# Kansas Clarifies Enforceability of Nonsolicitation Agreements

On April 8, 2025, Kansas <u>amended</u> the Kansas Restraint of Trade Act (KRTA) to create a presumption of enforceability of certain nonsolicitation agreements and require courts to modify overbroad restrictive covenants. The amendment takes effect on **July 1, 2025**.

## Background

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The KRTA governs the enforceability of certain contractual restrictive covenants. The law explicitly does not govern noncompete agreements (e.g., agreements prohibiting an employee from working for an employer's competitor) but is silent regarding nonsolicitation agreements (e.g., agreements prohibiting a former employee from soliciting clients or employees from an employer).

## **Enforceability of Nonsolicit Provisions**

The amendment asserts that the KRTA applies to nonsolicitation agreements and adds requirements for such agreements to be presumed to be enforceable. An **employee nonsolicitation provision** is presumed to be enforceable when it:

- Seeks to protect confidential or trade secret business information or customer or supplier relationships, goodwill or loyalty; or
- Does not continue for more than two years following employment.

A customer nonsolicitation provision is presumed to be enforceable when it:

- Is limited to customers about whom the employee had confidential business or proprietary information or trade secrets in the course of their relationship with the customer; and
- Does not continue for more than two years following employment.

## **Required Modification of Overbroad Provisions**

Under the amended law, if a restrictive covenant is determined to be overbroad or not reasonably necessary to protect an employer's business interests, a court must modify it so that it is enforceable.

## **Next Steps for Employers**

Kansas employers who enter into nonsolicitation agreements with employees may consider reviewing and revising existing agreements to ensure that they satisfy the requirements to be enforceable under the amended law. Provided to you by Employco USA, Inc.

## Highlights

#### April 8, 2025

Kansas amends the KRTA to clarify the enforceability of restrictive covenants and require courts to modify unenforceable restrictive covenants.

#### July 1, 2025

The amended law takes effect.

Effective July 1, 2025, nonsolicitation agreements that meet certain requirements will be presumed to be enforceable.