

Noncompete Agreements in 2026: A Federal and State Overview

Published: July 13, 2026

Article By:

Amir E. El-Aswad

Noncompete agreements remain one of the most contested areas of employment law in the United States. With federal efforts to ban noncompetes stalled and a patchwork of state laws expanding rapidly, employers need a clear understanding of the current landscape. This post provides an overview of the current status of noncompete law at both the federal and state levels.

Federal Overview: The Current Landscape

The FTC's 2024 Rulemaking and Its Demise

The Federal Trade Commission's (FTC) effort to ban noncompetes nationwide began in April 2024, when it issued a [final rule](#) broadly prohibiting them. Opponents quickly sued, and in August 2024 a federal court in Texas [blocked](#) the FTC from enforcing the rule nationwide. The agency appealed at first but, under Chair Andrew Ferguson, [withdrew](#) that appeal in September 2025, bringing the FTC's nationwide ban effort to a close.

At present, no FTC nationwide noncompete ban is in effect. Under the Trump administration, the agency has moved away from broad rulemaking and instead has favored [case-by-case](#) enforcement. That shift has generated little meaningful activity so far — primarily one enforcement action involving a pet cremation company and warning letters to certain health care and staffing employers. That being said, the FTC continues to [signal](#) that it will keep scrutinizing noncompete agreements on a case-by-case basis, even without a nationwide ban.

The FTC did hold a workshop in January 2026 and solicit public comment, but those actions appear largely informational.[1] The agency is not expected to pursue any significant new noncompete rulemaking in the near term. More broadly, the Supreme Court's recent decision in [Loper Bright Enterprises v. Raimondo](#) has made administrative rulemaking a less viable tool for expanding noncompete restrictions because courts no longer defer to agencies' interpretations of ambiguous statutes.

The Workforce Mobility Act

Another path to a nationwide ban is through Congress. In June 2025, Senators Murphy (D-CT), Young (R-IN), Cramer (R-ND), and Kaine (D-VA) re-introduced the Workforce Mobility Act (S. 2031, 119th Congress). If passed, this bipartisan bill would largely ban noncompete agreements nationwide, permitting them only for limited exceptions such as the dissolution of a partnership, sale of a business, or for senior executive officials with severance agreements. The law would apply retroactively and create a private right of action.

However, since being referred to the Committee on Health, Education, Labor, and Pensions, no further action has been taken, and the chances of passage in the current political climate remain slim.

State-by-State Survey: The Patchwork Landscape

As federal efforts have stalled, states have moved to fill the gap. Over the past three-plus years, lawmakers in more than 35 states have introduced over 150 bills to restrict noncompetes in some form, with [Washington](#) being the most recent to enact a full ban. The shifting landscape generates [many questions](#) and concerns for employers and employees alike.

A notable exception to the broader national trend emerged in Florida, where the CHOICE Act took effect on July 1, 2025, and *strengthened* enforcement of noncompetes for high-wage earners.[2]

States generally fall into the following categories:

- **Complete Ban:** Noncompetes are unenforceable regardless of industry or role.
- **Partial Ban:** Noncompetes are permitted but limited by salary thresholds, job duties, or industry.
- **Generally Enforceable:** Courts uphold noncompetes, provided they reasonably tailored to protect legitimate business interests such as trade secrets, client relationships, or proprietary information.

State	Enforceability	Key Restrictions or Conditions	Notable Recent Developments
Alabama	Partial Ban: prohibited against professionals (e.g., physicians, physical therapists, public accountants, and veterinarians).	Must serve a protectible interest (e.g., trade secrets, confidential information, commercial relationships, goodwill). [3]	—
Alaska	Generally Enforceable.	Must be reasonable in scope and duration; must protect legitimate business interests.	—
Arizona	Partial Ban: prohibited against broadcasters.[4]	Must be reasonable in scope and duration; must protect legitimate business interests.	—
Arkansas	Partial Ban: prohibited against physicians and other professionals (e.g.,	Must be reasonable in scope and duration.	—

	accountants, engineers, architects, and other regulated occupations).[5]		
California	Complete Ban.	Noncompetes are void. Very limited exceptions for sale of a business. [6] Employees may sue for damages if employer tries to enforce.	Amendment to Health & Safety Code (eff. Jan. 1, 2026) voids noncompetes for management of physician/dental practices acquired by private equity. [7]
Colorado	Partial Ban: Most noncompetes are void except for highly compensated workers or trade secrets. [8]	Penalty of \$5,000 per worker, injunctive relief, actual damages, and attorney fees.	—
Connecticut	Partial Ban: prohibited against broadcasters and security guards.[9]	Must be reasonable in scope and duration. Restrictions apply to certain professions (physicians, home healthcare companions).[10]	—
Delaware	Partial Ban: prohibited against physicians.[11]	Must be reasonable in scope and duration; must protect legitimate business interests.	—
District of Columbia	Partial Ban: general ban for workers earning less than ~\$162,164 (2026 threshold); ban for medical specialists earning less than ~\$270,274 (2026); blanket ban for broadcast employees.[12]	For enforceable noncompetes, must specify functional scope, geographic limits, and not exceed two years. Penalties: \$350–\$1,000 per violation.	Annual wage threshold increases.
Florida	Generally Enforceable; some restrictions on physician specialists where they are exclusive in a county.[13]	Enforces noncompetes up to four years; employee must receive seven days to review before signing. [14]	CHOICE Act (eff. July 1, 2025) strengthens noncompetes for employees earning >2x the annual county wage; creates presumption of enforceability; provides for preliminary injunctions; shifts burden to employee to prove unenforceability.[15]
Georgia	Generally	Must serve a legitimate	—

	Enforceable.[16]	business interest; must be reasonable in time, geographic area, and scope of prohibited activities. [17]	
Hawaii	Partial Ban: prohibited against employees in a technology business.[18]	Must be reasonable.	—
Idaho	Partial Ban; must be limited to “key” personnel.[19]	Must be reasonable in duration (18 months or less), scope, and geography.	—
Illinois	Partial Ban: banned for workers earning less than \$75,000 (increasing to \$80,000 on Jan. 1, 2027). Additional restrictions apply to employees covered by collective bargaining agreements, construction workers, broadcasters, and mental health professionals serving veterans and first responders.[20]	Must serve a legitimate business interest; must be reasonable in time, geographic area, and scope of prohibited activities. Written notice required. Penalty up to \$5,000 per violation; \$10,000 for repeats within five years.	H.B. 1642 (would raise threshold to \$300,000) and H.B. 2561 (would ban for reproductive healthcare professionals). Both are pending.
Indiana	Partial Ban; prohibited against physicians. [21]	Must be reasonable.	S.B. 132 (introduced Jan. 2026) would ban noncompetes for employees earning less than \$150,000.
Iowa	Partial Ban; Banned for mental health professionals and temporary health employees.[22]	Must be reasonable.	—
Kansas	Generally Enforceable.	Must be reasonable in scope and duration; must protect legitimate business interests. [23]	—
Kentucky	Partial Ban: healthcare worker protections exist.[24]	Allowed if reasonable; courts weigh business protection vs. employee rights. Healthcare worker protections exist.[25]	—
Louisiana	Partial Ban: prohibited against automobile salesmen, restrictions on primary care physicians	Must meet strict statutory requirements including geographic limits and a maximum of two years.	—

Maine	. ^[26] Partial Ban: prohibited against employees earning at or below 400% of federal poverty level , veterinarians, and broadcasters. ^[27]	Penalty of not less than \$5,000.	—
Maryland	Partial Ban ; general ban for workers earning less than 150% of state minimum wage (~\$49,920 in 2026); ban for healthcare providers earning >\$350,000; ban for veterinarians and vet techs. For covered healthcare providers earning >\$350,000, noncompetes limited to one year and 10 miles. ^[28]	Must be reasonable in scope and duration; must protect legitimate business interests.	H.B. 1016 (introduced Jan. 2026) would void noncompetes where employers relocate or cease having majority of employees in state.
Massachusetts	Partial Ban: prohibited against physicians, nurses, psychologists, and broadcasters. ^[29]	Requires consideration and notice; must be reasonable.	
Michigan	Generally Enforceable. ^[30]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	H.B. 4040 (introduced Jan 2025) would essentially ban all employee noncompetes in Michigan.
Minnesota	Complete Ban.	Noncompetes banned as of July 1, 2023. ^[31]	—
Mississippi	Generally Enforceable.	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
Missouri	Partial Ban: restrictions on secretaries and clerks. ^[32]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
Montana ^[33]	Generally Enforceable.	Must carefully drafted to conform to the various state-specific requirements set forth in Montana's common law .	—
Nebraska	Generally Enforceable.	Must be reasonable in scope, geography, and	—

		duration; must protect legitimate business interests.	
Nevada	Partial Ban; prohibited against hourly workers.[34]	Must be reasonable.	—
New Hampshire	Partial Ban; prohibited against low-wage workers and physicians.[35]	Must provide advance notice and consideration.	—
New Jersey	Partial Ban: prohibited against psychologists.[36]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
New Mexico	Partial Ban; prohibited against healthcare workers.[37]	Must be reasonable.	—
New York	Partial Ban: prohibited against broadcast employees (except managers).[38]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
North Carolina	Generally Enforceable.[39]	Must be reasonable in scope, geography, and duration. Employees must receive consideration for signing.	—
North Dakota	Complete Ban. [40]	Noncompetes banned except in sale-of-business scenarios.	—
Ohio	Generally Enforceable.	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
Oklahoma	Complete Ban.[41]	Noncompetes are void.	—
Oregon	Partial Ban: Income threshold (~\$119,541 in 2026, adjusted annually for inflation); banned for independent contractors earning less than \$250,000.[42] Prohibition against medical licensees.[43]	Time limits and written notice required.	
Pennsylvania	Partial Ban: prohibited against healthcare practitioners.[44]	Must be reasonable in scope, geography, and duration.	—
Rhode Island	Partial Ban: Banned for	One-year maximum.	—

South Carolina	non-exempt workers, those earning below 250% of federal poverty level, and nurses.[45] Generally Enforceable.	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
South Dakota	Partial Ban: Healthcare worker protections exist.[46]	Limited to two years.	—
Tennessee	Partial Ban: emergency medicine physicians.[47]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	H.B. 1034 (signed May 7, 2026 and effective July 1, 2026) sets a compensation threshold, creates rebuttable statutory presumptions, and imposes other clarifications on restrictive covenants.
Texas	Partial Ban: healthcare worker protections exist.[48]	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
Utah	Partial Ban: Restrictions for broadcast employees based on wage thresholds.[49] Ban on healthcare services platforms from requiring noncompetes for healthcare workers.[50]	Enforceable up to one year; must be reasonable in scope and geography.	H.B. 203 (introduced 2026) would ban noncompetes for non-exempt workers, students, minors, employees earning <\$155,000, and RIF-terminated employees.
Vermont	Generally Enforceable.	Must be reasonable in scope, geography, and duration; must protect legitimate business interests.	—
Virginia	Partial Ban: Prohibited for non-exempt employees or those earning less than the Commonwealth's average weekly wage. [51] S.B. 1218 (eff. July 1, 2025) expanded ban to all employees entitled to overtime under FLSA regardless	Must be reasonable.	S.B. 128 (new restrictions for healthcare workers) and S.B. 170 (prohibit enforcement against employees discharged without severance) recently enacted and effective July 1, 2026.

	of income. Civil penalties: \$250 (second violation), \$1,000 (third+) plus attorneys' fees.		
Washington	Complete Ban Forthcoming in 2027.	Income threshold and 18-month maximum duration apply; must provide notice. Wage threshold applies. Penalty of \$5,000 plus reasonable attorneys' fees.[52]	HB1155, recently enacted, will render noncompetes unenforceable on or after June 30, 2027. Prohibition applies retroactively.
West Virginia	Generally Enforceable.	Permitted if reasonable and necessary for employer protection. For physicians, cannot exceed one year or 30 miles. [53]	—
Wisconsin	Generally Enforceable.	Must be reasonably necessary to protect the employer and not unreasonably restrain the employee. [54]	A.B. 567 (introduced Oct. 2025) would void most noncompetes; S.B. 657/A.B. 675 (introduced Nov. 2025) would void noncompetes for medical practitioners restricting work >24 months or if employee was terminated.
Wyoming	Complete Ban.	Noncompete clauses void with limited exceptions for trade secrets or executive/management personnel.[55]	Law recently took effect July 1, 2025.

Conclusion

The noncompete landscape in 2026 is shaped by federal inaction and growing state-level reform. With no nationwide ban in place, enforceability largely depends on state law. Although the trend is toward greater restriction, noncompetes remain enforceable in many states when they are narrowly tailored and supported by legitimate business interests.

For employers, the challenge is navigating 50-plus different legal regimes with varying rules on scope, compensation thresholds, notice, and enforcement. Multi-state employers should regularly review their restrictive covenant agreements and related practices with counsel to help protect confidential information, customer relationships, and other legitimate business interests. Whether you need assistance with drafting, reviewing, or revising your employment agreements, Foley & Lardner LLP is well-positioned to assist in ensuring that your agreements are comprehensive and provide the maximum protection permitted under the law.

[1] [FCC: Moving Forward: Protecting Workers from Anticompetitive Noncompete Agreements.](#)

[2] Fla. Stat. §§ 542.41–542.45.

[3] Ala. Code § 8-1-190.

[4] Ariz. Rev. Stat. § 23-494.

[5] Ark. Code § 4-75-101.

[6] Cal. Bus. & Prof. Code §§ 16600–16602.5.

[7] Cal. Health & Safety Code § 1191.

[8] Colo. Rev. Stat. § 8-2-113.

[9] Conn. Gen. Stat. § 31-50a, b (security guards and broadcast employees).

[10] Conn. Gen. Stat. § 20-14p (physicians); H.B. 7424 (home health care).

[11] Del. Code tit. 6, § 2707.

[12] D.C. Code §§ 32-581.01-.05; [District of Columbia Prohibition on Non-Compete Clauses.](#)

[13] Fla. Stat. § 542.336.

[14] Fla. Stat. § 542.335.

[15] Fla. Stat. §§ 542.41–542.45.

[16] Ga. Code § 13-8-50.

[17] Ga. Code §§ 13-8-50–59.

[18] Haw. Rev. Stat. § 480-4.

[19] Idaho Code § 44-2701.

[20] 820 Ill. Comp. Stat. §§ 90/1 *et seq.*

[21] Idaho Code § 25-22.5-5.5-2.3.

[22] Iowa Code § 147.161.

[23] Kan. Stat. § 50-101 and § 50-163.

[24] Ky. Stat. Ann. § 216.724.

[25] Kentucky Revised Statutes Section 216.724.

[26] La. Stat. § 23:921.

[27] 26 Me. Rev. Stat. § 599-A.

[28] Md. Code Ann., Lab. & Empl. § 3-716.

[29] Mass. Gen. Laws ch. 149, § 24L (Noncompetition generally); ch. 112, § 12X (Physicians); ch. 112, § 74D (Nurses); ch. 112, § 129B (Psychologists); ch.112, § 135C (Social workers); ch.149, § 186 (Broadcasting industry).

[30] Mich. Comp. Laws § 445.774a.

[31] Minn. Stat. § 181.988.

[32] Mo. Stat. § 431.202.

[33] Mont. Code § 28-2-703.

[34] Nev. Rev. Stat. § 613.195.

[35] N.H. Stat. § 275:70-a (Low-Wage Employees); N.H. Stat. § 329:31-a (Physicians).

[36] N.J. Admin. Code § 13:42-10.16.

[37] N.M. Stat. § 24-1I-2.

[38] N.Y. Lab. Law § 202-k.

[39] N.C. Gen. Stat. § 75-4.

[40] N.D. Cent. Code § 9-08-06.

[41] Okla. Stat. tit. 15, § 217

[42] Or. Rev. Stat. § 653.295.

[43] Or. Rev. Stat. § 653.297.

[44] 35 Pa. Stat. Ann. § 10324.

[45] R.I. Gen. Laws §§ 28-59-1–3.

[46] S.D. Codified Laws § 53-9-11.

[47] Tenn. Code § 63-1-148.

[48] Tex. Bus. & Com. Code Ann. § 15.50.

[49] Utah Code Ann. § 34-51-201.

[50] Utah Code Ann. § 58-90-101.

[51] Va. Code § 40.1-28.7:8.

[52] Wash. Rev. Code §§ 49.62.005–900.

[53] W. Va. Code art. 47-11E.

[54] Wis. Stat. Ann. § 103.465.

[55] Wyo. Stat. § 1-23-108.

© 2026 Foley & Lardner LLP

National Law Review, Volume XVI, Number 194

Source URL: <https://natlawreview.com/article/noncompete-agreements-2026-federal-and-state-overview>