

HB 2992 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 4/1, 4/3

WHAT THE MEASURE DOES:

Requires, as a condition of enforceability of a noncompetition agreement, that employer provide terminated employee a signed, written copy of agreement within seven days after termination.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Increases to 30 days the amount of time employer has to provide terminated employee with written copy of agreement.

BACKGROUND:

Under current Oregon law, a noncompetition agreement may not exceed 18 months from the date of an employee's termination. The remainder of a term of a noncompetition agreement exceeding 18 months is voidable and may not be enforced by any Oregon court. A noncompetition agreement is not enforceable unless four requirements are met: 1) employer informs the employee in a written employment offer received at least two weeks before employee's first day or the agreement is entered into upon a promotion; 2) the employee is engaged in administrative, executive, or professional level work; 3) the employer has a protectable interest; and 4) the employee's gross annual salary and commissions at the time of termination exceeds the median family income for a four-person family.

House Bill 2992 requires the employer to provide a signed, written copy of the terms of the noncompetition agreement within seven days after an employee is terminated. The requirement applies to noncompetition agreements entered into on or after the effective date of the measure.