HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on <u>Judiciary</u>.
<u>HB22-1317</u> be amended as follows:

1   Amend printed bill, page 3, line 3, strike "(I)".

2   Page 3, line 5, strike "EARNING" and substitute "WHO, AT BOTH THE TIME
3   THE COVENANT NOT TO COMPETE IS ENTERED INTO AND AT THE TIME THE
4   COVENANT IS ENFORCED, EARNS".

5   Page 3, strike lines 7 through 13 and substitute "COVENANT NOT TO
6   COMPETE IS FOR THE PROTECTION OF TRADE SECRETS AND IS NO BROADER
7   THAN IS REASONABLY NECESSARY TO PROTECT THE EMPLOYER'S
8   LEGITIMATE INTEREST IN PROTECTING TRADE SECRETS.
9   (a) ~~Any contract for the purchase and sale of a business or the~~
10   ~~assets of a business;~~
11   (b) ~~Any contract for the protection of trade secrets;~~
12   (c) AS USED IN SUBSECTION (2)(b) OF THIS SECTION:
13   (I) "CASH COMPENSATION" MEANS THE COMPENSATION,
14   INCLUDING EARNED SALARY, EARNED BONUSES, EARNED COMMISSIONS, OR
15   ANY OTHER FORM OF TAXABLE COMPENSATION, REFLECTED AS WAGES,
16   TIPS, AND OTHER COMPENSATION ON THE WORKER'S IRS FORM W-2 OR
17   1099 PLUS ANY ELECTIVE DEFERRALS NOT REFLECTED AS WAGES, TIPS,
18   AND OTHER COMPENSATION ON THE WORKER'S FEDERAL FORM W-2,
19   INCLUDING EMPLOYEE CONTRIBUTIONS TO A 401(k) PLAN, 403(b) PLAN,
20   FLEXIBLE SPENDING ACCOUNT, OR HEALTH SAVINGS ACCOUNT, OR
21   COMMUTER BENEFIT-RELATED DEDUCTIONS OR THE AMOUNT OF
22   COMPENSATION A WORKER WOULD HAVE EARNED, BUT FOR A LEAVE OF
23   ABSENCE TAKEN VOLUNTARILY BY THE WORKER.
24   (II) "THRESHOLD AMOUNT".

25   Page 4, strike lines 4 through 7 and substitute "SERVED AN EMPLOYER FOR
26   A PERIOD OF LESS THAN TWO YEARS, WHERE THE TRAINING IS DISTINCT
27   FROM NORMAL, ON-THE-JOB TRAINING, THE EMPLOYER'S RECOVERY IS
28   LIMITED TO THE REASONABLE COSTS OF SUCH TRAINING, IS PRORATED
29   OVER THE COURSE OF THE TWO YEARS SUBSEQUENT TO THE TRAINING, AND
30   THE EMPLOYER RECOVERING FOR THE COSTS OF THE TRAINING WOULD NOT
31   VIOLATE THE "FAIR LABOR STANDARDS ACT OF 1938", 29 U.S.C. SEC. 201
32   ET SEQ., OR ARTICLE 4 OF TITLE 8;".

33   Page 4, line 11, strike "OR".

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