

ASSEMBLY BILL NO. 255—ASSEMBLYMEMBER LA RUE HATCH

FEBRUARY 18, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits certain provisions in certain employment contracts or similar agreements. (BDR 53-116)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to employment practices; prohibiting certain conditions, stipulations and provisions in certain contracts and agreements that require an employee or independent contractor to pay a sum of money if the person leaves employment or ceases providing services before the passage of a specified period; setting forth the manner by which that prohibition may be enforced; providing penalties; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law sets forth certain prohibited employment practices. (Chapter 613  
2 of NRS) **Section 1** of this bill prohibits a contract or other agreement between a  
3 private employer and an employee or an independent contractor from including any  
4 condition, stipulation or provision that requires the employee or independent  
5 contractor to pay to the employer or other person designated by the employer any  
6 sum of money if the employee or independent contractor leaves the employment of  
7 the employer or ceases providing services to the employer before the passage of a  
8 specified period. **Section 1** prohibits an employer from: (1) requesting that an  
9 employee, prospective employee or independent contractor enter into a contract  
10 or agreement that violates **section 1**; (2) requiring that a prospective employee or  
11 independent contractor enter into such a contract or agreement; (3) executing or  
12 attempting to enforce any condition, stipulation or provision of a contract that  
13 violates **section 1**; and (4) obtaining or attempting to obtain a waiver of the  
14 provisions of **section 1**.

15 **Section 1** authorizes the Labor Commissioner to impose an administrative fine  
16 upon an employer that engages in any of the acts prohibited by **section 1** in an  
17 amount of not less than \$1,000 and not more than \$5,000 for each violation.  
18 **Section 1** additionally authorizes the Attorney General to bring an action against  
19 such an employer seeking an injunction or other equitable relief or a civil penalty of



20 not less than \$1,000 and not more than \$5,000 for each violation. Finally, **section 1**  
21 authorizes an employee, prospective employee or independent contractor who is  
22 aggrieved by an employer's violation of **section 1** to bring an action on his or her  
23 own behalf or on behalf of a similarly situated class of persons against the  
24 employer to recover or obtain certain relief.

25 **Section 2** of this bill applies the provisions of **section 1** to any contract or  
26 agreement entered into before, on or after October 1, 2025.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 613 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3 *1. An employment contract or other agreement between an*  
4 *employer and an employee or a contract or other agreement*  
5 *between an employer and an independent contractor to provide*  
6 *services to the employer must not contain any condition,*  
7 *stipulation or provision that requires the employee or independent*  
8 *contractor to pay to the employer or other person designated by*  
9 *the employer any sum of money if the employee leaves the*  
10 *employment of the employer or the independent contractor ceases*  
11 *providing services to the employer before the passage of a*  
12 *specified period, regardless of whether the payment is*  
13 *characterized as reimbursement for any training provided,*  
14 *replacement costs, training costs for a replacement employee, lost*  
15 *revenue, liquidated damages or any other substantially similar*  
16 *characterization.*

17 *2. An employer shall not:*

18 *(a) Request that an employee, prospective employee or*  
19 *independent contractor enter into a contract or other agreement*  
20 *that violates subsection 1.*

21 *(b) Require a prospective employee or independent contractor,*  
22 *as a condition of employment or the entering of a contract for*  
23 *services, to enter into a contract or other agreement that violates*  
24 *subsection 1.*

25 *(c) Execute or attempt to enforce any condition, stipulation or*  
26 *provision of a contract or other agreement that violates*  
27 *subsection 1.*

28 *(d) Obtain or attempt to obtain a waiver of the provisions of*  
29 *this section.*

30 *3. Any condition, stipulation or provision of a contract or*  
31 *other agreement that violates subsection 1 and any waiver of the*  
32 *provisions of this section is contrary to public policy, void and*  
33 *unenforceable.*



1       4. Each act that constitutes a violation of subsection 2  
2       constitutes a separate violation.

3       5. In addition to any other penalty, the Labor Commissioner  
4       may impose against an employer who violates subsection 2 an  
5       administrative fine of not less than \$1,000 and not more than  
6       \$5,000 for each violation. If the Labor Commissioner imposes an  
7       administrative fine pursuant to this subsection, the Labor  
8       Commissioner may recover the costs of the proceeding, including,  
9       without limitation, investigative costs and reasonable attorney's  
10      fees.

11      6. In addition to any other penalty, the Attorney General may  
12      bring an action in the name of the State of Nevada against an  
13      employer who violates subsection 2 seeking an injunction or other  
14      equitable relief or a civil penalty of not less than \$1,000 and not  
15      more than \$5,000 for each violation. If the Attorney General  
16      prevails in such an action, the Attorney General is entitled to  
17      recover the costs of the proceeding, including, without limitation,  
18      investigative costs and reasonable attorney's fees.

19      7. An employee, prospective employee or independent  
20      contractor aggrieved by an employer's violation of subsection 2  
21      may bring an action on his or her own behalf or on behalf of a  
22      similarly situated class of persons against the employer to recover  
23      or obtain:

- 24      (a) Actual damages;
- 25      (b) Additional statutory damages of \$5,000 for each violation;
- 26      (c) An injunction or other equitable relief; and
- 27      (d) Reasonable attorney's fees and costs.

28      8. The Labor Commissioner may adopt regulations to carry  
29      out the provisions of this section.

30      9. The provisions of this section do not apply to any  
31      condition, stipulation or provision in a contract or other  
32      agreement that provides for the repayment of any cash advance or  
33      money paid as prepayment for services to be provided.

34      10. As used in this section, "employer" does not include a  
35      public employer.

36      **Sec. 2.** The provisions of this act apply to any contract or  
37      agreement entered into before, on or after October 1, 2025.



