Reminder: Amendments to Colorado Noncompete Law Take Effect Today

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As we have previously reported, the Colorado Assembly passed sweeping changes to the state’s noncompete law that, among other things, (1) set compensation floors for enforcement of both noncompetes ($101,250) and customer non-solicitation agreements ($60,750), which will be adjusted annually based on inflation; (2) **require a separate, standalone notice to employees** before a new or prospective worker accepts an offer of employment, or at least 14 days before the earlier of: (a) the effective date of the restrictions, or (b) the effective date of any additional compensation or changes in the terms or conditions of employment that provide consideration for the restriction, for existing workers; and (3) prohibit the
inclusion of out-of-state choice-of-law and venue provisions. **Those amendments take effect today, August 10, 2022.**

Compliance with these amendments is even more important due to a prior amendment, effective earlier this year, which provides that violations of Colorado’s noncompete law can subject employers to **criminal liability** (a Class 2 misdemeanor, which carries possible punishment of 120 days in prison, a $750 fine per violation, or both), as well as hefty fines and possible injunctive relief and attorneys’ fees to aggrieved workers.

Our prior reporting on the details of the amendments can be found here:


Next up is Washington, D.C., where a **new noncompete law** will take effect on October 1, 2022. That law similarly includes compensation floors, notice requirements, and other limitations on noncompetes. Stay tuned for additional updates as that date draws near.

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