

HB 3427 -- COVENANTS NOT TO COMPETE

SPONSOR: Fogle

This bill establishes new standards for "covenants not to compete", which are agreements where an employee agrees not to work for a competitor or start a competing business after leaving their current employer.

The bill specifically states that any such agreement will be considered void and unenforceable if it applies to an employment situation where the employee is paid hourly wages, meaning these restrictions cannot be used against workers who are paid by the hour.

This bill is similar to HB 1326 (2025).