

Jen Plumb proposes the following substitute bill:

Veterinary Post-employment Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jen Plumb

House Sponsor:

LONG TITLE

General Description:

This bill amends provisions relating to veterinarians.

Highlighted Provisions:

This bill:

- defines terms;
- provides that a veterinarian non-compete agreement that a veterinarian and a person enter into on or after May 6, 2026, is void;
- provides that if a veterinarian has a 5% ownership interest in a person's business, the veterinarian and the person may enter into a non-compete agreement;
- makes void a provision requiring that a dispute arising from a veterinarian non-compete agreement be resolved outside of this state;
- provides that a nondisclosure clause or a nonsolicitation agreement that a person and a veterinarian enter into on or after May 6, 2026, is void;
- amends provisions providing for an award of damages and attorney fees for a nonsolicitation agreement or a nondisclosure clause;
- provides a coordination clause between this bill and H.B. 270, Healthcare Worker Post-employment Amendments; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

34-51-102, as last amended by Laws of Utah 2018, Chapter 465

- 29 **34-51-201**, as last amended by Laws of Utah 2019, Chapter 132
 30 **34-51-202**, as enacted by Laws of Utah 2016, Chapter 153
 31 **34-51-301**, as enacted by Laws of Utah 2016, Chapter 153
 32 **34A-5-114**, as last amended by Laws of Utah 2025, Chapters 173, 425

ENACTS:

- 34 **34-51-205**, Utah Code Annotated 1953
 35 **34-51-206**, Utah Code Annotated 1953

REPEALS:

- 36 **34-51-101**, as enacted by Laws of Utah 2016, Chapter 153

Utah Code Sections affected by Coordination Clause:

- 37 **34-51-101**, as enacted by Laws of Utah 2016, Chapter 153
 38 **Utah Code Sections affected by Coordination Clause:**
 39 **34-51-201 (05/06/26)**, as last amended by Laws of Utah 2019, Chapter 132

40

Be it enacted by the Legislature of the state of Utah:

- 41 Section 1. Section **34-51-102** is amended to read:

34-51-102 . Definitions.

42 As used in this chapter:

- 43 (1) "Broadcasting employee" means an employee of a broadcasting company.
 44 (2) "Broadcasting company" means a person engaged in the business of:
 45 (a) distributing or transmitting electronic or electromagnetic signals to the general public
 46 using one or more of the following:
 47 (i) television;
 48 (ii) cable; or
 49 (iii) radio; or
 50 (b) preparing, developing, or creating one or more programs or messages for distribution
 51 or transmission by means described in Subsection (2)(a).
 52 (3) "Exempt broadcasting employee" means a broadcasting employee who is compensated
 53 on a salary basis, as defined in 29 C.F.R. Sec. 541.602, at a rate equal to or greater than
 54 the greater of:
 55 (a) \$913 per week, or an equivalent amount if calculated for a period longer than one
 56 week; or
 57 (b) the rate at which an employee qualifies as exempt under the Fair Labor Standards
 58 Act, 29 U.S.C. Sec. 213(a) on a salary basis as defined in 29 C.F.R. Part 541.
 59 (4)(a) [~~"Post-employment restrictive covenant," also known as a "covenant not to~~
 60 ~~compete" or "noncompete]~~ "Non-compete agreement[;]" means an agreement, written
 61
 62

63 or oral, between an employer and employee under which the employee agrees that on
 64 or after the day on which the employer no longer employs the employee, the
 65 employee, either alone or as an employee of another person, will not compete with
 66 the employer in providing [~~products, processes, or services~~] a product, process, or
 67 service that [are] is similar to the employer's [~~products, processes, or services~~] product,
 68 process, or service.

69 (b) [~~"Post-employment restrictive covenant"~~] "Non-compete agreement" does not include:

70 (i) [-] a nonsolicitation [~~agreements~~] agreement;

71 (ii) [~~or~~] a nondisclosure agreement; or

72 (iii) [-] a confidentiality [~~agreements~~] agreement.

73 (5) "Nondisclosure clause" means an agreement, between a person and an individual who
 74 works for or with the person, that prevents, or has the effect of preventing, the individual
 75 from disclosing or discussing information the individual learned as a result of the
 76 individual working for or with the person.

77 (6) "Nonsolicitation agreement" means an agreement, between a person and an individual
 78 who works for or with the person, in which the individual agrees that on or after the day
 79 on which the individual no longer works for or with the person, the individual will not
 80 solicit the person's clients, customers, or employees.

81 [(5)] (7) "Sale of a business" means a transfer of the ownership by sale, acquisition, merger,
 82 or other method of the tangible or intangible assets of a business entity, or a division or
 83 segment of the business entity.

84 (8) "Veterinarian" means the same as that term is defined in Section 58-28-102.

85 (9) "Veterinarian non-compete agreement" means an agreement between a veterinarian and
 86 a person under which the veterinarian agrees that after the day on which the veterinarian
 87 no longer works for or with the person, the veterinarian will not:

88 (a) compete with the person in providing a product, process, or service that is similar to
 89 the person's product, process, or service; or

90 (b) work within a specific geographic area.

91 *The following section is affected by a coordination clause at the end of this bill.*

92 Section 2. Section **34-51-201** is amended to read:

93 **Part 2. Non-compete Agreements, Nondisclosure Clauses, and Nonsolicitation**

94

Agreements

95 **34-51-201 . Non-compete agreements.**

96 (1)(a) Except as provided in Subsection (2) and in addition to any requirements imposed
97 under common law, for a [~~post-employment restrictive covenant~~] non-compete
98 agreement entered into on or after May 10, 2016, an employer and an employee may
99 not enter into a [~~post-employment restrictive covenant~~] non-compete agreement for a
100 period of more than one year from the day on which the employee is no longer
101 employed by the employer.

102 (b) [-]A [~~post-employment restrictive covenant~~] non-compete agreement that violates this [
103 ~~subsection~~] Subsection (1) is void.

104 (2)(a) Subject to Subsection (2)(b), a [~~post-employment restrictive covenant~~]
105 non-compete agreement between a broadcasting company and a broadcasting
106 employee is valid only if:

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

108 (ii) the [~~post-employment restrictive covenant~~] non-compete agreement is part of a
109 written employment contract of reasonable duration, based on industry standards,
110 the position, the broadcasting employee's experience, geography, and the parties'
111 unique circumstances; and

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

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

117 (b) A [~~post-employment restrictive covenant~~] non-compete agreement described in
118 Subsection (2)(a) is enforceable for no longer than the earlier of:

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

121 (ii) the day on which the original term of the employment contract containing the [
122 ~~post-employment restrictive covenant~~] non-compete agreement ends.

123 (c) A [~~post-employment restrictive covenant~~] non-compete agreement between a
124 broadcasting company and a broadcasting employee that does not comply with this
125 subsection is void.

126 (3)(a) Subject to Subsection (3)(b), on or after May 6, 2026, a person and a veterinarian
127 may not enter into a veterinarian non-compete agreement.

128 (b) Subsection (3)(a) does not apply if the veterinarian has at least a 5% ownership

129 interest in the person's business.

130 (c) A veterinarian non-compete agreement that violates this Subsection (3) is void.

131 (4) If a provision in a veterinarian non-compete agreement entered into on or after May 6,
 132 2026, requires that the parties to a dispute arising under the veterinarian non-compete
 133 agreement resolve the dispute in a forum outside of this state, the provision:

134 (a) is void and unenforceable; and

135 (b) is considered against the public policy of this state.

136 (5) Nothing in this section affects an agreement that is not a:

137 (a) non-compete agreement; or

138 (b) veterinarian non-compete agreement.

139 Section 3. Section **34-51-202** is amended to read:

140 **34-51-202 . Exceptions for non-compete agreements.**

141 (1) This chapter does not prohibit[-] :

142 (a) a reasonable severance agreement mutually and freely agreed upon in good faith at or
 143 after the time of termination that includes a[~~post-employment restrictive covenant. A~~
 144 severance agreement remains subject to any requirements imposed under common
 145 law.] non-compete agreement; or

146 [(2)] (b) [This chapter does not prohibit a post-employment restrictive covenant] a
 147 non-compete agreement related to or arising out of the sale of a business, if the
 148 individual subject to the [~~restrictive covenant~~] non-compete agreement receives value
 149 related to the sale of the business.

150 (2) Notwithstanding Subsection (1)(a), a severance agreement remains subject to any
 151 requirements imposed under common law.

152 Section 4. Section **34-51-205** is enacted to read:

153 **34-51-205 . Nondisclosure clauses.**

154 (1) On or after May 6, 2026, a person and a veterinarian may not enter into a nondisclosure
 155 clause in which the individual agrees to not disclose or discuss the individual's
 156 experience working for or with the person.

157 (2) A nondisclosure clause that violates this section is void.

158 Section 5. Section **34-51-206** is enacted to read:

159 **34-51-206 . Nonsolicitation agreements.**

160 (1) On or after May 6, 2026, a person and a veterinarian may not enter into a nonsolicitation
 161 agreement.

162 (2) A nonsolicitation agreement that violates this section is void.

163 Section 6. Section **34-51-301** is amended to read:

164 **34-51-301 . Award of arbitration costs, attorney fees and court costs, and**
 165 **damages.**

166 If an employer seeks to enforce a [~~post-employment restrictive covenant~~] non-compete
 167 agreement, nondisclosure clause, or nonsolicitation agreement through arbitration or by filing
 168 a civil action and it is determined that the [~~post-employment restrictive covenant~~] non-compete
 169 agreement, nondisclosure clause, or nonsolicitation agreement is unenforceable, the employer
 170 is liable for the employee's:

- 171 (1) costs associated with arbitration;
- 172 (2) attorney fees and court costs; and
- 173 (3) actual damages.

174 Section 7. Section **34A-5-114** is amended to read:

175 **34A-5-114 . Limitations on enforceability of nondisclosure and**
 176 **non-disparagement clauses -- Retaliation prohibited.**

177 (1) As used in this section:

- 178 (a) "Confidentiality clause" means a nondisclosure clause or a non-disparagement clause.
- 179 (b) "Employee" means a current or a former employee.
- 180 (c) "Non-compete agreement" means the same as that term is defined in Section
- 181 34-51-102.

182 [(e)] (d) "Nondisclosure clause" means an agreement between an employee and employer
 183 that prevents, or has the effect of preventing, an employee from disclosing or
 184 discussing:

- 185 (i) sexual assault;
- 186 (ii) allegations of sexual assault;
- 187 (iii) sexual harassment; or
- 188 (iv) allegations of sexual harassment.

189 [(d)] (e) "Non-disparagement clause" means an agreement between an employee and
 190 employer that prohibits, or has the effect of prohibiting, an employee from making a
 191 negative statement that is:

- 192 (i) about the employer; and
- 193 (ii) related to:
 - 194 (A) a claim of sexual assault or sexual harassment;
 - 195 (B) a sexual assault dispute; or
 - 196 (C) a sexual harassment dispute.

- 197 [(e) "Post-employment restrictive covenant" means the same as that term is defined in
198 Section 34-51-102.]
- 199 (f) "Proprietary information" means an employer's business plan or customer
200 information.
- 201 (g) "Retaliate" means taking an adverse action against an employee because the
202 employee made an allegation of sexual harassment or assault, including:
203 (i) discharge;
204 (ii) suspension;
205 (iii) demotion; or
206 (iv) discrimination in the terms, conditions, or privileges of employment.
- 207 (h)(i) "Sexual assault" means:
208 (A) conduct that would constitute a violation of 18 U.S.C. Secs. 2241 through
209 2244; or
210 (B) criminal conduct described in Title 76, Chapter 5, Part 4, Sexual Offenses.
211 (ii) "Sexual assault" does not include criminal conduct described in:
212 (A) Section 76-5-417, enticing a minor;
213 (B) Section 76-5-418, sexual battery;
214 (C) Section 76-5-419, lewdness; or
215 (D) Section 76-5-420, lewdness involving a child.
- 216 (i) "Sexual assault dispute" means a dispute between an employer and the employer's
217 employee relating to alleged sexual assault.
- 218 (j) "Sexual harassment" means harassment on the basis of sex, sexual orientation, or
219 gender, as prohibited in:
220 (i) Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sec. 2000e et seq.; or
221 (ii) Subsection 34A-5-106(1)(a)(i).
- 222 (k) "Sexual harassment dispute" means a dispute between an employer and the
223 employer's employee relating to alleged sexual harassment.
- 224 (2)(a) A confidentiality clause regarding sexual misconduct, as a condition of
225 employment, is against public policy and is void and unenforceable.
- 226 (b) After an employee makes an allegation of sexual harassment or sexual assault, an
227 employer of any sized business, regardless of Subsection 34-5-102(1)(i)(D):
228 (i) may not retaliate against the employee because the employee made an allegation
229 of sexual harassment or assault; or
230 (ii) may not retaliate based on an employee's refusal to enter into a confidentiality

231 clause or an employment contract that, as a condition of employment, contains a
232 confidentiality clause.

233 (c) An employee may, within three business days after the day on which the employee
234 agrees to a settlement agreement that includes a confidentiality clause regarding
235 sexual misconduct, withdraw from the settlement agreement.

236 (3) An employer who attempts to enforce a confidentiality clause in violation of this section:

237 (a) is liable for all costs, including reasonable attorney fees, resulting from legal action
238 to enforce the confidentiality clause; and

239 (b) is not entitled to monetary damages resulting from a breach of a confidentiality
240 clause.

241 (4) This section does not:

242 (a) prohibit an agreement between an employee who alleges sexual assault or sexual
243 harassment and an employer from containing a nondisclosure clause, a
244 non-disparagement clause, or any other clause prohibiting disclosure of:

245 (i) the amount of a monetary settlement; or

246 (ii) at the request of the employee, facts that could reasonably lead to the
247 identification of the employee;

248 (b) prohibit an employer from requiring an employee to:

249 (i) sign a [~~post-employment restrictive covenant~~] non-compete agreement; or

250 (ii) agree not to disclose an employer's non-public trade secrets, proprietary
251 information, or confidential information that does not involve illegal acts;

252 (c) authorize an employee to:

253 (i) disclose data otherwise protected by law or legal privilege; or

254 (ii) knowingly make statements or disclosures that are false or made with reckless
255 disregard of the truth;

256 (d) prohibit an employee from discussing sexual misconduct or allegations of sexual
257 misconduct in a civil or criminal case when subpoenaed if the sexual misconduct or
258 allegations of sexual misconduct are against the individual whom the employee
259 alleged engaged in sexual misconduct;

260 (e) permit a disclosure that would violate state or federal law; or

261 (f) limit other grounds that may exist at law or in equity for the unenforceability of a
262 confidentiality clause.

263 **Section 8. Repealer.**

264 This bill repeals:

265 Section **34-51-101, Title.**

266 Section 9. **Effective Date.**

267 This bill takes effect on May 6, 2026.

268 Section 10. **Coordinating S.B. 111 with H.B. 270.**

269 If S.B. 111, Veterinary Post-employment Amendments, and H.B. 270, Healthcare

270 Worker Post-employment Amendments, both pass and become law, the Legislature intends

271 that, on May 6, 2026:

272 (a) Subsection 34-51-201(3) enacted by H.B. 270 be omitted; and

273 (b) Subsection 34-51-201(5) enacted by S.B. 111 be amended to read:

274 "(3) Nothing in this section affects an agreement that is not a:

275 (a) non-compete agreement;

276 (b) healthcare non-compete agreement; or

277 (c) veterinarian non-compete agreement."