AN ACT to renumber and amend 103.465; and to create 103.465 (2) of the statutes; relating to: restrictive covenants applicability.

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 that 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. Any such covenant imposing an unreasonable restraint is illegal, void, and unenforceable even as to any part of the covenant or performance that would be a reasonable restraint.

This bill provides that a covenant by an assistant, servant, or agent not to compete with his or her employer or principal after the termination of that employment or agency within a specified territory and during a specified time is considered an unreasonable restraint and is considered illegal, void, and unenforceable if the employer or principal employs at least 100 employees and the assistant, servant, or agent is terminated from that employment or agency for choosing not to receive a COVID-19 vaccine, or for refusing to provide information regarding the individual's COVID-19 vaccination status.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:
SECTION 1. 103.465 of the statutes is renumbered 103.465 (1) and amended to read:

103.465 (1) 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 that 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. Any covenant, described in this section, subsection imposing an unreasonable restraint is illegal, void and unenforceable even as to any part of the covenant or performance that would be a reasonable restraint.

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

103.465 (2) Notwithstanding sub. (1), a covenant by an assistant, servant, or agent not to compete with his or her employer or principal after the termination of that employment or agency within a specified territory and during a specified time shall be considered an unreasonable restraint and shall be considered illegal, void, and unenforceable if the employer or principal employs at least 100 employees and the assistant, servant, or agent is terminated from such employment or agency for choosing not to receive a COVID-19 vaccine, or for refusing to provide information regarding his or her COVID-19 vaccination status.

SECTION 3. Initial applicability.

(1) RESTRICTIVE COVENANTS IN EMPLOYMENT AND AGENCY RELATIONSHIPS. This act first applies to a covenant entered into or extended, modified, or renewed on the effective date of this subsection.

(END)