

Wyoming's New Non-Compete Law Starts in July: Employers Need to Look at Their Agreements Now

By Clifford R. Atlas, Jascha Clark & M. Christopher Moon

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Meet the Authors



Clifford R. Atlas

(He/Him)

Principal

(212) 545-4017

Clifford.Atlas@jacksonlewis.com

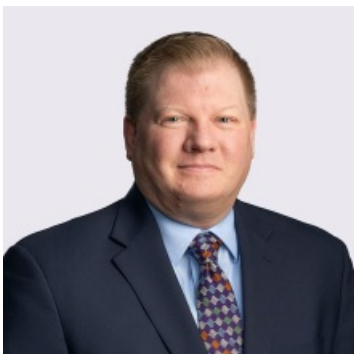


Jascha Clark

Principal and Office Litigation
Manager

(801) 736-3199

Jascha.Clark@jacksonlewis.com



Takeaways

- Effective 07.01.25, Wyoming law significantly restricts how and when employers can use covenants not to compete and renders most new non-compete agreements unenforceable.
- The law allows exceptions for the sale or purchase of a business, trade secret protection, the recovery of training and relocation expenses, and executives and key professional staff.
- The law voids non-compete provisions for physicians, giving them full rights to communicate their new practice location and information to patients with rare disorders without risk of litigation.

Related link

- [Senate Bill 107](#)

Article

On Mar. 19, 2025, Wyoming Governor Mark Gordon signed [Senate Bill 107](#) into law, fundamentally reshaping the landscape for non-compete agreements in a major legislative move that will impact employers across Wyoming. Effective July 1, 2025, the new law significantly restricts how and when employers can use covenants not to compete and makes most traditional non-compete agreements executed on or after the effective date unenforceable.

What Has Changed?

Previously, Wyoming allowed employers considerable flexibility in drafting non-compete agreements. Under the new statute, non-compete agreements that restrict an employee's ability to earn a living, either in skilled or unskilled labor, are generally void.

Important Exceptions

While the general rule is clear — non-competes are mostly unenforceable — there are important exceptions employers must understand:

1. *Sale or Purchase of a Business:* Non-competes remain valid when they accompany the sale or transfer of a business or its assets. This preserves protections for buyers and sellers in significant business transactions.
2. *Trade Secrets Protection:* Wyoming businesses can still protect legitimate trade secrets through narrowly tailored non-compete agreements. Importantly, these

M. Christopher Moon

Principal

385-419-3531

Christopher.Moon@jacksonlewis.com

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agreements must strictly adhere to statute. Wyo. Stat. § 6-3-501(a)(xi) defines “trade secret” as “the whole or a portion or phase of a formula, pattern, device, combination of devices or compilation of information which is for use, or is used in the operation of a business and which provides the business an advantage or an opportunity to obtain an advantage over those who do not know or use it.” Employers should carefully draft language reflecting this precise statutory definition.

3. *Recovery of Training and Relocation Expenses:* Employers can recover expenses incurred from training, education, or relocating employees, provided clear terms are outlined:

- Up to 100% if employment lasted less than two years
- Up to 66% if employment was between two and three years
- Up to 33% if employment was between three and four years

4. *Executives and Key Professional Staff:* Non-compete agreements can remain valid for “[e]xecutive and management personnel and officers and employees who constitute professional staff to executive and management personnel.” This phrase is not defined in the statute. Employers should carefully consider which roles legitimately fit within this category and craft agreements accordingly.

Special Rules for Physicians

Wyoming’s legislature gave special attention to non-compete agreements involving physicians. Any provision that restricts a physician’s practice after their employment termination is now void. Although all other provisions of their agreements remain enforceable, the new law gives physicians full rights to communicate their new practice location and information to patients with rare disorders (as defined by the National Organization for Rare Disorders) without risk of litigation. This specific patient-focused exception reflects public policy prioritizing patient care continuity over contractual restrictions.

Applicability of the New Law

The statute applies only prospectively and only covers contracts executed on or after July 1, 2025. Existing non-compete agreements, and all those signed before July 1, 2025, will remain unaffected and enforceable according to their original terms.

Recommended Employer Action

Given this significant legislative shift, employers must carefully review and update employment agreements to comply with Wyoming’s new legal landscape. It is critical for businesses to:

- ***Review and Revise:*** Carefully audit your existing employment agreement templates and policies to ensure compliance with the new law before July 2025.
- ***Identify Exceptions:*** Evaluate which roles within your company may legitimately fall under permitted exceptions and update specific contract language accordingly.
- ***Collaborate with Employment Counsel:*** Seek strategic advice from experienced employment counsel to mitigate risks, ensure full compliance, and protect your company’s interests.

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