*** § 1052. Prohibiting the use of employment promissory notes and other similar provisions.** 1. No employer may require, as a condition of employment, any employee or prospective employee to execute an employment promissory note. The execution of an employment promissory note as a condition of employment is unconscionable, against public policy, and unenforceable, and any such note shall be null and void. If any such note is part of a larger agreement, the invalidity of such note shall not affect the other provisions of such agreement.

2. Nothing in this section shall prohibit or render void or unenforceable any agreement between an employee and an employer that:

(a) requires the employee to reimburse the employer for the cost of tuition, fees, and required educational materials for a transferable credential that meets all of the following requirements:

(i) The agreement is set forth in a written contract that is offered separately from any contract for employment.

(ii) The agreement does not require the employee to obtain the transferable credential as a condition of employment.

(iii) The agreement specifies the repayment amount before the employee agrees to the contract, and the repayment amount does not exceed the cost to the employer of the tuition, fees, and required educational materials for the transferable credential received by the employee.

(iv) The agreement provides for a prorated repayment amount during any required employment period that is proportional to the total repayment amount and the length of the required employment period and does not require an accelerated payment schedule if the employee separates from the employment.

(v) The agreement does not require repayment to the employer by the employee if the employee is terminated, except if the employee is terminated for misconduct.

(b) requires the employee to pay the employer for any property the employer has sold or leased to the employee, as long as such sale or lease was voluntary.

(c) requires the employee to repay a financial bonus, relocation assistance, or other non-educational incentive or other payment or benefit that is not tied to specific job performance, unless the employee was terminated for any reason other than misconduct or the

duties or requirements of the job were misrepresented to the employee.

(d) requires educational personnel to comply with any terms or conditions of sabbatical leaves granted by their employers; or

(e) is entered into as part of a program agreed to by the employer and its employees' collective bargaining representative.

* NB Effective December 19, 2026