

HOUSE BILL No. 6695

November 19, 2008, Introduced by Rep. Meisner and referred to the Committee on Commerce.

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 employer may obtain from an employee an
2 agreement or covenant ~~which~~**THAT** protects an employer's reasonable
3 competitive business interests and expressly prohibits an employee
4 from engaging in employment or a line of business after termination
5 of employment if the agreement or covenant is reasonable as to its
6 duration, geographical area, and the type of employment or line of
7 business. To the extent any such agreement or covenant is found to
8 be unreasonable in any respect, a court may limit the agreement to
9 render it reasonable in light of the circumstances in which it was

made and specifically enforce the agreement as limited.

(2) A BROADCASTING INDUSTRY PERSONAL SERVICE CONTRACT PROVISION IS PRESUMED UNREASONABLE IF IT DOES EITHER OF THE FOLLOWING:

(A) REQUIRES AN EMPLOYEE OR PROSPECTIVE EMPLOYEE TO REFRAIN FROM OBTAINING EMPLOYMENT IN A SPECIFIED GEOGRAPHIC AREA FOR A SPECIFIED TIME FOLLOWING EXPIRATION OF THE CONTRACT OR UPON TERMINATION OF EMPLOYMENT WITHOUT FAULT OF THE EMPLOYEE.

(B) REQUIRES THE EMPLOYEE TO AGREE TO ENTER INTO A SUBSEQUENT EMPLOYMENT CONTRACT WITH THE EMPLOYER UPON THE SAME TERMS AND CONDITIONS AS A PROSPECTIVE EMPLOYER OFFERS.

(3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE INDICATES, "BROADCASTING INDUSTRY PERSONAL SERVICE CONTRACT" MEANS AN EMPLOYMENT CONTRACT BETWEEN AN INDIVIDUAL WHO IS NOT EMPLOYED PRIMARILY IN SALES OR MANAGEMENT AND A LEGAL ENTITY, OR AN AFFILIATE OF A LEGAL ENTITY, THAT OWNS 1 OR MORE TELEVISION STATIONS OR NETWORKS OR 1 OR MORE RADIO STATIONS OR NETWORKS.

(4) ~~(2) This section shall apply~~ SUBSECTION (1) APPLIES to covenants and agreements ~~which~~ THAT are entered into after March 29, 1985. SUBSECTION (2) APPLIES TO COVENANTS AND AGREEMENTS THAT ARE ENTERED INTO AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTIONS (3) AND (4).