

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB1)

Received: **03/13/2002**

Received By: **malaigm**

Wanted: **Soon**

Identical to LRB:

For: **Marlin Schneider (608) 266-0215**

By/Representing: **Judy Frydenlund**

This file may be shown to any legislator: **NO**

Drafter: **malaigm**

May Contact:

Addl. Drafters:

Subject: **Employ Priv - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Covenants not to compete; unreasonable per se

Instructions:

See Attached--redraft AB 408 as budget amendment.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	malaigm 03/13/2002	jdye 03/13/2002		_____			
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FE Sent For:

<END>

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1?	malaigm	1/13 jw	2/3/14	Jb/Ks 3/14			

FE Sent For:

<END>

SMW

Miller, Steve

From: Frydenlund, Judy
Sent: Wednesday, March 13, 2002 8:50 AM
To: Miller, Steve
Subject: Budget Amendments

Steve, I understand that individual budget amendments are being made directly through the LRB (via Schooff's office). Sorry I did not get these to you on Friday but we were told "everything" was going through Schooff. Anyway Marlin has 10 amendments as follows:

- 1) Assembly Bill 408--relating to covenants not to compete with an employer or principal after the termination of the employment or agency.
- 2) Assembly Bill 409--relating to discharge or discrimination against an employee for disclosing the employee's compensation.
- 3) Assembly Bill 531--relating to prohibiting certain computer postings that invite harassment or obscene, lewd, or profane communication, and providing a penalty.
- 4) Assembly Bill 568--relating to displaying the U.S. flag at the workplace.
- 5) Assembly 692--relating to return of security deposit to tenant.
- 6) Assembly Bill 750--relating to gifts given or offered by prescription drug manufacturers and distributors to encourage practitioners to prescribe certain drugs and providing a penalty.
- 7) Increase the surtax on income tax by 10%.
- 8) Increase the sales tax by 1%.
- 9) Amend 59.69, 60.61, and 62.23 to require notification to abutting landowners and those within a one mile radius thereof of potential zoning changes to accommodate a slaughterhouse.
- 10) All the recognition of active military and veterans who have denistry licensure in other states. Exempt them from the "practical" exam.

2001

Date (time) needed Soon

LRB b 255711

BUDGET AMENDMENT

GMM:jld :

NOT FOR COMPILE

See form AMENDMENTS — COMPONENTS & ITEMS.

January 2002 SPECIAL SESSION AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 ASSEMBLY BILL 1

At the locations indicated, amend the substitute amendment as follows:

#. Page 57, line 22: after that line insert:



#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

2001 ASSEMBLY BILL 408

May 18, 2001 - Introduced by Representatives SCHNEIDER and SINICKI. Referred to Committee on Labor and Workforce Development.

- 1 AN ACT *to renumber and amend* 103.465; and *to create* 103.465 (1) of the
2 statutes; **relating to:** covenants not to compete with an employer or principal
3 after the termination of the employment or agency.


Analysis by the Legislative Reference Bureau

Under current law, a covenant by an assistant, servant, or agent not to compete with his or her employer or principal during the term of the employment or agency, or after the termination of the employment or agency, within a specified territory and during a specified time is lawful and enforceable only if the restrictions imposed are reasonably necessary for the protection of the employer or principal. Such a covenant that imposes an unreasonable restraint of trade, however, is illegal, void, and unenforceable even as to any part of the covenant that would be a reasonable restraint of trade.

This bill declares that a covenant by an assistant, servant, or agent not to compete with his or her employer *after* the termination of the employment or agency is *per se* an unreasonable restraint of trade and is illegal, void, and unenforceable even as to any part of the covenant that would be a reasonable restraint of trade.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:



2746 ✓

1 SECTION 1. 103.465 of the statutes is renumbered 103.465 (2) and amended to
2 read:

3 103.465 (2) COVENANTS NOT TO COMPETE DURING EMPLOYMENT. A covenant by an
4 assistant, servant, or agent not to compete with his or her employer or principal
5 during the term of the employment or agency, ~~or after the termination of that~~
6 ~~employment or agency,~~ within a specified territory and during a specified time is
7 lawful and enforceable only if the restrictions imposed are reasonably necessary for
8 the protection of the employer or principal. Any covenant, ~~described in this~~
9 ~~subsection, imposing not to compete with an employer or principal during the term~~
10 of the employment or agency that imposes an unreasonable restraint of trade is
11 illegal, void, and unenforceable even as to any part of the covenant or performance
12 that would be a reasonable restraint of trade. 2746m ✓

13 SECTION 2. 103.465 (1) of the statutes is created to read:

14 103.465 (1) COVENANTS NOT TO COMPETE AFTER TERMINATION OF EMPLOYMENT. A
15 covenant by an assistant, servant, or agent not to compete with his or her employer
16 or principal after the termination of the employment or agency imposes an
17 unreasonable restraint of trade and is illegal, void, and unenforceable even as to any
18 part of the covenant or performance that would be a reasonable restraint of trade. "

19 SECTION 3. ~~Initial applicability.~~ " (3) ✓

20 (1) COVENANTS NOT TO COMPETE AFTER TERMINATION OF EMPLOYMENT. This act first
21 ~~applies~~ ^{apply} to an assistant, servant, or agent who, on the day before the effective date of
22 this subsection, is bound by a covenant not to compete with his or her employer or
23 principal after the termination of the employment or agency on the day on which the
24 covenant expires or is extended, modified, or renewed, whichever occurs first. "
25

(END) The renumbering and amendment of section 103.465 of the statutes and the creation of section 103.465 (1) of the statutes

Page 438, line 8: after that line insert;