

The Work Week

Bassford Remele Employment Practice Group



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Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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The \$500,000 Question: Will Minnesota Reinstate Non-Competes for High Earners and Those Entrusted With Trade Secrets?

[Andrew T. James](#)

Minnesota employers have barely adjusted to the statewide sweeping ban on nearly all non-compete agreements with employees, but the landscape could be shifting once again. As the Minnesota legislative session enters its final crucial weeks, a push is underway to partly repeal this recently enacted law, carving out some key exceptions.

For those who may have missed it, effective July 1, 2023, Minnesota implemented a [near-total ban](#) on non-compete agreements between employers and employees. This landmark legislation aimed to foster greater worker mobility and wage growth, largely prohibiting employers from restricting former employees from joining competitors or starting their own businesses with only limited exceptions (generally related to the sale of a business).

Since the law became effective, the business community has voiced concerns that its scope was broader than intended, arguing that employers have been hindered from protecting their legitimate business interests, particularly concerning high-level employees and those with access to sensitive proprietary information and trade secrets. These concerns appear to be gaining traction as the legislative session nears its end on May 19th.

[According to recent reports](#), a potential modification to the current ban is being actively discussed as part of ongoing high-stakes budget negotiations. On May 7, 2025, the Minnesota House of Representatives [adopted an unofficial engrossment](#) (not yet a law) that would resurrect certain non-competes in Minnesota as follows:

- **High-Earning Employees:** Employers may utilize non-competes with employees earning more than \$500,000 annually in budgeted salary and bonus, regardless of the employee's primary job

duties. The rationale here is that individuals at this income level often possess unique leverage and negotiating power, therefore the need for blanket protection is less critical.

- **Employees with Access to Sensitive Information:** Employees may also use non-competes with employees earning over \$200,000 annually in budgeted salary and bonus who are directly involved in, or manage or are responsible for, the “creation, analysis, or modification” of trade-secret information. The argument for this exception lies in the need for companies to safeguard their valuable intellectual property and competitive information.
- **Narrow definition of “trade secret”:** The engrossment defines “trade secret” as “all forms and types of scientific, technical, or engineering information” that the owner has taken reasonable measures to keep secret and that derive independent economic value from not being known to, or readily ascertainable to, others. This definition may be subject to change as the Minnesota House and Senate continue considering this proposal. However, as written, this statutory provision would only apply to “scientific, technical, or engineering information.” This definition is narrow because it excludes information otherwise commonly considered a trade secret, including information subject to Minnesota’s Uniform Trade Secrets Act that falls outside of the “scientific, technical, or engineering information” restriction.

The push for these modifications is being spearheaded by business trade groups who argue that the current blanket ban could lead some Minnesota companies, particularly those in innovation-driven sectors, to reconsider their presence in the state or limit investment in research and development to avoid the risk of key knowledge walking out the door to competitors. Business trade groups are encouraging House Republicans to leverage the non-compete measure as part of critical talks over the state budget.

As the final two weeks of the legislative session unfold, this issue is shaping up to be a significant point of contention. The outcome will likely depend heavily on the dynamics of the budget negotiations and the willingness of both parties to compromise. Employers and employees in Minnesota should pay close attention to legislative developments in the coming days to understand the potential future of non-compete agreements in the state.

For Minnesota businesses, this renewed debate underscores the need to be prepared for potential changes. Reviewing existing employment agreements and considering alternative strategies for protecting legitimate business interests, such as agreements that protect confidentiality and trade-secret information, remains prudent. Employees, on the other hand, should stay informed about their rights and understand how any potential modifications could impact their future career options.

Bassford Remele’s award-winning [Employment Practice Group](#) is here to help with these issues and more. Please reach out to discuss ways that we can help you protect your business or protect your rights.

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