



Three Days Grace: New Late Fee Law

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Q. I heard property managers/landlords can't charge late fees until three days after the rent is due. If that's true, is there a requirement to notify the tenant of the new law and/or does the lease have to be amended?

A. AB308 which passed this legislative session, amends NRS 118A.210(4)(a), and beginning July 1st *prohibits the imposition or charging late fees on residential properties for at least three (3) calendar days after the date rent is due* for any tenancy beyond a week-to-week.

As a result of this new law, property managers have been asking the Legal Information Line (LIL): *So how does this affect current leases which impose late fees shorter than 3 days? Are those "grandfathered" in?* No grandfathering in, sorry. In practice what this looks like is, ***courts will only enforce late fees charged after the third day.*** It's important to note, the new law says you can have an even *longer* grace period than 3 days, it just can't be shorter. So if your lease says, for example 5 days or 7 days grace period, the contract controls.

Other questions surrounding this new grace period: *Do current leases have to be updated to reflect these changes? Do we have to notify our tenants of the new grace period law?* The law doesn't require leases to be amended mid-term, and I understand that property managers may handle tens of hundreds of leases and so amending every single lease may not be palatable. Consider then, drafting a one-size fits all notice that you can send to all tenants notifying them of the new law, and that on the next renewal the lease will reflect the 3-day grace period.

The LIL has been getting lots of questions on what the new laws are that impact our real estate profession. Be sure to log in to the Nevada REALTORS® member portal with your credentials and access the [Final Update on the 2021 Legislative Session](#) in the Advocate News to see what bills passed and which ones failed.

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