

NEW LAW: Oregon Modifies Its Noncompete Law

On May 14, 2019, Oregon Governor Kate Brown signed [HB 2992](#) into law. This new law provides that for a noncompete agreement to be enforceable in Oregon, the employer must provide a signed, written copy of terms of the noncompete agreement to employee within 30 days after termination of employee's employment. This new law, which goes into effect on January 1, 2020, only applies to noncompete agreements entered into on or after January 1, 2020.

While the new statutory requirement seems simple enough, employers must remember that the statute requires employers to provide departing employees with a signed copy of their noncompete agreement within 30 days after their termination date.

Under a conservative reading of the statute, this means that providing a departing employee with a copy of the noncompete agreement on the employee's last day of employment would likely not satisfy the statutory requirement. Instead, until clarified, to be compliant with the new requirement, it is recommended that employers provide departing employees with a copy of these agreements no sooner than the day after the employee's last day of employment.

While not required under the new law, it is further recommended that employers orally remind departing employees of the terms of the noncompete agreement and any other post-employment obligations (e.g. non-solicitation agreements, etc.) on the employee's last day of employment.

It is important to note, that this new obligation only applies to noncompete agreements entered into on or after January 1, 2020. This means that preexisting agreements (those entered into on or before December 31, 2019) will continue to be enforceable even if an employer does not provide the employee with the notice.

It is recommended that employers who use noncompete agreements review their termination procedures and update those procedures to be compliant with the new requirements.