

Employee Noncompetes
A State-by-State Survey

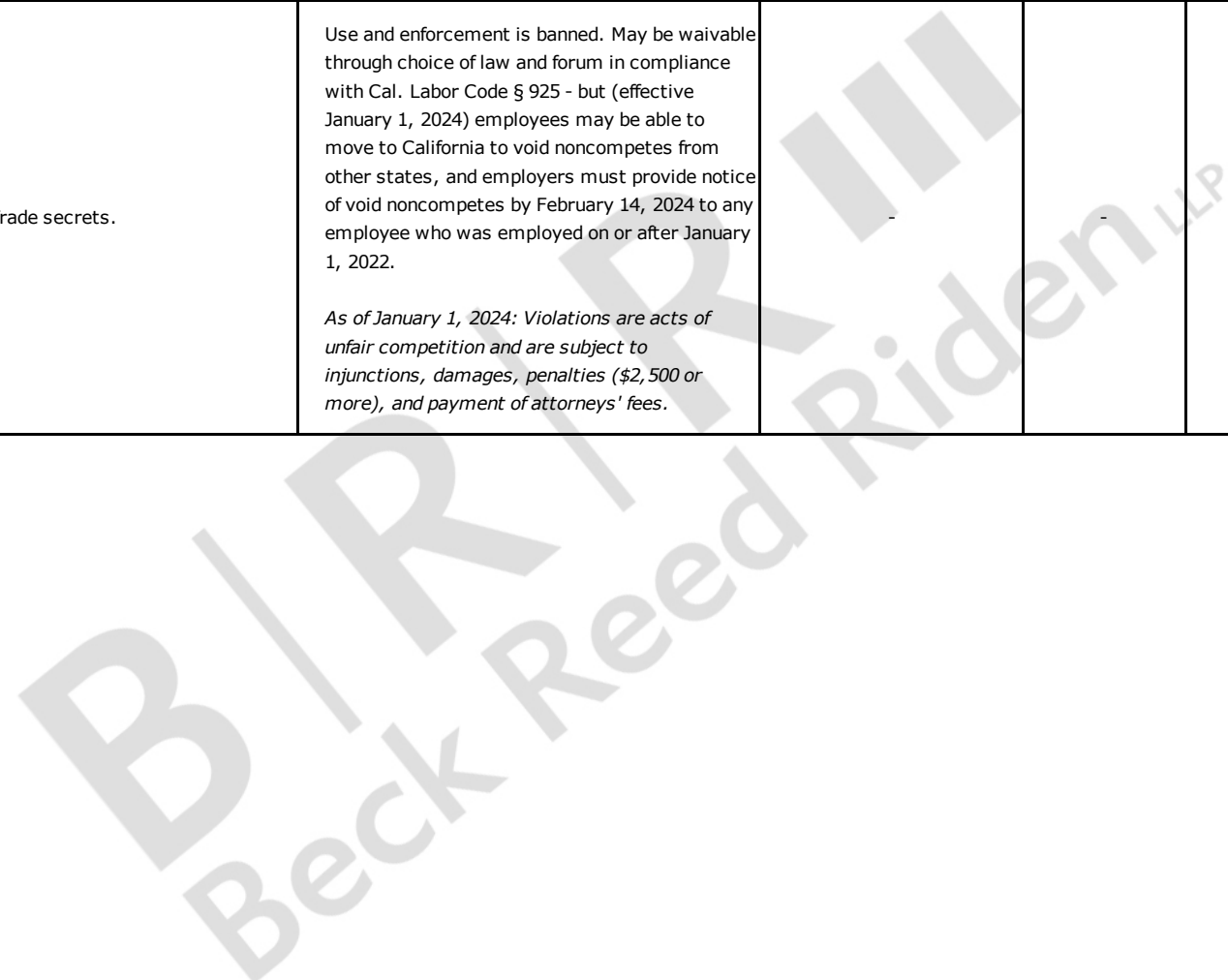
State	If Permitted and Statute	Protectable / Legitimate Interests	Standards / Fines / Penalties	Exemptions	Continued Employment is Sufficient Consideration	Reformation Blue Pencil Red Pencil Purple Pencil	Enforceable Against Employees Terminated w/o Cause
Alabama	Yes. Ala. Code § 8-1-190-197 (§ 8-1-1 repealed effective 1/1/2016)	Trade secrets; confidential information; commercial relationships or contacts with specific prospective or existing customers, patients, vendors, or clients; customer, patient, vendor, or client goodwill; specialized and unique training involving substantial business expenditure specifically directed to a particular agent, servant, or employee (if identified in writing as consideration for the restriction).	Must be in writing, signed by all parties, and be supported by adequate consideration. Must preserve a protectable interest. Employee-employer relationship must exist at the time the agreement is executed. A two-year restriction is presumptively reasonable. Employee has burden of proving undue hardship, if raised as a defense.	Professionals (includes physicians, physical therapists, veterinarians, public accountants, certified public accountants, and maybe securities brokers, all based on pre-2016 cases).	Yes (pre-amendment)	Reformation	Yes, likely (pre-amendment)
Alaska	Yes	Trade secrets; intellectual property; customer lists; goodwill with customers; knowledge of his or her business practices; methods; profit margins; costs; other confidential information (that is confidential, proprietary, and increases in value from not being known by a competitor; other valuable employer data that the employer has provided to an employee that an employer would reasonably seek to protect or safeguard from a competitor in the interest of fairness.	Factors: limitations in time and space; whether employee was sole contact with customer; employee's possession of trade secrets or confidential information; whether restriction eliminates unfair or ordinary competition; whether the covenant stifles employee's inherent skill and experience; proportionality of benefit to employer and detriment to employee; whether employee's sole means of support is barred; whether employee's talent was developed during employment; whether forbidden employment is incidental to the main employment.	-	Undecided	Reformation	Undecided

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Arizona	Yes	Trade Secrets; confidential information; customer relationships.	No broader than necessary to protect the employer's legitimate business interest; not unreasonably restrictive; not contrary to public policy; ancillary to another contract.	Broadcasters; maybe physicians.	Yes	Blue Pencil	Undecided
Arkansas	Yes. AR Code 4-75-101	Trade secrets; intellectual property; customer lists; goodwill with customers; knowledge of business practices; methods; profit margins; costs; other confidential information (that is confidential, proprietary, and increases in value from not being known by a competitor); training and education; other valuable employer data (if provided to employee and an employer would reasonably seek to protect or safeguard from a competitor in the interest of fairness).	Limited with respect to time and scope in a manner that is not greater than necessary to defend the protectable business interest of the employer. The lack of a geographic limit does not render the agreement unenforceable, provided that the time and scope limits appropriately limit the restriction. Factors to consider include the nature of the employer's business interest; the geographic scope, including whether a geographic limit is feasible; whether the restriction is limited to specific group of customers or others; and the nature of the employer's business. A two-year restriction is presumptively reasonable unless clearly demonstrated otherwise.	Various professionals (medical, veterinary, social workers, others).	Yes	Reformation (mandatory)	Undecided, but it can be a factor.

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California	No, except maybe as to trade secrets. Cal. Business & Professions Code §§ 16600-16602.5	Trade secrets.	<p>Use and enforcement is banned. May be waivable through choice of law and forum in compliance with Cal. Labor Code § 925 - but (effective January 1, 2024) employees may be able to move to California to void noncompetes from other states, and employers must provide notice of void noncompetes by February 14, 2024 to any employee who was employed on or after January 1, 2022.</p> <p><i>As of January 1, 2024: Violations are acts of unfair competition and are subject to injunctions, damages, penalties (\$2,500 or more), and payment of attorneys' fees.</i></p>	-	-	-	-



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Colorado	Yes. Colo. Rev. Stat. § 8-2-113	Trade secrets; recovery of training expenses for short-term employees.	<p>Agreements before August 10, 2022 must meet statutory exception (executive or management employees and professional staff or protect trade secrets or recover cost of training); and be reasonable and narrowly-tailored.</p> <p>Agreements on or after <i>August 10, 2022</i>: no broader than reasonably necessary to protect trade secrets and limits on venue and choice of law. Notice of the noncompete and its terms (in separate document "in the language in which the worker and employer communicate about . . . performance" accompanied by the noncompete) must be received by prospective employees before they accept offer of employment and by existing employees at least fourteen days before earlier of the effective date of the noncompete or "the effective date of any additional compensation or change in the terms or conditions of employment that provides consideration for the covenant." Notice must "in clear and conspicuous terms" identify the noncompete by name, "[d]irect[] the worker to the specific sections or paragraphs" containing it, and "state that the agreement contains a covenant not to compete that could restrict the workers' options for subsequent employment following their separation from the employer." Must be "signed by the worker."</p> <p><i>Violations for entering into, presenting as a term of employment, or enforcing void noncompetes are subject to injunctions, damages, penalties (\$5,000), and attorneys' fees. May be crime (misdemeanor) if "force, threats, or other forms of intimidation" are used.</i></p>	<p>Physicians (damages not barred).</p> <p>For agreements entered on or after August 10, 2022, noncompetes cannot be used for anyone who is not a "highly compensated employee," <i>i. e.</i>, an employee earning "annualized cash compensation" (both at the time of execution and enforcement) of at least \$123,750 (as of 2024). (The initial threshold in 2022 was \$101,250, and increases annually: \$112,500 in 2023, and \$123,750 in 2024.)</p>	Yes (pre-amendment; no indication of a change post-amendment)	Reformation	Undecided

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Connecticut	Yes	Trade secrets; confidential information; customer relationships.	Factors: time; geographic reach; fairness of protection afforded to employer; extent of restraint on employee; extent of interference with public interest.	Broadcasters; security guards; limited as to physicians, advanced practice registered nurses and physician assistants; individuals providing homemaker, companion, or home health services.	Yes, likely	Blue Pencil	Yes
Delaware	Yes	Trade secrets; confidential information; customer relationships.	Reasonable in time and geographic reach; protects legitimate economic interests; survives balance of equities.	Physicians.	Yes	Reformation, though some cases suggest courts are unlikely to do so.	Yes

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D.C.	Yes D.C. Code §§ 32-581.01 - 32-581.05	Trade secrets; confidential knowledge; fruits of employment.	<p>Follows Restatement (Second) of Contracts, §§ 186-88: Reasonable in time and geographic area; necessary to protect legitimate business interests; promisee's need outweighs promisor's hardship.</p> <p>Effective October 1, 2022 (not retroactive) and applicable to agreements, policies, and procedures: If employee is based in D.C. and spends no more than 1/2 time in any other state or not based in D.C. but spends more than 1/2 of their time in D.C., they must earn at least \$150,000 (\$250,000 for physicians), unless they are casual babysitters and government workers. Wage thresholds increase annually starting 2024 (to \$154,200 and \$257,000 in 2024) and apply to certain in-term noncompetes (anti-moonlighting restrictions). Duration of noncompetes are limited to 365 days.</p> <p>Effective October 1, 2022: Specific notices must be provided at certain times.</p> <p><i>Penalties range from \$250 to not less than \$3,000 for repeat violations. Mayor may enforce.</i></p>	Broadcasters; anyone earning (in 2024) less than \$154,200 (except for casual babysitters and government workers); "medical specialists" (i.e., physicians) earning (in 2024) less than \$257,000. (Thresholds took effect in 2022, starting at \$150,000 and \$250,000, respectively; thresholds increased starting 2024.)	Yes (if employment continued for sufficient duration)	Reformation	Undecided
Florida	Yes. Fla. Stat. Ann. §§ 542.335	Trade secrets; confidential business information; substantial customer relationships and goodwill; extraordinary or specialized training.	Legitimate business interest; reasonably necessary to protect legitimate business interest. [Rebuttal presumptions exist.]	Mediators; physician specialists (where they are exclusive in a county).	Yes	Reformation (mandatory)	Likely.

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Georgia	Yes. Ga. Const., Art. III, Sec. VI, Par. V(c), as amended; OCGA §§ 13-8-50-59. [NOTE: Pre-amendment law was more restrictive and applies to pre-amendment agreements]	Trade secrets (per OCGA § 10-1-761); valuable confidential information that does not otherwise qualify as a trade secret; substantial relationships with specific prospective or existing customers, patients, vendors, or clients; customer, patient, or client goodwill associated with: an ongoing business, commercial, or professional practice, a specific geographic location; or a specific marketing or trade area; and extraordinary or specialized training. [Statute anticipates additional legitimate business interests.]	Reasonable in time, space, and scope; justified by a legitimate business interest; applied to employees who regularly solicit customers, engage in sales, perform the duties of a key employee, or have the duty of managing a department and regularly direct the work of employees and have the authority to hire or fire them. [Statute provides presumptions for reasonableness of time and geography.]	-	Yes	Reformation (likely)	Yes, but it's a factor to consider.
Hawai'i	Yes. Haw. Rev. Stat. § 480-4	Trade secrets; confidential information (though somewhat in doubt); special training that provides skills beyond those of a general nature (at least when combined with other factors such as protecting trade secrets, confidential information, or special customer relationships).	Must protect a legitimate business interest and be reasonable," <i>i.e.</i> , not "greater than required for the protection of the person for whose benefit it is imposed"; does not "impose undue hardship on the person restricted"; and the "benefit to the covenantee [cannot be] outweighed by injury to the public"	Employees in a technology business (<i>effective as of 1/1/2015</i>).	Yes, likely	Reformation	Undecided

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Idaho	Yes. Idaho Code §§ 44-2701-2704	Trade secrets; technologies; intellectual property; business plans; business processes and methods of operation; goodwill; customers; customer lists; customer contacts and referral sources; vendors and vendor contacts; financial and marketing information; potentially others.	Applicable to "key employee"; reasonable as to duration, geographical area, type of employment or line of business, and does not impose a greater restraint than is reasonably necessary to protect the employer's legitimate business interests; reasonable as to covenantor, covenantee, and public. Rebuttable presumptions of reasonableness: 18 months; geographic area restricted to areas employee provided services or had significant presence or influence; limited to line of business in which employee worked. Presumption that employee is "key employee" if in highest paid 5% employees in company.	Non-"key employees." ("Key employees" are those who have gained a high level of inside knowledge, influence, credibility, notoriety, fame, reputation or public persona as a representative or spokesperson of the employer, and as a result, have the ability to harm or threaten an employer's legitimate business interests.)	Yes (but if no additional consideration, noncompete is limited to 18 months)	Reformation	Yes

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Illinois	Yes 820 I.L.C.S. §§ 90/1 et seq.	<p>For agreements pre-January 1, 2022: Legitimate business interests are based on the totality of the facts and circumstances of the case. Trade secrets, confidential information, and near permanent business relationships are factors.</p> <p>For agreements entered on or after January 1, 2022: "the employee's exposure to the employer's customer relationships or other employees, the near-permanence of customer relationships, the employee's acquisition, use, or knowledge of confidential information through the employee's employment, the time restrictions, the place restrictions, and the scope of the activity restrictions." The bill is also express that "[n]o factor carries any more weight than any other" and that the "factors are only non-conclusive aids in determining the employer's legitimate business interest, which in turn is but one component in the 3-prong rule of reason, grounded in the totality of the circumstances."</p>	<p>Agreements pre-January 1, 2022: No greater than required to protect a legitimate business interest; does not impose undue hardship on the employee; not injurious to the public; and reasonable in time, space, and scope. [May require two years of employment before enforceable.]</p> <p>Agreements on or after <i>January 1, 2022</i>: "illegal and void unless (1) the employee receives adequate consideration, (2) the covenant is ancillary to a valid employment relationship, (3) the covenant is no greater than is required for the protection of a legitimate business interest of the employer, (4) the covenant does not impose undue hardship on the employee, and (5) the covenant is not injurious to the public," and the employee (a) is advised "in writing to consult with an attorney" and (b) provided with the covenant at least 14 calendar days' notice. (Notice is waivable.) Adequate consideration is: "(1) the employee worked for the employer for at least 2 years after the employee signed an agreement containing a covenant not to compete . . . or (2) the employer otherwise provided consideration adequate to support an agreement to not compete . . . , which consideration can consist of the period of employment plus additional professional or financial benefits or merely professional or financial benefits adequate by themselves."</p> <p><i>Attorney's fees and "appropriate relief" to prevailing employee. Attorney General may bring action for pattern or practice of violations; \$5,000 per employee for first violation, \$10,000 for repeat violations within five years.</i></p>	<p>Broadcasters; government contractors; physicians; low-wage workers; certain nurses and certified nurse aides.</p> <p>For agreements entered on or after January 1, 2022: The "low-wage" exemption changes to a wage threshold (all earnings from the employer) of \$75,000 (increasing to \$80,000 by 2027, \$85,000 by 2032, and \$90,000 by 2037); individuals covered by collective bargaining agreements under the Illinois Public Labor Relations Act or the Illinois Educational Labor Relations Act or employed in construction (unless they "primarily perform management, engineering or architectural, design, or sales functions for the employer or . . . are shareholders, partners, or owners in any capacity of the employer").</p>	<p>For agreements pre-January 1, 2022: Yes (if employment continued for sufficient duration)</p> <p>For agreements entered on or after January 1, 2022: No.</p>	<p>For agreements pre-January 1, 2022: Reformation</p> <p>For agreements entered on or after January 1, 2022: Reformation (purple pencil)</p>	<p>For agreements pre-January 1, 2022: Yes</p> <p>For agreements entered on or after January 1, 2022: No, if the employer enters a noncompete with an employee who is terminated, furloughed or laid off "as the result of business circumstances or governmental orders related to the COVID-19 pandemic," unless the employee is paid the equivalent of their base salary (less earnings from new employment).</p>

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Indiana	Yes	Trade secrets; confidential information; goodwill.	Reasonably necessary to protect the employer, not unreasonably restrictive of the employee and not against public policy. Clear and specific (not general) restraint must be reasonable in light of the legitimate interests to be protected; reasonableness is measured by totality of interrelationship of the interest, and the time, space, and scope of the restriction, judged by the needs for the restriction, the effect on the employee, and the public interest. Physician noncompetes entered into on or after July 1, 2020, must contain specific provisions concerning communications with patients, access to patient information, and a "buy-out" option. See Ind. Code § 25-22.5-5.5.	Primary care physicians (for agreements entered into with an employer on or after of July 1, 2023); limited as to other physician noncompetes.	Yes	Blue Pencil	Yes
Iowa	Yes Iowa Code § 135Q.1-2 (concerns healthcare employment agency workers only, eff. 7/1/2022)	Trade secrets; goodwill; special training or peculiar knowledge that would unjustly enrich an employee at the expense of the former employer.	Whether the restriction is reasonably necessary to protect the employer's business, unreasonably restrictive (time and space), and prejudicial to the public interest.	Franchisees (where franchisor does not renew); certain healthcare employment agency workers (added July 1, 2022 and retroactively narrowed on June 1, 2023).	Yes	Reformation	Yes, but it's a factor to consider.
Kansas	Yes	Trade secrets; confidential business information; loss of clients; goodwill; customer contacts; referral sources; reputation; special training.	Reasonable under the circumstances: protects a legitimate business interest; no undue burden on the employee; not injurious to public interest or welfare; reasonable in time and space.	Accountants (limited).	Yes, likely	Reformation	Yes

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Kentucky	Yes KRS § 216.724 (concerns healthcare services agency direct staff only, eff. 7/1/2022)	Confidential business information; customer lists; competition; investment in training.	Reasonable in scope and purpose; reasonableness determined by the time, space, and "charter" of the restriction; no undue hardship; does not interfere with public interest. <i>Violation of direct care exemption is an unfair trade practice.</i>	Direct care temporary staff of a healthcare services agency (<i>effective July 14, 2022</i> ; a violation is an unfair trade practice; <i>modified on March 22, 2023 to apply only to temporary staff</i>).	Yes (if the employment is altered in some way)	Reformation	Yes, but it can be a factor.
Louisiana	Yes. La. Rev. Stat. Ann. § 23:921	Trade secrets; financial information; management techniques; extensive training (if such training is unrecouped through employee's work).	No more than two years; specifies the specific geographic reach (by parishes, municipalities, or their respective parts); defines employer's business; strict compliance with statute, including that employee-employer relationship must exist at the time the agreement is executed. Choice of law and venue outside of Louisiana invalid if not agreed to after dispute arises.	Automobile salesmen; real estate broker's licensees (procedural requirements).	Yes	Blue Pencil, if allowed by the noncompete	Yes, likely

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Maine	Yes Me. Rev. Stat. Ti. 26, c. 7, § 599-A	Trade secrets; confidential information; goodwill.	No broader than necessary to protect the employer's legitimate business interest; reasonable as to time, space, and interests to be protected; no undue hardship to employee. In addition, <i>for agreements signed on or after September 18, 2019</i> : employee must receive notice of noncompete prior to an offer of employment and a copy of the agreement 3 business days in advance of the deadline to sign; and the employee (except certain physicians) must be employed at least a year or remain employed for at least six months after signed, whichever is longer, and satisfy the low-wage worker threshold. <i>Department of Labor enforcement; fine of not less than \$5,000 for failure to provide notice or impose on a low-wage worker.</i>	Broadcast industry (presumption); low-wage workers (starting 2019), <i>i.e.</i> , workers earning less than or equal to 400% of the federal individual poverty level (\$60,240 (est.) as of 2024); veterinarians if they do not have an ownership interest in the employer (<i>effective May 25, 2023 with retroactive effect</i>).	Yes	Reformation	Yes, likely

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Maryland	Yes Md. Code, Lab. & Empl. § 3-716	Trade secrets; routes; client lists; established customer relationships; goodwill; unique services.	Duration and space no wider than reasonably necessary to protect legitimate interests; no undue hardship to employee; not contrary to public policy; ancillary to the employment. Wage threshold likely applies to in-term noncompetes (anti-moonlighting restrictions).	<p>Low-wage employees, meaning workers earning 150% of state minimum wage, <i>i.e.</i>, in 2024, \$22.50 per hour / \$46,800 (est.) per year, excluding overtime. <i>Lower thresholds applied previously, starting in 2020: \$15 per hour (approximately \$31,200 annually).</i></p> <p>Veterinarians and vet techs (<i>effective June 1, 2024</i>).</p> <p>Healthcare providers providing direct patient care earning less than or equal to \$350,000; healthcare providers earning more than \$350,000 are subject to 10 mile, one-year limit (<i>effective July 1, 2025</i>).</p>	Yes	Blue Pencil	No, likely

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Massachusetts	Yes. Mass. Gen. Laws c. 149, § 24L (applies only to agreements signed on or after October 1, 2018)	Trade secrets; confidential information; goodwill.	Narrowly tailored to protect legitimate business interest; limited in time, space, and scope; consonant with public policy. Additional requirements for agreements signed on or after October 1, 2018: must be signed by both parties; provided to employee 10 business days in advance (or prior to a formal offer, if earlier); state that the employee has the right to consult counsel; and satisfy consideration requirements. Presumptions of necessity of the agreement and reasonableness as to place and scope apply. Venue and choice of law are limited.	Broadcasters; physicians; nurses; social workers; psychologists. Additional exemptions added by 2018 statute: FLSA nonexempt employees; student interns/short-term student employees; employees who have been terminated without cause or laid off; and employees that re 18 years old or younger.	No (for agreements signed on or after October 1, 2018; yes before)	Reformation	No (for agreements signed on or after October 1, 2018; yes before)
Michigan	Yes. Mich. Comp. Laws § 445.774a	Trade secrets; confidential business information; goodwill.	Must have an honest and just purpose and to protect legitimate business interests; reasonable in time (no more than one year), space, and scope or line of business; not injurious to the public.	-	Yes	Reformation	Yes

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Minnesota	<p>Yes, for agreements signed before July 1, 2023</p> <p style="text-align: center;">* * *</p> <p>No, for agreements signed on or after July 1, 2023. Minn. Stat. 2022 181.988.</p>	<p>Agreements signed before July 1, 2023: Trade secrets; confidential business information; goodwill; prevention of unfair competition.</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: N/A</p>	<p>Agreements signed before July 1, 2023: No broader than necessary to protect the employer's legitimate business interest; does not impose unnecessary hardship on employee.</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: Banned. Employer may not require employee who "primarily resides and works in Minnesota" to "adjudicate outside of Minnesota a claim arising in Minnesota" or "deprive the employee of the substantive protection of Minnesota law with respect to a controversy arising in Minnesota."</p> <p><i>Employee may be awarded attorneys' fees, injunctive relief, and any other remedies available for a violation.</i></p>	<p>Agreements signed before July 1, 2023: Employees of supplemental nursing services agencies.</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: N/A.</p>	<p>Agreements signed before July 1, 2023: No</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: N/A</p>	<p>Agreements signed before July 1, 2023: Reformation (though called "blue pencil")</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: N/A</p>	<p>Agreements signed before July 1, 2023: Yes</p> <p style="text-align: center;">* * *</p> <p>Agreements signed on or after July 1, 2023: N/A</p>
Mississippi	Yes	Trade secrets; confidential business information; goodwill; ability to succeed in a competitive market.	Reasonableness and specificity of restriction, primarily, in time and space; hardship to employer and employee; public interest.	-	Yes (though questioned if employee terminated shortly after)	Reformation	Yes, absent bad faith or arbitrary basis for termination

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Missouri	Yes. 28 Mo. Stat. Ann. § 431.202 (related)	Trade secrets; confidential business information; customer or supplier relationships, goodwill, or loyalty; customer lists; protection from unfair competition; stability in the workforce.	Reasonably necessary to protect legitimate interests; reasonable in time and space; not an unreasonable restraint on employee; purpose served; situation of the parties; limits of the restraint; specialization of the business; consideration beyond at-will employment (though incidents of employment are likely enough). [Absence of legitimate business interest impacts duration, which can be no more than one year.]	Secretaries (limited); clerks (limited).	No	Reformation	Yes, but it can be a factor.
Montana	Yes. Mont. Code Ann. §§ 28-2-703-05	Trade secrets; proprietary information that would provide an employee with an unfair advantage; goodwill; customer relationships.	Partial or restricted in its operation by being limited in operation either as to time or place; supported by "some good consideration"; protects a legitimate business interest; reasonable, affording only a fair protection to the interests of the party in whose favor it is made, and not so large in its operation as to interfere with (or impose an unreasonable burden upon) the employer, the employee, or the interests of the public. True noncompetes are rarely, if ever, enforced.	-	No	Blue Pencil, likely	No

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Nebraska	Yes	Trade secrets; confidential information; goodwill.	Reasonably necessary to protect legitimate interests; not unduly harsh or oppressive to employee; not injurious to the public. Considerations include: inequality in bargaining power; risk of loss of customers; extent of participation in securing and retaining customers; good faith of employer; employee's job, training, health, education, and family needs; current employment conditions; need for employee to change his calling or residence; relation of restriction to legitimate interest being protected. True noncompetes are rarely, if ever, enforced.	-	Yes, likely	Red Pencil	Undecided



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Nevada	Yes. Nev. Rev. Stat. § 613.195-200 [effective June 3, 2017]	Trade secrets; goodwill.	<p>Void unless: (a) supported by valuable consideration; (b) not greater than required to protect employer; (c) no undue hardship on employee; and (d) appropriate in relation to the consideration. Cannot restrict employee from providing service to customer/client if (a) customer/client was not solicited; (b) customer/client voluntarily chose to leave or seek services from employee; and (c) employee otherwise complies with time, geographical area, and scope of noncompete.</p> <p><i>Effective 10/1/2021: Attorney's fees for the employee if the employer ignored the exemption or used the noncompete to prevent solicitation of customers in violation of the statute.</i></p> <p><i>Labor Commissioner may impose \$5,000 fine and recover fees and investigative costs; criminal liability and \$5,000 fine for enforcement in connection with "any person who for any cause left or was discharged"</i></p>	<p>Pre-10/1/2021: none</p> <p><i>Effective 10/1/2021: employees "paid solely on an hourly wage basis, exclusive of any tips or gratuities."</i></p>	Yes (pre-amendment)	<p>Pre-6/3/2017: Red Pencil</p> <p>Effective 6/3/2017: Reformation, and revised noncompete must "not impose undue hardship on the employee"; mandatory (i.e., must modify) only when possible (per 2023 decision of the Supreme Court of Nevada).</p>	Likely no, unless "reorganization or similar restructuring of the employer," in which case employee must be paid "salary, benefits or equivalent compensation," including severance.

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New Hampshire	Yes. RSA 275:70, 275:70-a	Trade secrets; confidential business information; goodwill; employee's special influence over the employer's customers; contacts developed during employment.	Not greater than necessary to protect the employer's legitimate business interests; no undue or disproportionate hardship to employee; not injurious to public interest; new employees must be given a copy of the noncompete prior to acceptance of offer for employment.	Physicians (<i>effective 8/5/2016</i>); nurses and podiatrists (<i>effective 6/25/2018</i>); low-wage employees, <i>i.e.</i> , those earning less than or equal to 2x federal minimum wage (<i>i.e.</i> , \$14.50/hour) or tipped minimum wage, whichever applies (<i>effective 9/8/2019</i>).	Yes	Reformation	Undecided
New Jersey	Yes	Trade secrets; confidential business information; goodwill in existing customers; preventing employee from working with customer at lower cost than working through employer.	Protects a legitimate business interest; not undue burden on employee; not injurious to the public; not overbroad in time, space, and scope.	In-house counsel; psychologists.	Yes	Reformation	Yes, but it's a factor to consider.

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New Mexico	Yes. N.M.S.A. 1978, §§ 24-1I-1-5 (creates healthcare practitioner exemption only)	Maintaining workforce; limitation of competition (but not to stifle competition); customer relationships.	Reasonable as applied to the employer, employee, and public; not great hardship to employee in exchange for small benefits to employer.	Healthcare practitioners (dentists, osteopathic physicians, physicians, podiatrists, certified registered nurse anesthetists) to the extent they are providing clinical health care services. [Exemption has limits (including that it does not apply to a covered medical professional if they are a shareholder, owner, partner, or director of a healthcare practice) and is effective only as to agreements from 7/1/2015 and after.]	Yes, likely	Undecided	Undecided
New York	Yes	Trade secrets; confidential information; goodwill; on-air persona of broadcasters; employee's unique or extraordinary services.	Reasonable in time and space, and no greater than is required for the protection of the legitimate interest of the employer; does not impose undue hardship on the employee; not injurious to the public.	Broadcast industry employees (except "management employees").	Yes	Reformation	Cases are split
North Carolina	Yes. N.C. Gen. Stat. § 75-4	Trade secrets; confidential business information; goodwill.	In writing; part of an employment contract; reasonably necessary to protect legitimate business interest; reasonable in time and space; not against public policy.	Physicians, possibly (in underserved areas).	No	Blue Pencil	Yes, likely
North Dakota	No. N.D. Cent. Code § 9-08-06	-	Banned. Choice of law and forum outside North Dakota are unenforceable.	-	-	-	-

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Ohio	Yes	Trade secrets; confidential information; customer relationships; prevention of the use of proprietary customer information to solicit customers.	Not greater than necessary to protect the employer's legitimate business interests; no undue hardship to employee; not injurious to public interest. Considerations: absence or presence of limitations as to time and space; whether employee is sole contact with customer; employee's possession of trade secrets or confidential information; purpose of restriction (elimination of unfair competition vs. ordinary competition and whether seeks to stifle employee's inherent skill and experience); proportionality of benefit to employer as compared to the detriment to the employee; other means of support for employee; when employee's talent was developed; whether forbidden employment is merely incidental to the main employment.	-	Yes	Reformation	Yes
Oklahoma	No. OK Stat. § 15-219A	-	Banned.	-	-	-	-

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Oregon	Yes. Or. Rev. Stat. § 653.295	Trade secrets; confidential business or professional information; investment in certain on-air broadcasters; customer contacts and goodwill.	<p>Noncompete must be provided at least two weeks before employment or with a bona fide advancement; employee is in an executive, administrative, or professional role and meets minimum compensation threshold; restricted in time or space; application of restriction should afford only a fair protection of the employer's interests; must not interfere with public interest. <i>As of January 1, 2016</i>, noncompetes are limited to 18 months. [Qualifying garden leave clauses are enforceable.]</p> <p><i>Effective January 1, 2020</i>, a signed, written copy of the employee's noncompete must be sent within 30 days following termination of employment.</p> <p>Noncompetes entered on or after January 1, 2022, cannot be longer than 12 months, and employees subject to them must have "annual gross salary and commissions" exceeding \$113,241 as of January 1, 2024 (adjusted annually for inflation); failure to satisfy the statutory requirements renders the noncompete void. (<i>Prior thresholds: \$100,533 in 2022 and \$108,581 in 2023.</i>)</p> <p><i>Part of wage laws, which potentially have criminal consequences.</i></p>	<p>Home healthcare workers.</p> <p><i>Though not listed as exemptions, a salary threshold applies. For agreements entered into before January 1, 2022: an "employee's annual gross salary and commissions" must "exceed[] the median family income for a four-person family" applies; for agreements entered on or after January 1, 2022, the "employee's annual gross salary and commissions" must "exceed[] \$100,533, adjusted annual for inflation" (\$113,241 as of January 1, 2024).</i></p>	No	Reformation	Undecided

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Pennsylvania	Yes	Trade secrets; confidential information; goodwill; investment in specialized training; unique or extraordinary skills; patient referral base.	Reasonably necessary to protect the employer's legitimate interests; reasonable in time and space.	-	No	Reformation	Yes, but it's a factor to consider.
Rhode Island	Yes R.I. Gen. Laws §§ 28-59-1-3	Trade secrets; confidential information; customer lists; goodwill; training in unique or special services.	Narrowly tailored to protect a legitimate business interest; reasonably limited in activity, geography, and time; does not impose undue burden on employee in light of the need to protect the employer's legitimate business interests; not likely to harm the public interest.	Physicians. <i>Effective 1/15/2020 (with retroactive effect):</i> employees who are 18 years old or younger; student interns/short-term student employees; FLSA nonexempt employees and other low-wage employees, <i>i. e.</i> , employees earning no more than 250% of the federal poverty level (\$37,650 <i>est.</i>) as of 2024 – based on the employee's "regular" hours, <i>i. e.</i> , non-overtime, non-weekend, non-holiday hours).	Undecided, but likely	Reformation	Undecided

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South Carolina	Yes	Business and customer contacts; existing employees; existing payroll deduction accounts.	Necessary to protect legitimate business interest; reasonably limited in time and space; not unduly harsh and oppressive to employee's efforts to earn a living; reasonable from standpoint of public policy.	-	No	Blue pencil, likely. (SC S.Ct rejected blue pencil doctrine by name, but case involved reformation; SC Ct. App. has since permitted step-down provisions.)	Undecided
South Dakota	Yes. S.D. Codified Laws §§ 53-9-8, <i>et seq.</i>	Trade secrets; protection from unfair competition; existing customers.	Restriction in the same business or profession as that carried on by employer and does not exceed two years and in a specified geographic area; reasonableness in time, space, and scope is a factor in certain circumstances.	Physicians, physician assistants, certified nurse practitioners, certified nurse midwives, certified registered nurse anesthetists, registered nurses, licensed practical nurse (<i>all effective July 1, 2021</i>).	Yes	Reformation, likely	Yes, but it's a factor to consider.
Tennessee	Yes	Trade secrets; confidential information; retention of existing customers; specialized training.	Reasonable in time and space and necessary to protect legitimate interest; public interest not adversely affected; no undue hardship to the employee.	Physicians under certain circumstances; podiatrists; chiropractors; dentists; optometrists; osteopathic physicians; psychologists; direct care staff through temporary healthcare staffing agencies (<i>effective May 11, 2023</i>).	Yes (if employment continued for appreciably long period)	Reformation	Yes, but it's a factor to consider.

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Texas	Yes. Tex. Bus. & Com. Code §§ 15.50-.52	Trade secrets; confidential or proprietary information; goodwill; specialized training.	<p>Reasonable in time, space, and scope; does not impose a greater restraint than necessary to protect legitimate business interest. The consideration provided for the noncompete agreement must be reasonably related to the company's interest sought to be protected.</p> <p>Employee may recover attorney's fees in defending against a noncompete where the primary purpose is to obligate the employee to render personal services, employer knew "that the covenant did not contain limitations as to time, geographical area, and scope of activity to be restrained that were reasonable and the limitations imposed a greater restraint than necessary to protect the goodwill or other business interest of the promisee, and the promisee sought to enforce the covenant to a greater extent than was necessary to protect the goodwill or other business interest of the promisee"</p>	Physicians (in certain circumstances).	No	Reformation (mandatory)	Yes
Utah	Yes. Utah Code Ann. §§ 34-51-101-301 [Certain changes apply to agreements starting May 10, 2016 and others May 14, 2019]	Trade secrets; goodwill; extraordinary investment in training or education.	Carefully drawn to protect only the legitimate interests of the employer, reasonable based on geography, duration, and nature of the employee's duties in light of the legitimate business interests to be protected. One year limit for agreements entered on or after May 10, 2016.	Broadcasters (under certain circumstances).	Yes	Undecided	Yes

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Vermont	Yes	Trade secrets; confidential information; goodwill; relationships with customers.	Necessary to protect legitimate business interest; not unnecessarily restrictive to employee; limited in time, space, and/or industry; not contrary to public policy.	Beauticians and cosmetologists (by their school).	Yes	No, but possibly if contract provides.	Undecided, though likely a factor to be considered.
Virginia	Yes Virginia code § 40.1-28.7:8	Trade secrets; confidential information; knowledge of methods of operation; protection from detrimental competition; customer contacts.	Narrowly drawn (no greater than necessary) to protect the employer's legitimate business interest; reasonable in time, space, and scope; not unduly harsh or oppressive (or burdensome on the employee) in curtailing the employee's ability to earn a livelihood; not against, and reasonable in light of, sound public policy. <i>Effective 7/1/2020: a notice must be posted.</i> <i>Employee may be awarded injunctive relief, liquidated damages, lost compensation, damages, and attorneys' fees for a violation of the low-wage ban. Commissioner of Labor and Industry may seek penalty up to \$10,000 per violation for use with low-wage employees; penalty up to \$1,000 for failure to post.</i>	<i>Effective 7/1/2020: "Low-wage" employees, i.e., employees earning less than the average weekly wage in Virginia; likely not applicable to salespersons.</i> Weekly average wage (and <i>approximate</i> annual earnings) by year: \$1,125 (est.) (\$58,500) in 2020; \$1,195 (\$62,140) in 2021; \$1,290 (\$67,080) in 2022; \$1,343 (\$69,836) in 2023; and \$1,410 (\$73,320) in 2024.	Yes	Red Pencil, but severable portions can be enforced if remaining restrictions are otherwise enforceable.	Yes

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Washington	Yes RCW §§ 49.62.005-900	Customer information and contacts; goodwill.	<p>Restriction is necessary to protect employer's business or goodwill; restriction is no greater than reasonably necessary to secure employer's business or goodwill; reasonable in time and space; injury to public does not outweigh benefit to employer.</p> <p><i>Effective 1/1/2020:</i> notice must be provided before acceptance of offer of employment and, if enforceability of the agreement is triggered by an increase in compensation, then it must disclose that the agreement will later become effective; independent consideration for mid-employment agreements; and presumption (rebuttable by clear and convincing evidence to the contrary) that noncompetes with a duration longer than 18 months are unreasonable and unenforceable; must not avoid Washington law; must not require adjudication outside of Washington.</p> <p><i>Effective 6/1/2024:</i> noncompetes include no-service agreements; noncompetes include nonsolicitation agreements not limited to current customers; notice must be provided before initial oral or written acceptance of offer of employment (no other changes to notice requirements).</p> <p><i>Penalty up to \$5,000 if greater than actual damages; and attorneys' fees for employee even if noncompete is reformed and then enforced.</i></p>	<p>Broadcasters (under certain circumstances). <i>Effective 1/1/2020:</i> Employees earning less than or equal to \$100,000 and independent contractors earning less than or equal to \$250,000 (both, respectively, adjust for inflation as follows: \$107,301.03 and \$268,252.59 in 2022; \$116,593.18 and \$291,482.95 in 2023, and \$120,559.99 and \$301,399.98 in 2024); employees who are laid off (unless paid base salary, less new earnings). <i>Also effective 1/1/2020:</i> cannot use in-term noncompetes (<i>i.e.</i>, anti-moonlighting provisions absent duty of loyalty/conflict of interest) for low-wage workers, <i>i.e.</i>, those earning less than 2x minimum hourly rate.</p>	No	Reformation (but employee will be entitled to "actual damages" or a \$5,000 statutory penalty, "plus reasonable attorneys' fees, expenses, and costs")	No, unless, during the restriction, the employee is paid "compensation equivalent to the employee's base salary . . . minus compensation earned" at another job.

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West Virginia	Yes	Trade secrets; confidential or unique information; customer lists; direct investment in employee's skills; goodwill.	Ancillary to a lawful contract; not greater than reasonably necessary to protect legitimate business interest; reasonable in time and space; no undue hardship on employee; not injurious to public.	-	No	Reformation	Undecided generally, but no against physicians
Wisconsin	Yes. Wis. Stat. Ann. § 103.465	Trade secrets; confidential business information; customer relationships.	Necessary to protect legitimate business interest; reasonable in time and space; not harsh or oppressive to the employee; not contrary to public policy. <i>Part of employment law, which provides for \$10 to \$100 penalties per day.</i>	-	Yes, if continued employment is conditioned on signing the agreement.	Red pencil, but, courts (and legislature) may be moving toward a more tolerant approach.	Undecided
Wyoming	Yes	Trade secrets; confidential information; special influence of employee over customers to the extent gained during employment.	Restraint must be "(1) in writing; (2) part of a contract of employment; (3) based on reasonable consideration; (4) reasonable in duration and geographical limitations; . . . (5) not against public policy" and no greater than "necessary to protect the employer's legitimate business interests."	-	No	Red Pencil (reflecting a change by the Supreme Court of Wyoming on February 25, 2022)	Yes, likely.
	<i>This chart addresses only employee noncompetes. It does not cover noncompetes arising from the sale of a business or in other contexts.</i>	<i>The interests identified above are those expressly identified by statute or case law. Other protectable interests may exist. Trade secrets are subsumed within confidential information if not specified. Customer lists are frequently included within the category of trade secrets or confidential information, assuming the particular customer list satisfies the requirements to be protectable as such. Some states, however, separately identify them as protectable interests.</i>	<i>Consideration for a noncompete is always required, as is the requirement that a noncompete be ancillary to an otherwise lawful agreement. These requirements are typically satisfied when the agreement is entered into at the inception of an employment relationship. References to "attorneys' fees" above generally include costs and expenses.</i>	<i>Attorneys (outside counsel and in-house counsel) and certain persons in the financial services industry are subject to industry regulations not addressed in this chart. However, while outside counsel are exempt in all states; in-house counsel rules vary by state.</i>	<i>The continued employment issue addresses only at-will employment relationships.</i>	<i>Reformation is sometimes called "Judicial Modification," the "Rule of Reasonableness," the "Reasonable Alteration Approach," or the "Partial-Enforcement" rule. Red Pencil is sometimes called the "All or Nothing" rule. "Purple pencil" is a made-up term for the reformation approach with an express good faith (of the drafter) requirement grafted on.</i>	<i>Addresses only not-for-cause terminations and assumes no breach or bad faith by the employer.</i>

Originally drafted in 2010, this chart is updated regularly and is current as of the date indicated.
Please contact Russell Beck (rbeck@beckreed.com) if you would like to receive updates.