

HOUSE BILL No. 4198

February 12, 2015, Introduced by Rep. Lucido and referred to the Committee on Commerce and Trade.

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~~ **A PURCHASER OF BUSINESS GOODWILL OR A**
2 **BUSINESS INTEREST** may obtain from an ~~employee~~ **OWNER, PRINCIPAL, OR**
3 **OFFICER OF THE SELLER'S BUSINESS** an agreement or covenant which
4 **THAT** protects ~~an employer's~~ **THE PURCHASER'S** reasonable competitive
5 business interests and expressly prohibits ~~an employee~~ **THAT OWNER,**
6 **PRINCIPAL, OR OFFICER** from engaging in employment or a line of
7 business after ~~termination of employment~~ **THE SALE** if the agreement
8 or covenant is reasonable as to its duration, geographical area,
9 and the type of employment or line of business. To the extent ~~any~~
10 ~~such~~ **THE** agreement or covenant is found to be unreasonable in any
11 respect, a court may limit the agreement to render it reasonable in

1 light of the circumstances in which it was made and specifically
2 enforce the agreement as limited.

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

5 (2) AN AGREEMENT UNDER THIS SECTION IS ENFORCEABLE ONLY IF IT
6 IS IN WRITING AND MEETS BOTH OF THE FOLLOWING CONDITIONS:

7 (A) IT IS ENTERED INTO IN CONNECTION WITH THE SALE OF BUSINESS
8 GOODWILL OR A BUSINESS INTEREST.

9 (B) IT IS ENTERED INTO AT THE TIME OF THE SALE OF THE BUSINESS
10 GOODWILL OR BUSINESS INTEREST BY AN INDIVIDUAL WHO IS AN OWNER,
11 PRINCIPAL, OR OFFICER OF THAT BUSINESS.

12 (3) EXCEPT AS PROVIDED IN SUBSECTIONS (1) AND (2), ANY TERM IN
13 AN AGREEMENT AN EMPLOYER OBTAINS FROM AN EMPLOYEE, CONTRACT
14 LABORER, OR OTHER INDIVIDUAL THAT PROHIBITS OR LIMITS THE
15 INDIVIDUAL FROM ENGAGING IN EMPLOYMENT IS VOID.

16 Enacting section 1. This amendatory act takes effect 90 days
17 after the date it is enacted into law.