

SENATE BILL No. 786

November 1, 2011, Introduced by Senators ROCCA, BIEDA and WARREN and referred to the Committee on Economic Development.

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

1 ~~—— (2) This section shall apply~~ **THIS SUBSECTION APPLIES** to
2 covenants and agreements ~~which are~~ entered into after March 29,
3 1985.

4 (2) AN EMPLOYER SHALL NOT REQUIRE AND A COURT SHALL NOT
5 ENFORCE AN AGREEMENT OR COVENANT UNDER THIS SECTION AS A CONDITION
6 OF EMPLOYMENT IF THE EMPLOYER DID NOT INFORM THE EMPLOYEE OF THE
7 REQUIREMENT AT OR BEFORE THE TIME OF THE INITIAL OFFER OF
8 EMPLOYMENT. THIS SUBSECTION APPLIES TO AN AGREEMENT OR COVENANT
9 ENTERED INTO AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
10 ADDED THIS SUBSECTION.