

HOUSE BILL No. 5690

June 12, 2014, Introduced by Reps. Driskell, Dianda, Schor, Townsend, Irwin, Switalski, Barnett, Abed, Cochran, Zemke, Singh, Geiss, Segal, Knezek, Roberts and Lipton and referred to the Committee on Commerce.

A bill to amend 1984 PA 274, entitled
"Michigan antitrust reform act,"
by amending section 4a (MCL 445.774a), as added by 1987 PA 243.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4a. (1) An employer may obtain from an employee an
2 agreement or covenant ~~which~~**THAT** protects ~~an~~**THE** employer's
3 reasonable competitive business interests and expressly prohibits
4 ~~an~~**THE** employee from engaging in employment or a line of business
5 after ~~termination of~~**THE EMPLOYEE VOLUNTARILY LEAVES** employment if
6 the agreement or covenant is reasonable as to its duration,
7 geographical area, and the type of employment or line of business.
8 To the extent any such agreement or covenant is found to be
9 unreasonable in any respect, a court may limit the agreement to
10 render it reasonable in light of the circumstances in which it was
11 made and specifically enforce the agreement as limited.

1 ~~—— (2) This section shall apply to covenants and agreements which~~
2 ~~are entered into after March 29, 1985.~~

3 (2) AN EMPLOYER SHALL NOT REQUIRE AS A CONDITION OF
4 EMPLOYMENT, AND A COURT SHALL NOT ENFORCE, AN AGREEMENT OR COVENANT
5 UNDER THIS SECTION THAT IS ENTERED INTO AFTER THE EFFECTIVE DATE OF
6 THE 2014 ACT THAT AMENDED THIS SUBSECTION UNLESS THE EMPLOYER HAS
7 DONE BOTH OF THE FOLLOWING:

8 (A) INFORMED THE PROSPECTIVE EMPLOYEE IN WRITING OF THE
9 REQUIREMENT AT OR BEFORE THE TIME OF THE INITIAL OFFER OF
10 EMPLOYMENT.

11 (B) IN ANY POSTING OR ADVERTISEMENT FOR THE EMPLOYMENT, GIVEN
12 NOTICE THAT ACCEPTANCE OF THE AGREEMENT OR COVENANT IS A CONDITION
13 OF HIRE.