

Ohio's New E-Verify Requirement: What Nonresidential Construction Contractors Need to Know

Labor & Employment Law Update

By Christopher Green and Matthew Horn and Sara Zorich on January 15, 2026

Ohio has adopted a new workforce verification law that will directly affect many construction companies operating in the state. Beginning **March 19, 2026**, certain construction employers will be required to use the federal E-Verify system for new hires. Because the law carries meaningful penalties and applies broadly across the construction supply chain, contractors should begin preparing now.

Who Is Covered by the New Law?

The statute applies to nonresidential construction projects in Ohio. In plain terms, this includes most commercial and public construction work, such as:

- Construction or renovation of commercial buildings;
- Highways, bridges, and road projects;
- Utilities and related infrastructure.

The law does not apply to purely residential construction or certain specialized structures, including manufactured homes, mobile homes, industrialized units, or structures incidental to agricultural use.

Further note, the law is not limited solely to general contractors. Subcontractors and labor brokers providing workers on nonresidential construction projects are also covered.

Which Workers Count as "Employees"?

The law focuses on workers who are treated as employees rather than independent contractors. A worker will generally be considered an employee if:

- The contractor, subcontractor, or labor broker controls not just the end result, but how the work is performed; and
- The worker is paid wages, salary, or other compensation for their services.

Construction companies should take this opportunity to reassess worker classifications, particularly where staffing agencies or labor brokers are involved.

What Does the Law Require?

Covered employers must enroll in E-Verify and create an E-Verify case for all newly hired employees after the law takes effect.

E-Verify requires that employers use it for all new hires at a hiring site after a company has registered for E-Verify. Thus, if you are a construction contractor who does both residential and commercial business you will be required to use E-Verify for all new hires in Ohio throughout your company, not just those placed on commercial projects. Businesses could consider splitting off their residential division into a separate business, but this requires careful consideration since both business organization and E-Verify obligations would need to be considered.

Further, under the new law there is no “end” to when a covered business can stop using E-Verify. As long as a company is registered for E-Verify, they must continue to use E-Verify for all new hired employees. Thus, if a company believes they are no longer covered by the law and are not going to be covered going forward, they should review the situation with counsel to determine if/when they may request to end their E-Verify account.

Key compliance points include:

- **New hires only.** E-Verify must be used for employees hired on or after March 19, 2026, with limited exceptions.
- **Recordkeeping.** Employers must retain E-Verify and related employment records for the later of three years from hire or one year after termination.
- **Final non-confirmations.** Employers must end employment for workers who receive a final E-Verify non-confirmation or risk penalties for continued employment.

Contract Impacts for Public Projects

State agencies will be required to include language in contracts for nonresidential construction projects confirming compliance with the new E-Verify requirements. Contractors working on public projects should expect to see new compliance representations and certifications added to bid documents and contracts.

Penalties for Non-Compliance

Failure to comply with the Ohio E-Verify law can result in significant consequences, including:

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- Monetary penalties and fines,
- Penalties for failing to use E-Verify for new hires,
- Fines for continuing to employ workers after an E-Verify non-confirmation,
- Revocation of business licenses,
- Disqualification from state contracts.

For companies that rely on public work or layered subcontracting, these penalties can be especially disruptive.

Steps Contractors Should Take Now

Although the law does not take effect until March 19, 2026, construction companies should begin planning well in advance. Recommended steps include:

1. **Confirm coverage.** Determine whether your projects fall within the definition of nonresidential construction under the law.
2. **Evaluate hiring practices.** Review onboarding procedures to ensure E-Verify can be integrated smoothly.
3. **Review subcontract agreements.** Consider adding provisions requiring E-Verify compliance, cooperation with audits, and indemnification for violations.
4. **Assess labor brokers and staffing agencies.** Ensure third-party providers understand and agree to comply with the law.
5. **Train HR and project teams.** Make sure those involved in hiring and project management understand the new requirements and risks.

Looking Ahead

Ohio has not yet issued formal guidance or FAQs on the new law, and further developments are possible. Construction companies should monitor updates and be prepared to adjust their compliance strategies as more information becomes available. If you have questions about how this law applies to your projects, workforce structure, or contracts, or if you would like assistance preparing for compliance, please contact us.

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