

Employers State Law Alert

Summarizing Significant New Employment Laws & Regs in All 50 States



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Want to use credit checks in employment decisions? Learn state, local laws first

by Tammy Binford

In April, New York became the latest state to largely prohibit use of credit checks on applicants and employees when making employment decisions. There are, of course, exceptions, and employers of New York City residents were already operating with significant restrictions on use of credit information. But even in states without such laws, using credit history in employment decisions can get tricky.

STATES, CITIES WITH BANS

New York's law went into effect on April 18. So now it's considered discrimination if an employer uses employees' or applicants' credit information against them in making employment decisions.

Like other states, the New York law includes a long list of exceptions. Generally, it's permissible to use credit history

for positions in which credit checks are legally required, positions in law enforcement, and positions involving trade secrets or that require security clearances.

The law defines "consumer credit history" as "an individual's credit worthiness, credit standing, credit capacity or payment history."

The aim of the law in New York and other states with similar laws is to promote fairness and knock down barriers to employment that someone's poor credit history may create. Proponents of such laws claim credit history doesn't predict an individual's job performance and is irrelevant to many positions.

Verified First, a provider of background checks and preemployment screening, has compiled a list of states with credit information bans for private-sector employers and when those laws took effect.

The list includes laws in **California** (January 1, 2012), **Colorado** (July 1, 2013), **Connecticut** (October 1, 2011), **Hawaii** (July 1, 2009), **Illinois** (January 1, 2011), **Maryland** (October 1, 2011), **Nevada** (October 1, 2013), **Oregon** (July 1, 2010), **Vermont** (July 1, 2012), and **Washington** (July 2007).

Delaware also has a law placing some limits on the use of credit checks. Effective since May 8, 2014, it applies to public-sector employers and government contractors. The law prohibits using credit reports until after a first interview and a conditional job offer have been made, according to the Verified First list.

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Some major cities, including Washington, D.C.; New York City; Chicago and Cook County, Illinois; Philadelphia; and Madison, Wisconsin, also place restrictions on use of credit information, according to the Verified First list.

FEDERAL LAW RESTRICTIONS

Federal law also includes restrictions on credit information, although it's not as comprehensive as the state and municipal laws.

The federal Fair Credit Reporting Act (FCRA), enforced by the Federal Trade Commission (FTC), applies to employers using a third party to conduct background checks on applicants or employees. Such checks may include credit history. The FCRA requires employers to take certain steps before getting an employment background check – also known as a consumer report.

According to the FTC, before getting a report, an employer must tell the applicant or employee that information in the report may be used for employment-related decisions. The employer also must get written permission from the applicant or employee, and the employer must certify its compliance with the FCRA to the company providing the report.

To certify such compliance, employers must certify that they have notified applicants or employees and gotten their permission, and they must certify that they have complied with all FCRA requirements. In addition, employers must certify to the company that they won't discriminate against the applicant or employee or otherwise misuse the information.

Before taking adverse action against an employee or applicant based on information in the report, the employer must give the applicant or employee a notice that includes a copy of the report that was relied on to make the decision and a copy of the FTC's "A Summary of Your Rights Under the Fair Credit Reporting Act."

If an adverse employment action has been taken, the employer must provide an adverse action notice telling applicants or employees of the right to see information being reported about them.

In addition to adherence to the FCRA, employers need to keep equal employment opportunity obligations in mind. Information from the Equal Employment Opportunity Commission (EEOC) points out that federal law doesn't prevent employers from asking about financial information, but employers must not apply a financial requirement differently to people based on their race, color, national origin, religion, sex, disability, age, or genetic information.

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Also, employers must not have a financial requirement if it doesn't help the employer to accurately identify responsible and reliable employees, and if, at the same time, the requirement significantly disadvantages people of a particular race, color, national origin, religion, or sex, according to information from the EEOC.

TIPS FOR EMPLOYERS

Verified First offers advice on how employers can navigate varying federal, state, and municipal laws. The tips include the following:

- **Audit job descriptions.** Don't implement a "blanket" policy for all employees. Instead, document which jobs really require a credit check. The focus should be on positions with fiduciary duties, access to sensitive financial data, or executive authority. When complying with state and local laws that require a "substantially job-related" reason, make sure the reason is explicitly tied to the job description.
- **Standardize FCRA workflow.** Employers must strictly adhere to the FCRA's mandatory steps for all candidates: Provide a standalone disclosure document; get written consent before the check is done; send the employee or applicant a pre-adverse action notice containing a copy of the report; and send a final notice containing the agency's contact information and the candidate's rights to dispute the findings.
- **Tailor state-specific disclosures.** Make sure authorization forms meet specific state requirements.
- **Train hiring managers.** Anyone involved in the interview or hiring process must understand that financial history shouldn't be discussed informally. Also, make sure all those involved in hiring understand that credit reports can't be used in a way that violates equal employment opportunity laws.

STATUTES

New York

HIRING

Employee credit histories

Except as otherwise provided, it is an unlawful discriminatory practice for an employer to request or use for employment purposes, including hiring, compensation, or terms or conditions of employment, an employee or job applicant's credit history unless specifically authorized elsewhere under state or federal law. Exceptions include persons applying for positions as police officers, those in a position in which a background investigation is

performed by a state agency or bonded by state or federal law, those with security clearances, those having access to trade secrets or intelligence information, and those having authority over third-party assets of \$10,000 or more are excepted.

Cite: 2026 Sess. Law News of N.Y. Ch. 71 (S. 8789) (McKINNEY'S), NY Gen Bus Sect 380-b

Enacted: 1/8/2026

Effective: 4/18/2026

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Virginia



ANALYSIS

LEGISLATION

Virginia enacts paid family and medical leave

by Caitlin E. Tobin, Whiteford, Taylor & Preston, L.L.P.

On April 22, 2026, Virginia enacted a paid family and medical leave law after the Virginia General Assembly accepted Governor Abigail Spanberger's amendments. The program will be administered by the Virginia Employment Commission (VEC) and funded through a shared payroll contribution from both employers and employees.

DETAILS

Under the new law, qualifying employees may take up to 12 weeks of paid time off per year at 80% of their average weekly wages, with a floor of \$100 per week and a cap tied to the statewide average weekly earnings.

Employers should take note of several key dates and begin preparing now for compliance. The VEC will start collecting payroll contributions on April 1, 2028, with benefit payments and claims processing beginning on December 1, 2028. In the months ahead, the VEC will issue additional administrative guidance, including details on contribution rates, the claims process, and employer notice obligations.

ACTIONS YOU SHOULD TAKE NOW

In the meantime, you should review your existing leave policies, evaluate how the new paid leave program will interact with any current benefits (such as short-term disability or parental leave), and ensure your payroll systems are ready to accommodate the new contribution requirements. Employers who are considering applying for a private-plan exemption will also want to review the program's requirements closely, as the approval process requires demonstrating that the private plan meets or exceeds every aspect of the state-run program.

We will continue to monitor developments as the VEC rolls out the program. Please contact Whiteford's labor and employment attorneys with any questions or for assistance with preparing for compliance.

Excerpted from Virginia Employment Law Letter
Mary Elizabeth "Betsy" Davis, Editor
Whiteford, Taylor & Preston, L.L.P.

REGULATIONS

Arkansas

LICENSURE

Code of professional conduct

The State Board of Public Accountancy amended rules to protect the transfer of client records when a licensee sells a practice, clarify licensure pathway degree requirements, and provide alternative peer review requirements.

Cite: 17 CAR §§ 235 and 236 (51 ARGR 4, March 2026) (111 pages)

Adopted: 2/23/2026

Effective: 3/5/2026

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California

LICENSURE

Genetic counselor licensing

The Department of Public Health amended existing genetic counselor licensing requirements and adopted a new section regarding reinstatement of a genetic counselor license.

Cite: 17 CCR §§ 6301.1, .3, .5, .6 (CRNR 2026, No. 10-Z, 03/06/2026, page 326) (8 pages)

Adopted: 2/19/2026

Effective: 2/19/2026

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WORKFORCE DEVELOPMENT

The Employment Development Department amended rules to adopt changes to timing and other requirements for notice and submission of plan changes for an employer operating under a disability compensation voluntary plan.

Cite: 22 CCR § 3271-1 (CRNR 2026, No. 13-Z, 03/27/2026, page 429) (2 pages)

Adopted: 3/16/2026

Effective: 7/1/2026

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Colorado

LICENSURE

Electrical board rules

The State Electrical Board amended rules regarding the licensure of electricians, with sections for application for licensure, examinations, permits and inspections, enforcement and fees, and renewals and reinstatements.

Cite: 3 C.C.R. 710-1 (49 CR 5, 03/10/2026, page 2523) (30 pages)

Adopted: 2/17/2026

Effective: 3/30/2026

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WORKFORCE DEVELOPMENT

Occupational education

The Private Occupational School Board amended rules implementing the Private Occupational Education Act of 1981, including sections for administration, minimum standards, applications, filing requirements, agents, deceptive trade and sales practices, refund policy, complaints, State Administrative Procedures Act, and disciplinary actions.

Cite: 8 C.C.R. 1504-1 (49 CR 5, 03/10/2026, page 2854) (67 pages)

Adopted: 2/17/2026

Effective: 4/1/2026

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Connecticut

LICENSURE

Continuing education

The Department of Consumer Protection amended rules for the continuing education of architecture licensees, including additional recognized organizations as sources for continuing education hours for licensed architects in order to allow more flexibility for architecture license holders to attain required hours.

Cite: Regs., Conn. State Agencies § Sec. 20-289-6a (Connecticut eRegulations System, Tracking Number PR2025-017, 03/18/2026) (9 pages)

Adopted: 3/18/2026

Effective: 3/18/2026

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Illinois

LICENSURE

Commercial driver training schools

The Secretary of State amended rules pursuant to legislation to add a definition of “Competent Medical Examiner,” allowing Driver Training Instructors to submit a medical report completed by a competent medical examiner, to include any licensed physician, a licensed physician’s assistant, or a licensed advanced practice registered nurse; and to add language to explicitly state that the requirement to hold a valid driver’s license for any 2-year period preceding the date of application includes a temporary visitor’s driver’s license.

Cite: 92 Ill. Adm. Code 1060 (50 Ill. Reg. 4547, 03/20/2026) (17 pages)

Adopted: 3/20/2026

Effective: 3/4/2026

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Indiana

CHILD LABOR

Youth employment statutory compliance

The Department of Labor amended rules to clarify the definition of “required employer” under youth labor law, to remove 16- and 17-year-old minors from certain employer record keeping requirements, to remove the three-day requirement to update the Youth Employment System, and to repeal a rule regarding registration timing.

Cite: 610 I.A.C. 10-1-6, 10-3-1, 10-5-1, 10-5-4 (Indiana Register LSA Doc #25-625, 03/11/2026) (3 pages)

Adopted: 2/9/2026

Effective: 3/7/2026

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LICENSURE

Professional engineers

The Board of Registration for Professional Engineers amended rules concerning definitions, education and work experience requirements to register as a professional engineer, education requirements for an applicant with a degree in other than approved engineering curriculum, education and experience requirements for certification as an engineering intern, application to register as a professional engineer, engineering examination requirements and examination attempts, terminating applications and reapplications, and standards for comity registration.

Cite: 864 I.A.C. 1.1 (Indiana Register, LSA Doc. #25-478, 03/11/2026) (13 pages)

Adopted: 2/9/2026

Effective: 3/11/2026

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LICENSURE

Veterinary medicine

The Board of Veterinary Medicine amended rules to modify the existing fee structure and add previously unenumerated fees related to renewal of veterinarian licenses and veterinary technician registrations that have lapsed, establish a baseline for fines imposed as a disciplinary sanction, add mitigating and aggravating factors that the board will utilize when setting a specific dollar amount in any individual civil penalty, and clarify continuing education requirements and reporting.

Cite: 888 I.A.C. 1.1 (Indiana Register, LSA Doc. #25-432, 03/25/2026) (10 pages)

Adopted: 2/25/2026

Effective: 3/27/2026

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Maryland

APPRENTICESHIPS

Grant programs for public safety apprenticeships

The Division of Workforce Development and Adult Learning adopted amendments to regulations governing grant programs for the Public Safety Apprenticeship Program and the Apprenticeship Career Training Pilot Program for Formerly Incarcerated Individuals.

Cite: COMAR 09.37.03 (53:6 Md. Reg. 289, 03/20/2026) (3 pages)

Adopted: 3/2/2026

Effective: 3/30/2026

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EMPLOYEE BENEFITS

Family and medical leave insurance program

The Department of Labor adopted new regulations under a new chapter for general provisions under a new subtitle for the Family and Medical Leave Insurance Program.

Cite: COMAR 09.42.01 (53:6 Md. Reg. 289, 03/20/2026) (75 pages)

Adopted: 2/24/2026

Effective: 3/30/2026

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Minnesota

OCCUPATIONAL SAFETY

Electrical procedures

The Department of Labor and Industry amended rules regarding the regulation of electrical procedures and training, and repealed rule parts relating to the requirements for the approval of electrical training programs.

Cite: Minn. R. 3801.3619, 3620, 3770, 3780 (50 SR 971, 03/23/2026) (6 pages)

Adopted: 3/23/2026

Effective: 4/16/2026

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Missouri

LICENSURE

Continuing education

The Real Estate Appraisers Commission amended rules for the continuing education requirements for real estate appraiser licensees, along with rules for the approval of instructors who offer continuing education.

Cite: 20 CSR 2245-8.010, 8.030 (51 MoReg 368, 03/02/2026) (4 pages)

Adopted: 3/2/2026

Effective: 3/2/2026

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LICENSURE

Real estate appraisers

The Real Estate Appraisers Commission amended rules regarding trainee real estate appraiser registration, with application requirements, education requirements, background checks, and training requirements.

Cite: 20 CSR 2245-3.005 (51 MoReg 415, 03/16/2026) (3 pages)

Adopted: 3/16/2026

Effective: 3/16/2026

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New Mexico

LICENSURE

Physical therapist background checks

The Regulation and Licensing Department amended rules governing background checks for physical therapists, assigning such checks to the state Department of Public

Safety, requiring notification when certain crimes or code of conduct violations are revealed in the check, and requiring a check even for applicants for temporary licenses.

Cite: 16.20.3.8 NMAC (37 n m reg 324, 03/10/2026)
(4 pages)

Adopted: 3/10/2026

Effective: 3/10/2026

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North Carolina

LICENSURE

Application requirements

The Interpreter and Transliterator Board amended rules providing for submission of application materials for licensure as an interpreter or translator, including educational qualifications, fee payments for required background checks, and specific training related to the type of interpreter license sought by the applicant.

Cite: 21 NCAC 25.0202 (40:17 NCR 1398, 03/02/2026)
(2 pages)

Adopted: 3/2/2026

Effective: 1/1/2026

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Texas

HEALTHCARE PROFESSIONALS

Nursing practice and procedure

The Board of Nursing adopted amendments relating to Complaint Investigation and Disposition, in order to align rules with applicable statutory requirements and to ensure that the rule accurately reflects current agency practices related to complaint intake, investigation, and notification.

Cite: 22 TAC §213.13 (51 TexReg 1859, 03/20/2026)
(3 pages)

Adopted: 3/9/2026

Effective: 3/29/2026

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Washington

EMPLOYMENT SECURITY

Notice requirements for laid-off employees

The Employment Security Department adopted a new section of rules to explain that employee information received by the department through required employer

notices will be used by the department to administer and provide services to those individuals under the Employment Security Act, including information about unemployment insurance benefits, coordination with workforce development partners to provide rapid response services, and support program integrity through eligibility verification and fraud prevention.

Cite: WAC 192-460-150 (WSR 26-06-021, 02/23/2026)
(1 page)

Adopted: 2/23/2026

Effective: 3/26/2026

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OCCUPATIONAL SAFETY

Waterfront related operations

The Department of Labor and Industries amended rules to align safety standards for longshore, stevedore and waterfront related operations with legislative requirements, including access to restrooms for drayage truck operators, and dedicated space for lactation.

Cite: WAC 296-56 (WSR 26-07-053, 03/17/2026) (80 pages)

Adopted: 3/17/2026

Effective: 4/20/2026

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