

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 530
HOUSE BILL 1126

AN ACT TO AMEND CHAPTER 42 TO CLARIFY THE CHARGING OF LATE
FEES IN A RESIDENTIAL RENTAL AGREEMENT.

The General Assembly of North Carolina enacts:

Section 1. Chapter 42 of the General Statutes is amended by adding a new section to read:

"§ 42-45. **Late fees.**—(a) In all residential rental agreements in which a definite time for the payment of the rent is fixed, the parties may agree to a late fee not to exceed fifteen dollars (\$15.00) or five percent (5%) of the rental payment, whichever is greater, to be charged by the lessor if any rental payment is five days or more late.

(b) A late fee under this section may be imposed only one time for each late rental payment. A late fee for a specific late rental payment may not be deducted from a subsequent rental payment so as to cause the subsequent rental payment to be in default.

(c) Any provision of a residential rental agreement contrary to the provisions of this section is against the public policy of this State and therefore void and unenforceable."

Sec. 2. This act is effective upon ratification and shall apply only to leases entered into on or after that date.

In the General Assembly read three times and ratified this the 1st day of July, 1987.