



Providing nonpartisan legal, research, and fiscal analysis services to the Minnesota Senate

S.F. No. 3721 - Restrictive employment covenants (A-1)

Author: Senator Alice Mann

Prepared by: Carlon Doyle Fontaine, Senate Counsel (651/296-4395)

Date: February 22, 2024

S.F. 3721 prohibits a company or partnership that provides services to a customer from restricting the customer from directly or indirectly soliciting or hiring one of their employees.

Section 1 provides definitions of terms including “customer,” “employee,” and “service provider.”

Section 2 prohibits the use of restrictive employment covenants and makes such covenants void and unenforceable. Requires service providers to give notice to employees about this law if their contracts contain this type of restrictive provision.

Section 3 is removed by the A-1 amendment.

Provides an **effective date** of July 1, 2024, and applies to contracts entered into or amended on or after that date.