

# HOUSE BILL NO. 4537

May 09, 2023, Introduced by Reps. Andrews, Coleman, Wegela, Wilson, Dievendorf, Hood, MacDonell, Brixie, Rheingans, Scott, Tsernoglou, Byrnes, McFall and Mentzer and referred to the Committee on Labor.

A bill to amend 1984 PA 274, entitled  
"Michigan antitrust reform act,"  
by amending section 4a (MCL 445.774a), as added by 1987 PA 243.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4a. (1) ~~An~~**Subject to subsection (2), an** employer may  
2 obtain from an employee an agreement or covenant which protects an  
3 employer's reasonable competitive business interests and expressly  
4 prohibits an employee from engaging in employment or a line of  
5 business after termination of employment if the agreement or  
6 covenant is reasonable as to its duration, geographical area, and

1 the type of employment or line of business. To the extent any such  
2 agreement or covenant is found to be unreasonable in any respect, a  
3 court may limit the agreement to render it reasonable in light of  
4 the circumstances in which it was made and specifically enforce the  
5 agreement as limited.

6 (2) ~~This section shall apply to covenants and agreements which~~  
7 ~~are entered into after March 29, 1985.~~**Beginning on the effective**  
8 **date of the amendatory act that added this sentence, an employer**  
9 **shall not obtain from an employee an agreement or covenant that**  
10 **prohibits the employee from engaging in employment or a line of**  
11 **business after termination of employment.**