

National State Employment Law Update Covering the First Six Months of 2025

Labor & Employment Law Update

By Kevin Kleine and Sara Zorich on July 30, 2025

2025 is halfway over, and already, there has been significant activity and legal developments throughout the U.S. on the state and local level. Below is a recap of notable laws enacted throughout the U.S. that have become effective within the first half of 2025.

Florida

- Effective July 1, 2025 - House Bill 1219 (H.B. 1219) allows Florida employers to enforce both garden leave and noncompete agreements lasting up to four years. The law, known as the CHOICE Act, clarifies that such agreements do not act in restraint of trade as long as employees are given notice about the requirements of the agreements in advance and salary and other requirements are met. The law requires courts to enjoin employees or former employees covered by the agreements from providing similar services to another employer.

Illinois

EFFECTIVE FEBRUARY 7, 2025

- House Bill 2840 (H.B. 2840) expanded the Illinois Freedom to Work Act's definition of "first responders" to include anyone **formerly** employed as emergency medical services personnel, firefighters, and law enforcement officers. This is significant because a 2024 amendment to the same Act prohibited noncompetition and nonsolicitation agreements for mental health professionals licensed in Illinois who provide mental health services to veterans and first responders if the enforcement of the covenant not to compete or covenant not to solicit is likely to result in an increase in cost or difficulty for any veteran or first responder seeking mental health services. As a result, any mental health professional providing services to someone who was previously employed as a "first responder" is exempt from noncompete and non-solicitation agreements

EFFECTIVE FEBRUARY 20, 2025

- House Bill 587 (HB 587) created the Electric Transmission Systems Construction Standards Act (ETSCA).
- **Prevailing Wage:** The ETSCA requires all utilities and construction contractors on public works projects involving the construction, installation, maintenance, or repair of electric transmission systems to pay workers wages and benefits consistent with the Illinois Prevailing Wage Act.
- **Safety Training:** The ETSCA requires that all workers engaged in the construction, installation, maintenance, or repair of electric transmission systems must successfully complete OSHA-certified safety training required for their specific roles on the project site.
- **Diversity Plan:** The ETSCA requires that all construction contractors engaged in the construction, installation, maintenance, or repair of electric transmission systems must develop a diversity plan that sets forth:
 - (A) the goals for apprenticeship hours to be performed by minorities and women;
 - (B) the goals for total hours to be performed by underrepresented minorities and women; and
 - (C) spending for women-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year.
- **Prevailing Wage Act Amendment:** HB 587 amends the definition of "public works" under the Illinois Prevailing Wage Act to include projects involving the construction of a new battery energy storage solution facility or a high voltage direct current converter station by a business designated as a High Impact Business under the Illinois Enterprise Zone Act.

EFFECTIVE JUNE 30, 2025

- Senate Bill 1344 (S.B. 1344) imposes new liabilities, fines and penalties under the Illinois Prevailing Wage Act ("IPWA"). Specifically, S.B. 1344 provides that any contracting employer subject to the IPWA—or any officer, employee, or agent of the contracting employer whose duty as the officer, employee, or agent is to file the certified payroll—that fails to file the certified payroll for any public works project as required, is now subject to a civil penalty, payable to the IL DOL, of up to \$1,000 for a first offense and up to \$2,000 for a second or subsequent offense no more than five years after the first offense. A second or subsequent offense that occurs more than five years after the first offense shall be considered a first offense. Each month in which a violation of the certified payroll submission occurs shall constitute a separate offense.

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Indiana

EFFECTIVE JULY 1, 2025

- Senate Bill 409 (S.B. 409) prohibits employers from taking adverse action against employees because they are absent from work to attend their child's school conference meeting, unless certain circumstances apply. The employer is not required to pay employees for their time spent attending or traveling to or from the conferences or meetings and can require the employee to provide documentation that the employee attended a conference or meeting specified under the Act and 5-days' advance notice of the need to take leave for such purposes. Employees are required to make a reasonable effort to schedule the school conference or meeting as an electronic conference or meeting.

Iowa

EFFECTIVE JULY 1, 2025

- Senate File 418 (S.F. 418) removes gender identity as a protected classification from the Iowa Civil Rights Act. Iowa's Civil Rights Act classifies sex as the state of being either male or female as observed or clinically verified at birth. Accordingly, effective July 1, 2025, Iowa's Civil Rights Act will no longer protect biologically male or female employees who allege employment discrimination based on a gender identify different from their gender classification at birth or of the opposite sex. Meaning, effective July 1, 2025, job applicants, current and former employees can no longer assert or pursue claims under Iowa's Civil Rights Act related to their status as transgender, gender transitioning status or gender identify different from their gender classification at birth or of the opposite sex.
- House File 767 (H.F. 767) amends Iowa's drug-free workplace law to permit employers to designate positions as safety-sensitive when an accident could cause loss of human life, serious bodily injury, or significant property or environmental damage. The legislation also permits employees or applicants to request confirmatory drug tests and their results by in-person exchange or electronic notification in lieu of certified mail. The legislation requires aggrieved employees or applicants suing employers to prove, by a preponderance of evidence, that the employer's violation of the drug testing laws directly caused damages for which relief is sought.

Kansas

EFFECTIVE JULY 1, 2025

- Senate Bill 241 (S.B. 241) amends Kansas' restraint of trade law to provide that noncompetition and non-solicitation covenants that prohibit employees from soliciting an employer's customers or employees for a period of 2-years after

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separation from employment are enforceable, provided they meet limited requirements. Courts are instructed to amend any overly broad clauses before allowing their enforcement.

Nebraska

EFFECTIVE JUNE 4, 2025

- Legislative Bill 150 (L.B. 150) adds members of the military and veterans to the list of protected classes under the state's Fair Employment Practices Act, prohibiting employment discrimination on the basis of an individual's military or veteran status.

Minnesota

EFFECTIVE JULY 1, 2025

- **Earned sick and safe time:** Senate File 17 (S.F. 17), amends Minnesota's earned sick and safe time law. Beginning July 1, 2025, employers can require reasonable notice of unforeseeable leave (instead of notice as soon as practicable) and require documentation for leave exceeding two consecutive scheduled workdays (instead of three). Employees can voluntarily seek or trade shifts with a replacement worker to cover their hours of leave. Effective Jan. 1, 2026, employers can advance leave to employees based on the hours they are expected to work for the remainder of an accrual year, but must make up the difference if the advanced amount is less than the amount they would have accrued based on actual hours worked.

Ohio

EFFECTIVE APRIL 8, 2025

- **New Pay Stub Requirements:** House Bill 106 (H.B. 106) requires employers to include on pay stubs an employee's name, address, total gross and net wages, the amounts and purposes of each addition or deduction to wages, the payment date, and the pay period.

Rhode Island

EFFECTIVE JULY 1, 2025

- House Bill 5841 (H.B. 5841) amends the state's fair employment practices law to prohibit discrimination based on traits historically associated with race, including, but not limited to, hair texture and protective hairstyles. These laws are commonly known as CROWN Acts.

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EFFECTIVE JULY 2, 2025

- House Bill 5506 (H.B. 5506) amends the state's Labor Relations Act to prohibit employers from taking adverse employment actions against employees, including discharging, disciplining or otherwise penalizing an employee, because of an employee's refusal to: (1) attend an employer-sponsored meeting with the employer where the primary purpose of the meeting is to communicate the employer's opinion concerning religious or political matters; or (2) listen to speech or view communications, including electronic communications, from employer, the primary purpose of which is to communicate the employer's opinion concerning religious or political matters. Employees aggrieved by unlawful discipline or discharge can bring a civil action against their employer for equitable relief and/or compensatory damages, including attorneys' fees and costs.

Virginia

EFFECTIVE JULY 1, 2025

- Senate Bill 1218 (S.B. 1218) Provides that, for the purposes of the prohibition in existing law against an employer entering into, enforcing, or threatening to enforce a covenant not to compete with any low-wage employee, "low-wage employee" includes an employee who, regardless of average weekly earnings, is entitled to overtime compensation under federal law for any hours worked in excess of 40 hours in any one workweek. The law applies to contracts, covenants, and agreements entered into after July 1, 2025.

Wyoming

EFFECTIVE JULY 1, 2025

- Senate File 0107 (S.F. 0107) effectively bans non-compete agreements. Beginning July 1, 2025, S.F. 0107 prohibits covenants not to compete that restrict the right of *any person* to receive compensation for the performance of skilled or unskilled labor. The legislation also prohibits covenants not to compete between physicians that restrict the right of a physician to practice medicine upon termination of the physician's employment, partnership or corporate affiliation. The law applies to contracts, covenants, and agreements entered into after July 1, 2025.

Washington

EFFECTIVE JULY 27, 2025

- House Bill 1747 (H.B. 1747) amends Washington's Fair Chance Act to specify that employers can't inquire about an applicant's criminal history until after

the employer makes an offer of employment conditioned on obtaining the applicant's criminal record. It also bars policies that categorically exclude applicants with criminal records from any job as well as rejecting an applicant for failing to disclose a criminal record. The amendments also bar adverse employment actions based on juvenile criminal records and adult criminal records, unless there is a legitimate business reason for the action. If an employer makes an adverse decision based on a criminal record, it must provide the applicant or employee with at least two days to respond and explain, and if it then rejects the applicant it must provide the reason in writing.

- House Bill 1875 (H.B. 1875) allows eligible employees use sick leave to prepare for or participate in any judicial or administrative immigration proceeding involving them or their family members.

This is not an exhaustive summary of all state and local laws passed into law in 2025. Accordingly, employers should continue to be mindful of all applicable state and local laws, and contact experienced labor and employment attorneys for questions regarding compliance with such laws.

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