

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 269
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30124-LR-39A

Short Title: Workforce Freedom and Protection Act. (Public)

Sponsors: Representative Cohn.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT REMOVING BARRIERS TO JOB MOBILITY, EMPOWERING WORKERS TO
3 NEGOTIATE BETTER WAGES, AND FOSTERING A FAIRER LABOR MARKET BY
4 BANNING EXPLOITATIVE EMPLOYMENT PRACTICES AND AUTHORIZING THE
5 LEGISLATIVE RESEARCH COMMISSION TO STUDY STREAMLINING
6 OCCUPATIONAL LICENSING IN NORTH CAROLINA.

7 The General Assembly of North Carolina enacts:

8 SECTION 1.1. Title. – This act shall be known and may be cited as the "Workforce
9 Freedom and Protection Act."

10 SECTION 2.1. Repeal Restrictions on Labor Organizing and Collective Bargaining.
11 – Articles 10 and 12 of Chapter 95 of the General Statutes are repealed.

12 SECTION 3.1.(a) Non-Competes Prohibited. – Chapter 95 of the General Statutes
13 is amended by adding a new Article to read:

14 "Article 24.

15 "Workplace Freedom.

16 "§ 95-275. Contracts restraining lawful work prohibited.

17 (a) Definitions. – The following definitions apply in this Article:

18 (1) Employee. – An employee providing labor or services to another for pay of
19 less than seventy-five thousand dollars (\$75,000) per year.

20 (2) Non-compete agreement. – An agreement between an employer and an
21 employee that restricts the employee, after termination of the employment,
22 from doing one or more of the following:

23 a. Working for another employer for a specified period of time.

24 b. Working in a specified geographical area.

25 c. Engaging in work activities similar to those performed for the
26 employer.

27 (3) No-poach agreement. – An agreement between employers that restricts one
28 employer from soliciting, recruiting, hiring, or otherwise competing for
29 employees employed by another employer.

30 (b) Policy. – It is the public policy of this State that any contract by which anyone is
31 restrained from exercising a lawful profession, trade, or business of any kind is to that extent void
32 and unenforceable, except as provided in subsection (c) of this section.

33 (c) Prohibition. – No employer in this State shall do any of the following:

34 (1) Enter into a non-compete agreement with an employee.

35 (2) Require an employee to enter into a non-compete agreement as a condition of
36 employment.



1 (3) Enforce or attempt to enforce a non-compete agreement.

2 (4) Threaten to enforce a non-compete agreement.

3 (5) In the case of a franchise operator, enter into an agreement that restricts an
4 employee from moving between locations.

5 (d) Enforcement. – Any person injured by a violation of this section may bring a civil
6 action to recover actual damages, reasonable attorneys' fees and costs, and any other relief the
7 court deems appropriate. The Attorney General may investigate violations and bring an action to
8 enforce this section.

9 (e) Choice of Law and Venue. – No employer may require an employee who primarily
10 resides or works in North Carolina to agree to a contract provision that would (i) require the
11 employee to adjudicate outside of North Carolina a claim arising in this State or (ii) deprive the
12 employee of the protection of North Carolina law for a claim arising in this State. Any such
13 provision is void and unenforceable."

14 **SECTION 3.1.(b) Effective Date.** – This section becomes effective July 1, 2025, and
15 applies to all non-compete agreements entered into on or after that date. This act does not apply
16 to non-compete agreements entered into prior to the effective date, except that any attempt to
17 enforce such an agreement after the effective date must comply with G.S. 95-275, as enacted by
18 this act.

19 **SECTION 4.1.(a) LRC Study.** – The Legislative Research Commission (LRC) shall
20 conduct a comprehensive review of all occupations and professions in North Carolina that require
21 a State-issued license. The purpose of this study is to identify any occupational licensing
22 requirements that are unnecessary or overly restrictive and to recommend changes to increase
23 workforce freedom while protecting public health and safety. For purposes of this section,
24 "occupational licensing board" has the same meaning as in G.S. 93B-1(2), and "licensed
25 profession" means any occupation or profession for which an individual is required by law to
26 obtain a license, certification, or registration from an occupational licensing board or other State
27 agency.

28 **SECTION 4.1.(b) Scope.** – The study conducted by the LRC under this section shall
29 examine and evaluate, at a minimum, the following criteria for each licensed profession. The
30 study shall be conducted with an emphasis on the following priority industries: construction
31 trades, cosmetology, health-related professions, personal care services, and other fields where
32 occupational licensing requirements may disproportionately impact small business creation and
33 workforce entry:

34 (1) Public safety rationale. – Whether the absence of a licensing requirement for
35 the profession would likely result in significant harm or danger to the public's
36 health, safety, or welfare. The review shall determine whether licensing is
37 justified by a demonstrable need to prevent tangible harm to consumers or the
38 public, with a focus on data-driven risk assessments.

39 (2) Necessity and alternatives. – Whether existing licensure requirements
40 advance a meaningful public interest and are no more restrictive than
41 necessary to protect that interest. The study shall compare North Carolina's
42 licensing requirements to national standards and determine whether less
43 restrictive alternatives, such as certification, registration, bonding, or general
44 consumer protection laws, could adequately ensure public safety and welfare.

45 (3) Impact on employment and economic opportunity. – Assess the extent to
46 which licensing requirements create barriers to entry into the profession. The
47 study shall use quantitative benchmarks, for example average licensing fees
48 and educational requirements compared to national medians, to determine if
49 the cost, education, experience, or examination requirements unreasonably
50 impede individuals, particularly those with moderate or low incomes, from

1 pursuing lawful work without providing a proportional benefit to public
2 protection.

3 (4) Effects on consumers and competition. – The impact of the licensing
4 regulation on consumer costs, service availability, and market competition.
5 Any licensing rules that result in a ten percent (10%) or greater increase in
6 consumer prices or a fifteen percent (15%) or greater reduction in market
7 competition, based on a three-year review period, shall be flagged for potential
8 modification or repeal.

9 (5) National comparison and best practices. – How North Carolina's licensing
10 requirements for the profession compare to those in other states and to national
11 standards or model laws. Any licensing requirement that exceeds the national
12 average in cost, educational hours, or regulatory burden without clear
13 justification shall be included in the study's findings for possible reform.

14 (6) Regulatory overlap or redundancy. – Whether the profession is subject to
15 duplicative regulations or could be regulated under an umbrella with related
16 occupations. The study shall identify any overlap between boards or licenses
17 and evaluate the feasibility of consolidating boards or creating universal
18 licensing recognition for workers moving from out of state.

19 (7) Outcomes and accountability. – The evaluation of both the costs and benefits
20 of the licensing requirement shall be supported by historical data, including
21 review of disciplinary records, consumer complaints, and enforcement
22 actions. The LRC shall recommend repeal or modification of any licenses that
23 have minimal documented public safety benefits but impose significant
24 barriers to employment.

25 **SECTION 4.1.(c) Stakeholder Engagement.** – The LRC shall engage stakeholders,
26 including the following:

- 27 (1) Occupational licensing boards representing the professions under review.
- 28 (2) Industry associations for the respective licensed professions.
- 29 (3) Consumer advocacy groups and workforce development organizations.
- 30 (4) Small business owners and entrepreneurs affected by licensing rules.
- 31 (5) Workers and trade associations representing licensed professionals.

32 The LRC shall conduct at least three public hearings, one in each geographic region
33 of the State (Western, Central, and Eastern North Carolina), to gather public input and
34 recommendations. The LRC shall open a public comment period of at least 90 days during which
35 individuals, businesses, and organizations may submit feedback. Additionally, the LRC shall
36 consider and incorporate reforms implemented in other states that have successfully reduced
37 licensing burdens while maintaining consumer protection standards.

38 **SECTION 4.1.(d) Report and Legislative Action.** – The LRC shall submit an interim
39 report on the results of the study authorized by this section, including any recommended
40 legislation, to the 2025 General Assembly when it reconvenes for the 2026 session. The LRC
41 shall submit a final report to the 2027 General Assembly, which shall do all of the following:

- 42 (1) Specifically identify any occupational licenses or licensing requirements
43 deemed unnecessary or overly restrictive, with supporting data.
- 44 (2) Include legislative proposals for modifying, consolidating, or eliminating
45 licensing requirements where justified.
- 46 (3) Recommend any administrative actions that could streamline licensing
47 processes without legislative changes.
- 48 (4) Include an implementation time line for any recommended reforms.

49 The General Assembly shall be required to hold a public hearing on the LRC's
50 recommendations within six months of receiving the final report, ensuring legislative
51 consideration and potential action on identified licensing reforms.

- 1 **SECTION 4.1.(e)** Effective Date. – This section is effective when it becomes law.
2 **SECTION 5.1.** Effective Dates. – Except as otherwise provided, this act is effective
3 when it becomes law.