

The Buckeye State To End Employer Noncompetes?: Ohio Introduces Bill That Would Ban Employers From Entering Into Noncompetes

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Consistent with our previous [reporting](#) that states would continue to address noncompete issues even after the apparent end of the FTC Noncompete Rule, Ohio has joined the growing list of jurisdictions seeking to restrict the use of noncompetes.

On February 5, 2025, Ohio state Senators Louis W. Blessing (R) and William P. DeMora (D) introduced [Senate Bill \(SB\) 11](#) (the “Bill”), that, if enacted, would prohibit employers from entering into a noncompete agreement with a “worker” or “prospective worker”.

The Bill defines “worker” as “an individual who provides services for an employer[,]” including, among others, employees, independent contractors, externs, interns, and volunteers. The Bill does not define “prospective worker.”

If enacted as introduced, the Bill would prohibit employers from enforcing agreements that prohibit or penalize workers from seeking or accepting work with a person, or operating a business, after the conclusion of the relationship between the employer and worker, including any of the following:

- Prohibiting the worker from working for another employer for a specified period of time, in a specified geographic area, or from working for another employer in a capacity similar to his or her work for the employer;
- Requiring that the worker pay for lost profits, lost goodwill, or liquidated damages because the worker terminates his or her relationship with the employer;
- Imposing a fee or cost on a worker for terminating the work relationship; and
- Requiring a worker who terminates his or her employment to reimburse the employer for expenses incurred for training, orientation, evaluation, or other services to improve the workers’ performance.

The Bill does not address confidentiality or non-solicit agreements, so presumably those agreements would remain permissible if the Bill is enacted.

One open issue is whether the Bill will have retroactive effect to noncompete agreements entered before the effective date. Although one could interpret the intent of the Bill as applying to only those noncompete agreements entered after the effective date, the present language of the Bill could apply to existing noncompetes between employers and workers. Section 4119.02(A) of the Bill states that “[b]eginning on the effective date of this section, no employer shall enter into, attempt to enter into, present to a worker or prospective worker as a term of hire, **or attempt to enforce an agreement, or part of an agreement** that prohibits the worker” from competing with the employer. (emphasis added). Thus, the plain language of the Bill suggests that, if enacted as written, employers would be prohibited from seeking to enforce existing noncompetes with workers, including noncompetes entered into before the effective date.

The Bill also addresses choice-of-law and forum selection provisions and would apply to “**any agreement**” between an employer and worker that is entered, modified, or extended on or after the effective date of the Bill, not just noncompetes. If a worker primarily resides and does business in Ohio, employers are prohibited from requiring the worker to adjudicate a claim arising in Ohio in a forum other than Ohio. Furthermore, the agreement cannot seek to enforce a choice-of-law provision that attempts to circumvent the protections under Ohio law. The Bill provides an exception if the worker is individually represented by independent legal counsel in negotiating the terms of the agreement and the worker chooses a choice-of-law and/or forum outside of Ohio.

The Bill would allow a worker or prospective worker to bring a civil action against an employer for a violation of the Bill’s restrictions. If the worker prevails in such a civil action, the worker will be entitled to an award of attorney’s fees, and may also be awarded actual damages, punitive damages, or injunctive relief.

As we previously reported, several other state legislatures, including [New York](#), [Maine](#), and [Rhode Island](#), have been unsuccessful in their attempts to pass legislation barring noncompetes between employers and employees. If enacted, Ohio, which has [long recognized the enforceability of noncompetes](#) and has generally been regarded as an employer-friendly state, would completely reverse course by enacting a complete ban to noncompetes. It would become only the fifth state (joining California, Minnesota, Oklahoma, and North Dakota) to ban noncompetes between employers and workers.

The fact that Ohio’s Bill is co-sponsored by one Republican and one Democrat state senator may be an attempt by those lawmakers to signal bipartisan support for the Bill. It remains questionable as to whether the Bill will gain support in the legislature or whether Ohio Governor Mike DeWine would support a complete ban on noncompetes in the State of Ohio.

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