



September 2, 2026

The Honorable Gavin Newsom
California Governor
State Capitol
Sacramento, CA 95814

RE: AB 1697 (Kalra) — Request for Signature

Dear Governor Newsom:

On behalf of the California Retailers Association (CRA), I write to request your signature on AB 1697. AB 1697's core purpose - stopping employers, training providers, and debt collectors from using coercive repayment obligations to trap workers in jobs they want to leave - remains one we agree with. This bill maintains worker protections while allowing businesses to offer certain worker-friendly benefits. We strongly support two amendments in particular.

The first amendment strikes "at the outset of employment" from Section 16608(b)(2)(D). Previously, the exception only applied to bonuses paid to a new hire, which would have discouraged employers from offering bonuses to existing employees for internal promotions later in a worker's career. Removing that limitation lets employers offer these bonuses to existing employees who are receiving promotions, while leaving every worker protection in the exception fully intact.

The second amendment, adding Section 16608(b)(2)(F), creates a new exception for repayment obligations tied to paid time off that an employer advances beyond what a worker has actually accrued. Advancing PTO is a worker-friendly accommodation; it lets an employee take leave for a family emergency, a long-planned trip, or other instance even if they have not banked the hours for it. The language is crafted to prevent unintended consequences: it applies only when the worker requested the advance, only when the terms are disclosed to the worker separately from the underlying employment contract, only up to 40 hours, and only without interest. We believe this is a sensible, narrowly crafted accommodation for a benefit workers value.

This bill preserves AB 692's central protections while making sure the bill does not inadvertently discourage employers from offering certain worker-friendly benefits.

We sincerely request your signature on AB 1697 (Kalra).

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Allain".

Ryan Allain
Vice President, Government Relations
California Retailers Association