



Rep. Thomas Morrison

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09700HB2606ham001

LRB097 07292 AEK 51974 a

1 AMENDMENT TO HOUSE BILL 2606

2 AMENDMENT NO. _____. Amend House Bill 2606 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Employment Noncompete Agreement Act.

6 Section 5. Finding. The General Assembly finds as a matter
7 of public policy that all employers have vested, protectable
8 interests in their customers, clients, and identified
9 prospects which are legitimately protectable through the use of
10 noncompete agreements.

11 Section 10. Definitions. As used in this Act:

12 "Annualized compensation" means all salary, commissions,
13 and cash bonuses received by an employee during the 120-day
14 period ending on the last day of the month immediately
15 preceding the month in which the employer-employee

1 relationship is terminated, multiplied by 3.

2 "Noncompete agreement" means an agreement between an
3 employer and an employee that is specifically designed to
4 impede the ability of an employee from competing with an
5 employer upon the termination of the employment relationship.

6 Section 15. Requirements.

7 (a) A noncompete agreement is valid if it meets all of the
8 following criteria:

9 (1) The noncompete agreement must be in writing and be
10 signed by both the employee and employer.

11 (2) The noncompete agreement may prohibit any
12 solicitation of an employer's existing customers, clients,
13 identified prospective customers, and other employees
14 during the period of any post-employment restriction
15 period.

16 (3) The duration of a post-employment restriction
17 period must have a reasonable relationship to an employer's
18 position and salary at the time of termination and may not
19 exceed the applicable maximum period as follows:

20 (A) If the employee's annualized compensation
21 at the time of termination is less than \$50,000,
22 the maximum period is 6 months.

23 (B) If the employee's annualized compensation
24 at the time of termination is at least \$50,000 but
25 less than \$100,000, the maximum period is 9 months.

1 (C) If the employee's annualized compensation
2 at the time of termination is at least \$100,000 but
3 less than \$150,000, the maximum period is 12
4 months.

5 (D) If the employee's annualized compensation
6 at the time of termination is at least \$150,000,
7 the maximum period is 18 months.

8 (b) No specific or additional consideration is required to
9 be paid by an employer to an employee to enforce a noncompete
10 agreement.

11 Section 20. Remedies.

12 (a) The prevailing party in a proceeding to enforce a valid
13 noncompete agreement is entitled to recover damages, costs and
14 expenses, and reasonable attorney's fees.

15 (b) A subsequent employer of an employee who is a party to
16 a valid noncompete agreement must honor the noncompete
17 agreement. A subsequent employer who aids and abets an
18 employee's breach of a valid noncompete agreement is liable for
19 damages, costs and expenses, and reasonable attorney's fees
20 incurred by the employer who is a party to the valid noncompete
21 agreement.

22 Section 25. Applicability.

23 (a) This Act applies to noncompete agreements entered into
24 on or after its effective date.

1 (b) This Act does not apply to a contract to which the
2 Broadcast Industry Free Market Act applies.

3 (c) This Act shall not be construed to affect or amend the
4 Illinois Trade Secrets Act."