

1. A noncompetition covenant is void and unenforceable unless the noncompetition covenant:
   (a) Is supported by valuable consideration;
   (b) Does not impose any restraint that is greater than is required for the protection of the employer for whose benefit the restraint is imposed;
   (c) Does not impose any undue hardship on the employee; and
   (d) Imposes restrictions that are appropriate in relation to the valuable consideration supporting the noncompetition covenant.

2. A noncompetition covenant may not restrict a former employee of an employer from providing service to a former customer or client if:
   (a) The former employee did not solicit the former customer or client;
   (b) The customer or client voluntarily chose to leave and seek services from the former employee; and
   (c) The former employee is otherwise complying with the limitations in the covenant as to time, geographical area and scope of activity to be restrained, other than any limitation on providing services to a former customer or client who seeks the services of the former employee without any contact instigated by the former employee.

Any provision in a noncompetition covenant which violates the provisions of this subsection is void and unenforceable.

3. An employer in this State who negotiates, executes or attempts to enforce a noncompetition covenant that is void and unenforceable under this section does not violate the provisions of NRS 613.200.

4. If the termination of the employment of an employee is the result of a reduction of force, reorganization or similar restructuring of the employer, a noncompetition covenant is only enforceable during the period in which the employer is paying the employee’s salary, benefits or equivalent compensation, including, without limitation, severance pay.

5. If an employer brings an action to enforce a noncompetition covenant and the court finds the covenant is supported by valuable consideration but contains limitations as to time, geographical area or scope of activity to be restrained that are not reasonable, impose a greater restraint than is necessary for the
protection of the employer for whose benefit the restraint is imposed and impose undue hardship on the employee, the court shall revise the covenant to the extent necessary and enforce the covenant as revised. Such revisions must cause the limitations contained in the covenant as to time, geographical area and scope of activity to be restrained to be reasonable and to impose a restraint that is not greater than is necessary for the protection of the employer for whose benefit the restraint is imposed.

6. As used in this section:

(a) “Employer” means every person having control or custody of any employment, place of employment or any employee.

(b) “Noncompetition covenant” means an agreement between an employer and employee which, upon termination of the employment of the employee, prohibits the employee from pursuing a similar vocation in competition with or becoming employed by a competitor of the employer.

(Added to NRS by 2017, 1861)