
15 such corporations or entities;

16 (3) Between an employer and one or more employees seeking on the part of the employer to
17 protect:

18 (a) Confidential or trade secret business information; or

19 (b) Customer or supplier relationships, goodwill or loyalty, which shall be deemed to be
20 among the protectable interests of the employer; or

21 (4) Between an employer and one or more employees, notwithstanding the absence of the
22 protectable interests described in subdivision (3) of this subsection, so long as such covenant does
23 not continue for more than one year following the employee's employment; provided, however, that
24 this subdivision shall not apply to covenants signed by employees who provide only secretarial or
25 clerical services.

26 2. Whether a covenant covered by this section is reasonable shall be determined based upon
27 the facts and circumstances pertaining to such covenant, but a covenant covered exclusively by
28 subdivision (3) or (4) of subsection 1 of this section shall be conclusively presumed to be reasonable
29 if its postemployment duration is no more than one year.

30 3. Nothing in subdivision (3) or (4) of subsection 1 of this section is intended to create, or to
31 affect the validity or enforceability of, employer-employee covenants not to compete.

Action Taken _____ Date _____

Action Taken _____ Date _____

1 4. Nothing in this section shall preclude a covenant described in subsection 1 of this section
2 from being enforceable in circumstances other than those described in subdivisions (1) to (4) of
3 subsection 1 of this section, where such covenant is reasonably necessary to protect a party's legally
4 permissible business interests.

5 5. Nothing in this section shall be construed to limit an employee's ability to seek or accept
6 employment with another employer immediately upon, or at any time subsequent to, termination of
7 employment, whether said termination was voluntary or nonvoluntary.

8 6. This section shall have retrospective as well as prospective effect.

9 7. Notwithstanding any other provision of law to the contrary, beginning August 28, 2015,
10 no covenant shall be made under subsection 1 of this section for any employee with a degree in
11 science, technology, engineering, or mathematics that is employed in the field of science,
12 technology, engineering, or mathematics."; and

13
14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.