87S30101 RDS-D

By:  Harris H.B. No. 119

A BILL TO BE ENTITLED

AN ACT

relating to the enforceability of a covenant not to compete with respect to certain employees discharged from employment for refusal or failure to receive a COVID-19 vaccination.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 15.50, Business & Commerce Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a)  Notwithstanding Section 15.05 of this code, and subject to any applicable provision of Subsection (b) or (d), a covenant not to compete is enforceable if it is ancillary to or part of an otherwise enforceable agreement at the time the agreement is made to the extent that it contains limitations as to time, geographical area, and scope of activity to be restrained that are reasonable and do not impose a greater restraint than is necessary to protect the goodwill or other business interest of the promisee.

(d)  A covenant not to compete between an employee and an employer is not enforceable against an employee who is discharged from employment with the employer solely because the employee refused or failed to receive a COVID-19 vaccination required by the employer. For purposes of this subsection:

(1)  "COVID-19" means the 2019 novel coronavirus disease.

(2)  "Employee" means an individual who is employed by an employer for compensation.

(3)  "Employer" means a person who employs one or more employees.

SECTION 2.  The change in law made by this Act applies only to a covenant not to compete that is ancillary to or part of an agreement entered into on or after the effective date of this Act. A covenant not to compete that is ancillary to or part of an agreement entered into before the effective date of this Act is governed by the law in effect at the time the agreement was entered into, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect on the 91st day after the last day of the legislative session.