181.9881 RESTRICTIVE EMPLOYMENT COVENANTS; VOID IN SERVICE CONTRACTS.

Subdivision 1. **Definitions.** (a) "Customer" means an individual, partnership, association, corporation, business, trust, or group of persons hiring a service provider for services.

(b) "Employee," as used in this section, means any individual who performs services for a service provider, including independent contractors. "Independent contractor" has the meaning given in section 181.988, subdivision 1, paragraph (d).

(c) "Service provider" means any partnership, association, corporation, business, trust, or group of persons acting directly or indirectly as an employer or manager for work contracted or requested by a customer.

Subd. 2. **Restrictive employment covenants; void and unenforceable.** (a) No service provider may restrict, restrain, or prohibit in any way a customer from directly or indirectly soliciting or hiring an employee of a service provider.

(b) Any provision of an existing contract that violates paragraph (a) is void and unenforceable.

(c) When a provision in an existing contract violates this section, the service provider must provide notice to their employees of this section and the restrictive covenant in the existing contract that violates this section.

Subd. 3. **Exemptions.** This section does not apply to workers providing professional business consulting for computer software development and related services who are seeking employment through a service provider with the knowledge and intention of being considered for a permanent position of employment with the customer as their employer at a later date.

History: *2024 c 110 art 2 s 12*