

# Florida Legislature Passes Restrictive Covenants Bill

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On April 24, 2025, the Florida Legislature passed legislation to create two new forms of noncompetes for employers and businesses: a covered garden leave provision and a provision limiting noncompetes to a specific geographic area and time period.

## Quick Hits

- On April 24, 2025, the Florida Legislature passed legislation (HB 1219) to permit two new forms of allowed noncompete provisions under Florida law.
- The new provisions include a covered garden leave provision and a provision limiting a noncompete to a specific geographic area and time period, both of which would be enforceable through injunctive and other relief.
- If enacted, HB 1219 will become effective on July 1, 2025.

[House Bill \(HB\) 1219](#), titled, the “Contracts Honoring Opportunity, Investment, Confidentiality, and Economic Growth (CHOICE) Act,” does not amend Florida’s current noncompete statute, Florida Statute 542.335, or Florida’s trade secret statute, Florida Statute 688.001, et seq. These newly allowed noncompete provisions are over and above existing allowed noncompete provisions under Florida law.

The covered garden leave provision allows an employer to retain an employee or contractor during a post-employment “notice period,” during which the employer continues to pay the employee’s salary and benefits while the employee sits out of work, restricting the employee from engaging in competitive employment. The employee can work with another employer during the notice period, but only with the permission of the current employer. Under a covered garden leave provision, the notice period can last up to four years but can be reduced with at least thirty days’ advance notice in writing to the employee.

The second noncompete provision is similar to F.S. 542.335, which restricts an employee or contractor from competing in a specified geographic area for a specified time. Like the covered

garden leave provision, this restricted period can last up to four years. In order to enforce this provision:

- the employer must advise the employee, in writing, of the employee's right to seek counsel at least seven days before the employee is required to sign any agreement containing a covered noncompete provision;
- the agreement containing the covered noncompete provision must include an acknowledgement that the employee will receive "confidential information or customer relationships"; and
- the covered noncompete provision must provide that it is "reduced day-for-day by any nonworking portion of the notice period, pursuant to a garden leave [provision] between the employee and the covered employer."

Both newly allowed noncompete provisions will be enforceable through injunctive and other relief. If an employer seeks to enjoin an employee under either provision, the court **must** grant preliminary injunctive relief. The injunction may only be modified or dissolved if the employee establishes, by clear and convincing evidence, based on nonconfidential information, that:

- the covered employee will not perform, during the noncompete period, any work similar to the services provided to the employer or use confidential information or customer relationships of the employer; or
- the employer has failed to either pay or provide (a) the salary and benefits provided for in the covered garden leave provision during the notice period and has had a reasonable opportunity to cure the failure, or (b) pay the consideration provided for in the noncompete provision and the employer has had a reasonable opportunity to cure the failure; or
- for agreements containing covered noncompete provisions, the business, entity, or individual seeking to employ or engage the employee is not engaged in, and is not planning or preparing to engage in, any business activity similar to those of the employer during the noncompete period and in the geographic area described in the agreement.

There are several other conditions that apply to one or both of these new forms of noncompete provisions. For example, a covered garden leave provision applies to either a covered employee who maintains a primary place of work in Florida or a covered employer whose principal place of business is in Florida. If HB 1219 becomes law, employers should confirm they are following the notice requirements and other requirements to ensure compliance.

If HB 1219 is signed into law by the governor, it will become effective on July 1, 2025.

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