
SENATE BILL NO. 206—COMMITTEE ON JUDICIARY

FEBRUARY 25, 2003

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions relating to mechanics’ and materialmen’s liens. (BDR 9-755)

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 liens; prohibiting the waiver or modification of rights relating to mechanics’ and materialmen’s liens except under certain circumstances; prohibiting certain provisions in a contract for a work of improvement; making various changes to the provisions relating to mechanics’ and materialmen’s liens; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 108 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 26, inclusive, of this
3 act.
4 **Sec. 2.** *“Agent of the owner” means every architect, builder,*
5 *contractor, engineer, geologist, land surveyor, lessee, miner,*
6 *subcontractor or other person having charge or control of the*
7 *property, improvement or work of improvement of the owner, or*
8 *any part thereof.*
9 **Sec. 3.** *“Building” means a primary building or other*
10 *superstructure, together with all garages, outbuildings and other*
11 *structures appurtenant thereto.*
12 **Sec. 4.** *“Commencement of construction” means the date on*
13 *which:*
14 1. *Work performed; or*



1 2. *Materials or equipment furnished in connection with a*
2 *work of improvement,*
3 *is visible from a reasonable inspection of the site.*

4 **Sec. 5.** *“Completion of the work of improvement” means:*

5 1. *The occupation or use by the owner, an agent of the owner*
6 *or a representative of the owner of the work of improvement,*
7 *accompanied by the cessation of all work on the work of*
8 *improvement;*

9 2. *The acceptance by the owner, an agent of the owner or a*
10 *representative of the owner of the work of improvement,*
11 *accompanied by the cessation of work on the work of*
12 *improvement; or*

13 3. *The cessation of all work on a work of improvement for 30*
14 *consecutive days, provided a notice of completion is timely*
15 *recorded and served and the work is not resumed under the same*
16 *contract.*

17 **Sec. 6.** *“Contract” means a written or oral agreement,*
18 *including all attachments and amendments thereto, for the*
19 *provision of work, materials or equipment for a work of*
20 *improvement.*

21 **Sec. 7.** *“Disinterested owner” means an owner who did not*
22 *personally or through his agent or representative, directly or*
23 *indirectly, request, require, authorize, consent to or cause a work*
24 *of improvement, or any portion thereof, to be constructed, altered*
25 *or repaired upon the property of the owner.*

26 **Sec. 8.** *“Equipment” means tools, machinery and vehicles,*
27 *furnished or rented, which are used or to be used in the*
28 *construction, alteration or repair of a work of improvement at the*
29 *request of the owner or an agent of the owner.*

30 **Sec. 9.** *“Improvement” means the development,*
31 *enhancement or addition to property, by the provision of work,*
32 *materials or equipment. The term includes, without limitation:*

33 1. *A building, railway, tramway, toll road, canal, water ditch,*
34 *flume, aqueduct, reservoir, bridge, fence, street, sidewalk, fixtures*
35 *or other structure or superstructure;*

36 2. *A mine or a shaft, tunnel, adit or other excavation,*
37 *designed or used to prospect, drain or work a mine;*

38 3. *A system for irrigation, plants, sod or other landscaping;*

39 4. *The demolition or removal of existing improvements, trees*
40 *or other vegetation;*

41 5. *The drilling of test holes;*

42 6. *Grading, grubbing, filling or excavating;*

43 7. *Constructing or installing sewers or other public utilities;*
44 *and*



1 8. *Constructing a vault, cellar or room under sidewalks or*
2 *making improvements to the sidewalks in front of or adjoining the*
3 *property.*

4 **Sec. 10.** *“Lien” means the statutory rights and security*
5 *interest in property or any improvements thereon provided to a*
6 *lien claimant by NRS 108.221 to 108.246, inclusive, and sections 2*
7 *to 26, inclusive, of this act.*

8 **Sec. 11.** *“Lienable amount” means the principal amount of a*
9 *lien to which a lien claimant is entitled pursuant to subsection 1 of*
10 *NRS 108.222.*

11 **Sec. 12.** *“Lien claimant” means any person who provides*
12 *work, material or equipment with a value of \$500 or more to be*
13 *used in or for the construction, alteration or repair of any*
14 *improvement, property or work of improvement. The term*
15 *includes, without limitation, every artisan, builder, contractor,*
16 *laborer, lessor or renter of equipment, materialman, miner,*
17 *subcontractor or other person who provides work, material or*
18 *equipment, and any person who performs services as an architect,*
19 *engineer, land surveyor or geologist, in relation to the*
20 *improvement, property or work of improvement.*

21 **Sec. 13.** *“Material” means appliances, equipment,*
22 *machinery and substances affixed, used, consumed or*
23 *incorporated in the improvement of property or the construction,*
24 *alteration or repair of any improvement, property or work of*
25 *improvement.*

26 **Sec. 14.** *1. “Owner” includes:*

27 *(a) The record owner or owners of the property or an*
28 *improvement to the property as evidenced by a conveyance or*
29 *other instrument which transfers that interest to him and is*
30 *recorded in the office of the county recorder in which the*
31 *improvement or the property is located;*

32 *(b) The reputed owner or owners of the property or an*
33 *improvement to the property;*

34 *(c) The owner or owners of the property or an improvement to*
35 *the property, as shown on the records of the county assessor for*
36 *the county where the property or improvement is located;*

37 *(d) The person or persons whose name appears as owner of*
38 *the property or an improvement to the property on the building*
39 *permit; or*

40 *(e) A person who claims an interest in or possesses less than a*
41 *fee simple estate in the property.*

42 **2. The term does not include:**

43 *(a) A mortgagee;*

44 *(b) A trustee or beneficiary of a deed of trust; or*



- 1 (c) *The owner or holder of a lien encumbering the property or*
2 *an improvement to the property.*
- 3 **Sec. 15.** *“Notice of lien” means a notice recorded pursuant*
4 *to NRS 108.226 to perfect a lien.*
- 5 **Sec. 16.** *“Prevailing lien claimant” means a lien claimant to*
6 *whom an amount is found due by a trier of fact on a notice of lien*
7 *or a claim against a surety bond.*
- 8 **Sec. 17.** *“Prime contract” means a contract between a prime*
9 *contractor and the owner of property about which the contract*
10 *relates.*
- 11 **Sec. 18.** *“Prime contractor” means a person who contracts*
12 *with an owner of property to provide work, materials or equipment*
13 *to be used for the improvement of the property or in the*
14 *construction, alteration or repair of a work of improvement.*
- 15 **Sec. 19.** *“Principal,” as pertaining to a surety bond, means*
16 *the debtor of the lien claimant or a party in interest in the property*
17 *subject to the lien whose name and signature appear as principal*
18 *on a surety bond.*
- 19 **Sec. 20.** *“Property” means the land, real property or mining*
20 *claim of an owner for which a work of improvement was provided,*
21 *including all buildings, improvements and fixtures thereon, and a*
22 *convenient space on, around and about the same, or so much as*
23 *may be required for the convenient use and occupation thereof.*
- 24 **Sec. 21.** *“Surety” means a corporation authorized to transact*
25 *surety business in this state pursuant to NRS 679A.030 that:*
26 1. *Is included in the United States Department of the*
27 *Treasury’s Listing of Approved Sureties; and*
28 2. *Issues a surety bond pursuant to NRS 108.2413 to*
29 *108.2425, inclusive, that does not exceed the underwriting*
30 *limitations established for that surety by the United States*
31 *Department of the Treasury.*
- 32 **Sec. 22.** *“Surety bond” means a bond issued by a surety for*
33 *the release of a lien pursuant to NRS 108.2413 to 108.2425,*
34 *inclusive.*
- 35 **Sec. 23.** *“Work” means the labor and services provided by a*
36 *lien claimant for the construction, alteration or repair of any*
37 *improvement, property or work of improvement whether the work*
38 *is completed or partially completed.*
- 39 **Sec. 24.** *“Work of improvement” means the entire structure*
40 *or scheme of improvement as a whole, including, without*
41 *limitation, all work, materials and equipment to be used in or for*
42 *the construction, alteration or repair of the property or any*
43 *improvement thereon, whether under multiple prime contracts or*
44 *a single prime contract except as follows:*



- 1 1. *If a scheme of improvement consists of the construction of*
- 2 *two or more separate buildings and each building is constructed*
- 3 *upon a separate legal parcel of land and pursuant to a separate*
- 4 *prime contract for only that building, then each building shall be*
- 5 *deemed a separate work of improvement; and*
- 6 2. *If the improvement of the site is provided for in a prime*
- 7 *contract that is separate from all prime contracts for the*
- 8 *construction of one or more buildings on the property, and if the*
- 9 *improvement of the site was contemplated by the contracts to be a*
- 10 *separate work of improvement to be completed before the*
- 11 *commencement of construction of the buildings, the improvement*
- 12 *of the site shall be deemed a separate work of improvement from*
- 13 *the construction of the buildings and the commencement of*
- 14 *construction of the improvement of the site does not constitute the*
- 15 *commencement of construction of the buildings. As used in this*
- 16 *subsection, "improvement of the site" means the development or*
- 17 *enhancement of the property, preparatory to the commencement*
- 18 *of construction of a building, and includes:*
- 19 (a) *The demolition or removal of improvements, trees or other*
- 20 *vegetation;*
- 21 (b) *The drilling of test holes;*
- 22 (c) *Grading, grubbing, filling or excavating;*
- 23 (d) *Constructing or installing sewers or other public utilities;*
- 24 *or*
- 25 (e) *Constructing a vault, cellar or room under sidewalks or*
- 26 *making improvements to the sidewalks in front of or adjoining the*
- 27 *property.*
- 28 **Sec. 25. 1. Except as otherwise provided in NRS 108.221 to**
- 29 **108.246, inclusive, and sections 2 to 26, inclusive, of this act, a**
- 30 **person may not waive or modify a right, obligation or liability set**
- 31 **forth in the provisions of NRS 108.221 to 108.246, inclusive, and**
- 32 **sections 2 to 26, inclusive, of this act.**
- 33 2. *A condition, stipulation or provision in a contract or other*
- 34 *agreement for the improvement of property or for the*
- 35 *construction, alteration or repair of a work of improvement in this*
- 36 *state that attempts to do any of the following is void:*
- 37 (a) *Require a lien claimant to waive rights provided by law to*
- 38 *lien claimants or to limit the rights provided to lien claimants,*
- 39 *other than as expressly provided in NRS 108.221 to 108.246,*
- 40 *inclusive, and sections 2 to 26, inclusive, of this act;*
- 41 (b) *Relieve a person of an obligation or liability imposed by the*
- 42 *provisions of NRS 108.221 to 108.246, inclusive, and sections 2 to*
- 43 *26, inclusive, of this act;*
- 44 (c) *Make the contract or other agreement subject to the laws of*
- 45 *a state other than this state;*



1 (d) *Require any litigation, arbitration or other process for*
2 *dispute resolution on disputes arising out of the contract or other*
3 *agreement to occur in a state other than this state; or*

4 (e) *Require a contractor or subcontractor to waive a claim the*
5 *contractor or subcontractor may otherwise possess for delay*
6 *damages or an extension of time for delays incurred, for any delay*
7 *which was unreasonable under the circumstances, not within the*
8 *contemplation of the parties at the time the contract was entered*
9 *into, and for which the contractor or subcontractor is not*
10 *responsible.*

11 **Sec. 26. 1.** *Any term of a contract that attempts to waive or*
12 *impair the lien rights of a contractor, subcontractor or supplier is*
13 *void. An owner, contractor or subcontractor by any term of a*
14 *contract, or otherwise, may not obtain the waiver of, or impair the*
15 *lien rights of, a contractor, subcontractor or supplier, except as*
16 *provided in this section. Any written consent given by a lien*
17 *claimant that waives or limits his lien rights is unenforceable*
18 *unless the lien claimant:*

19 (a) *Executes and delivers a waiver and release that is signed by*
20 *the lien claimant or his authorized agent in the form set forth in*
21 *this section; or*

22 (b) *In the case of a conditional waiver and release, receives*
23 *payment of the amount identified in the conditional waiver and*
24 *release.*

25 2. *An oral or written statement purporting to waive, release or*
26 *otherwise adversely affect the rights of a lien claimant is not*
27 *enforceable and does not create any estoppel or impairment of a*
28 *lien unless:*

29 (a) *There is a written waiver and release in the form set forth*
30 *in this section;*

31 (b) *The lien claimant received payment for the lien claim and*
32 *then only to the extent of the payment; or*

33 (c) *Payment has been made to the lien claimant and another*
34 *joint payee by way of a two-party joint check which, upon*
35 *endorsement by the lien claimant and the joint check clearing the*
36 *bank upon which it is drawn, shall be deemed to be payment to the*
37 *lien claimant of:*

38 (1) *The amount of the joint check;*

39 (2) *The amount the owner intended to pay the lien claimant*
40 *out of the joint check; or*

41 (3) *The balance owed to the lien claimant for the work and*
42 *materials covered by the joint check, whichever is less.*

43 3. *This section does not affect the enforceability of either an*
44 *accord and satisfaction regarding a bona fide dispute or any*
45 *agreement made in settlement of an action pending in any court or*



1 arbitration, provided the accord and satisfaction or settlement
2 make specific reference to the lien rights waived or impaired and
3 is in a writing signed by the lien claimant.

4 4. The waiver and release given by any lien claimant is
5 unenforceable unless it is in the following forms in the following
6 circumstances:

7 (a) Where the lien claimant is required to execute a waiver and
8 release in exchange for or to induce the payment of a progress
9 billing and the lien claimant is not in fact paid in exchange for the
10 waiver and release or a single payee check or joint payee check is
11 given in exchange for the waiver and release, the waiver and
12 release must be in the following form:

13
14 **CONDITIONAL WAIVER AND RELEASE**
15 **UPON PROGRESS PAYMENT**

16
17 *Property Name:*.....
18 *Property Location:*.....
19 *Undersigned's Customer:*.....
20 *Invoice/Payment Application Number:*.....
21 *Payment Amount:*.....
22 *Payment Period:*.....

23 Upon receipt by the undersigned of a check in the above
24 referenced Payment Amount payable to the undersigned, and
25 when the check has been properly endorsed and has been paid by
26 the bank on which it is drawn, this document becomes effective to
27 release and the undersigned shall be deemed to waive any notice
28 of lien, any private bond right, any claim for payment and any
29 rights under any similar ordinance, rule or statute related to
30 payment rights that the undersigned has on the above described
31 Property to the following extent:

32 This release covers a progress payment for all work, materials
33 or equipment furnished by the undersigned to the Property or to
34 the Undersigned's Customer, for only the Payment Amount or
35 such portion of the Payment Amount as the undersigned is
36 actually paid, and does not cover any retention withheld, any
37 items, modifications or changes pending approval, disputed items
38 and claims, or items furnished or invoiced after the Payment
39 Period. Before any recipient of this document relies on it, he
40 should verify evidence of payment to the undersigned. The
41 undersigned warrants that he either has already paid or will use
42 the money he receives from this progress payment promptly to pay
43 in full all his laborers, subcontractors, materialmen and suppliers
44 for all work, materials or equipment that are the subject of this
45 waiver and release.



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(Company Name)

By:

Its:.....

(b) Where the lien claimant has been paid in full or a part of the amount provided for in the progress billing, the waiver and release of the amount paid must be in the following form:

**UNCONDITIONAL WAIVER AND RELEASE
UPON PROGRESS PAYMENT**

Property Name:.....

Property Location:

Undersigned's Customer:

Invoice/Payment Application Number:

Payment Amount:

Payment Period:.....



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(Company Name)

By:

Its:.....

(Each unconditional waiver and release must contain the following language, in type at least as large as the largest type otherwise on the document:)

Notice: This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it to the extent of the Payment Amount or the amount received. If you have not been paid, use a conditional release form.

(c) Where the lien claimant is required to execute a waiver and release in exchange for or to induce payment of a final billing and the lien claimant is not paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for the waiver and release, the waiver and release must be in the following form:

**CONDITIONAL WAIVER AND RELEASE
UPON FINAL PAYMENT**

*Property Name:.....
Property Location:.....
Undersigned's Customer:.....
Invoice/Payment Application Number:
Payment Amount:
Payment Period:.....
Amount of Disputed Claims:.....*

Upon receipt by the undersigned of a check in the above referenced Payment Amount payable to the undersigned, and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release and the undersigned shall be deemed to waive any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above described Property to the following extent:

This release covers the final payment to the undersigned for all work, materials or equipment furnished by the undersigned to the



1 *Property or to the Undersigned's Customer and does not cover*
2 *payment for Disputed Claims, if any. Before any recipient of this*
3 *document relies on it, he should verify evidence of payment to the*
4 *undersigned. The undersigned warrants that he either has already*
5 *paid or will use the money he receives from the final payment*
6 *promptly to pay in full all his laborers, subcontractors,*
7 *materialmen and suppliers for all work, materials or equipment*
8 *that are the subject of this waiver and release.*

9
10 *Dated:*
11
12 *(Company Name)*

13
14 *By:*

15
16 *Its:.....*

17
18 *(d) Where the lien claimant has been paid the final billing, the*
19 *waiver and release must be in the following form:*

20
21 **UNCONDITIONAL WAIVER AND RELEASE**
22 **UPON FINAL PAYMENT**

23
24 *Property Name:.....*

25 *Property Location:*

26 *Undersigned's Customer:*

27 *Invoice/Payment Application Number:*

28 *Payment Amount:*

29 *Amount of Disputed Claims:*

30
31 *The undersigned has been paid in full for all work, materials*
32 *and equipment furnished to his Customer for the above described*
33 *Property and does hereby waive and release any notice of lien, any*
34 *private bond right, any claim for payment and any rights under*
35 *any similar ordinance, rule or statute related to payment rights*
36 *that the undersigned has on the above described Property, except*
37 *for the payment of Disputed Claims, if any, noted above. The*
38 *undersigned warrants that he either has already paid or will use*
39 *the money he receives from this final payment promptly to pay in*
40 *full all his laborers, subcontractors, materialmen and suppliers for*
41 *all work, materials and equipment that are the subject of this*
42 *waiver and release.*

43
44 *Dated:*



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.....
(Company Name)

By:

Its:.....

(Each unconditional waiver and release must contain the following language, in type at least as large as the largest type otherwise on the document:)

Notice: This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.

(e) Notwithstanding any language in any waiver and release form set forth in this section, if the payment given in exchange for any waiver and release of lien is made by check, draft or other such negotiable instrument, and the same fails to clear the bank on which it is drawn for any reason, then the waiver and release shall be deemed null, void and of no legal effect whatsoever and all liens, lien rights, bond rights, contract rights or any other right to recover payment afforded to the lien claimant in law or equity will not be affected by the lien claimant's execution of the waiver and release.

Sec. 27. NRS 108.221 is hereby amended to read as follows:
108.221 As used in NRS 108.221 to 108.246, inclusive, **and sections 2 to 26, inclusive, of this act**, unless the context otherwise requires, ~~["work of improvement" or "improvement" means the entire structure or scheme of improvement as a whole.]~~ **the words and terms defined in sections 2 to 24, inclusive, of this act have the meanings ascribed to them in those sections.**

Sec. 28. NRS 108.222 is hereby amended to read as follows:
108.222 1. Except as otherwise provided in subsection 2, a ~~[person who performs labor upon or furnishes material of the value of \$500 or more, to be used in the construction, alteration or repair of any building, or other superstructure, railway, tramway, toll road, canal, water ditch, flume, aqueduct or reservoir, bridge, fence or any other structure,]~~ **lien claimant** has a lien upon the ~~[premises and any building, structure and improvement thereon]~~ **property and any improvements for which the work and materials were furnished** for:

(a) If the parties entered into a contract, the unpaid balance of the price agreed upon for ~~[-or-~~



1 ~~—(b) In absence of~~ *the work performed and the material and*
2 *equipment furnished or rented, as the case may be, whether*
3 *performed or furnished at the instance of the owner or his agent;*
4 *or*

5 *(b) If a specific price for some or all the work, material or*
6 *equipment is not set forth in* a contract, an amount equal to the fair
7 market value of,
8 the ~~[labor performed or]~~ *work performed and the* material *and*
9 *equipment* furnished or rented, as the case may be, by ~~[each~~
10 ~~respectively,]~~ *the lien claimant*, including a reasonable allowance
11 for overhead and a profit, whether performed or furnished at the
12 instance of the owner ~~[of the building or other improvement,]~~ or at
13 the instance of his agent.

14 2. If a ~~[license is required for the work, only a contractor~~
15 ~~licensed pursuant to chapter 624 of NRS, an employee of such a~~
16 ~~contractor or a person who furnishes material to be used in the~~
17 ~~project may have a lien as described in subsection 1.~~

18 ~~—3. All miners, laborers and others who perform labor to the~~
19 ~~amount of \$500 or more in or upon any mine, or upon any shaft,~~
20 ~~tunnel, adit or other excavation, designed or used to prospect, drain~~
21 ~~or work the mine, and all persons who furnish any timber or other~~
22 ~~material, of the value of \$500 or more, to be used in or about a~~
23 ~~mine, whether performed or furnished at the instance of the owner~~
24 ~~of the mine or his agent, have, and may each respectively claim and~~
25 ~~hold, a lien upon that mine for:~~

26 ~~—(a) If the parties entered into a contract, the unpaid balance of~~
27 ~~the price agreed upon for; or~~

28 ~~—(b) In absence of a contract, an amount equal to the fair market~~
29 ~~value of,~~
30 ~~the labor so performed or material furnished, including a reasonable~~
31 ~~allowance for overhead and a profit.~~

32 ~~—4. Every contractor, subcontractor, engineer, land surveyor,~~
33 ~~geologist, architect, builder or other person having charge or control~~
34 ~~of any mining claim, or any part thereof, or of the construction,~~
35 ~~alteration or repair, either in whole or in part, of any building or~~
36 ~~other improvement, as these terms are used in subsection 1, shall be~~
37 ~~held to be the agent of the owner, for the purposes of NRS 108.221~~
38 ~~to 108.246, inclusive.] contractor or a professional is required to~~
39 *be licensed pursuant the provisions of NRS to perform his work,*
40 *the contractor or professional will only have a lien pursuant to*
41 *subsection 1 if he is licensed to perform the work.*

42 **Sec. 29.** NRS 108.225 is hereby amended to read as follows:
43 108.225 1. The liens provided for in NRS 108.221 to
44 108.246, inclusive, *and sections 2 to 26, inclusive, of this act* are
45 preferred to:



1 (a) Any lien, mortgage or other encumbrance which may have
2 attached *to the property* after the ~~[time when the building,~~
3 ~~improvement or structure was commenced, work done, or materials~~
4 ~~were commenced to be furnished.] commencement of construction~~
5 *of a work of improvement.*

6 (b) Any lien, mortgage or other encumbrance of which the
7 ~~[lienholder] lien claimant~~ had no notice and which was unrecorded
8 *against the property* at the ~~[time the building, improvement or~~
9 ~~structure was commenced, work done, or the materials were~~
10 ~~commenced to be furnished.~~

11 ~~For the purposes of this subsection, "work done" does not include~~
12 ~~any work commenced before on-site construction has started.~~

13 ~~— 2. Except as otherwise provided in subsection 3, every]~~
14 *commencement of construction of a work of improvement.*

15 2. Every mortgage or encumbrance imposed upon, or
16 conveyance made of, property affected by the liens provided for in
17 NRS 108.221 to 108.246, inclusive, ~~[between the time when the~~
18 ~~building, improvement, structure or work thereon was commenced,~~
19 ~~or the materials thereof were commenced to be furnished, and the~~
20 ~~expiration of the time fixed in NRS 108.221 to 108.246, inclusive,~~
21 ~~in which liens therefor may be recorded, whatever the terms of~~
22 ~~payment may be,] and sections 2 to 26, inclusive, of this act after~~
23 *the commencement of construction of a work of improvement* are
24 subordinate and subject to the liens ~~[in full authorized] provided for~~
25 *in NRS 108.221 to 108.246, inclusive, and sections 2 to 26,*
26 *inclusive, of this act* regardless of the date of recording the *notices*
27 *of liens.*

28 [3. If any improvement at the site is provided for in a contract
29 that is separate from any contract for the construction of a building
30 or other structure, the improvement at the site shall be deemed a
31 separate work of improvement and the commencement thereof does
32 not constitute the commencement of the construction of the building
33 or other structure. As used in this subsection, "improvement at the
34 site" means:

35 —(a) The demolition or removal of improvements, trees or other
36 vegetation from;

37 —(b) The drilling of test holes in;

38 —(c) Grading, filling or otherwise improving; or

39 —(d) Constructing or installing sewers or other public utilities
40 on;

41 any lot or tract of land or the street, highway or sidewalk in front of
42 or adjoining any lot or tract of land. The term includes the
43 construction of any vaults, cellars or rooms under the sidewalks or
44 making improvements to the sidewalks in front of or adjoining any
45 tract of land.]



1 **Sec. 30.** NRS 108.226 is hereby amended to read as follows:
2 108.226 1. ~~Every person claiming the benefit of NRS~~
3 ~~108.221 to 108.246, inclusive.]~~ *To perfect his lien, a lien claimant*
4 *must record his notice of lien in the office of the county recorder of*
5 *the county where the property or some part thereof is located in*
6 *the form provided in subsection 5:*
7 (a) Within 90 days after the *date on which the latest of the*
8 *following occurs:*
9 (1) *The completion of the work of improvement;*
10 ~~[(b) Within 90 days after the]~~
11 (2) *The last delivery of material or furnishing of equipment*
12 *by the lien claimant [; or*
13 ~~—(c) Within 90 days after the] for the work of improvement; or~~
14 (3) *The last performance of [labor] work by the lien*
15 *claimant [;*
16 ~~whichever is later.~~
17 ~~—2. The time within which to perfect the lien by recording the~~
18 ~~notice of lien is shortened if a] for the work of improvement; or~~
19 (b) *Within 40 days after the recording of a valid notice of*
20 *completion, if the notice of completion is recorded [in a timely] and*
21 *served in the manner required pursuant to NRS 108.228 . [; in*
22 ~~which event the notice of lien must be recorded within 40 days after~~
23 ~~the recording of the notice of completion.~~
24 ~~—3. Any one of the following acts or events is equivalent to~~
25 ~~“completion of the work of improvement” for all purposes of NRS~~
26 ~~108.221 to 108.246, inclusive:~~
27 ~~—(a) The occupation or use of a building, improvement or~~
28 ~~structure by the owner, his agent or his representative and~~
29 ~~accompanied by cessation of labor thereon.~~
30 ~~—(b) The acceptance by the owner, his agent or his representative~~
31 ~~of the building, improvement or structure.~~
32 ~~—(c) The cessation from labor for 30 days upon any building,~~
33 ~~improvement or structure, or the alteration, addition to or repair~~
34 ~~thereof.~~
35 ~~—(d) The recording of the notice of completion provided in~~
36 ~~NRS 108.228.~~
37 ~~—4. For the purposes of this section, if a work of improvement~~
38 ~~consists of the construction of more than one separate building and~~
39 ~~each building is constructed pursuant to:~~
40 ~~—(a) A separate contract, each building shall be deemed a separate~~
41 ~~work of improvement. The time within which to perfect the lien by~~
42 ~~recording the notice of lien pursuant to subsection 1 commences to~~
43 ~~run upon the completion of each separate building; or~~
44 ~~—(b) A single contract, the time within which to perfect the lien~~
45 ~~by recording the notice of lien pursuant to subsection 1 commences~~



1 ~~to run upon the completion of all the buildings constructed pursuant~~
2 ~~to that contract.~~

3 ~~As used in this subsection, "separate building" means one structure~~
4 ~~of a work of improvement and any garages or other outbuildings~~
5 ~~appurtenant thereto.~~

6 ~~5.] 2.~~ The notice of ~~[mechanic's lien must be recorded in the~~
7 ~~office of the county recorder of the county where the property or~~
8 ~~some part thereof is situated and]~~ *lien* must contain:

9 (a) A statement of ~~[his demand]~~ *the lienable amount* after
10 deducting all just credits and offsets.

11 (b) The name of the owner ~~[or reputed owner]~~ if known.

12 (c) The name of the person by whom he was employed or to
13 whom he furnished the material.

14 (d) A *brief* statement of the terms ~~[-, time given and conditions]~~
15 *of payment* of his contract.

16 (e) A description of the property to be charged with the *notice of*
17 *lien* sufficient for identification.

18 ~~[6. The claim]~~

19 *3. The notice of lien* must be verified by the oath of the
20 claimant or some other person. The ~~[claim]~~ *notice of lien* need not
21 be acknowledged to be recorded.

22 ~~[7.] 4.~~ It is unlawful for a person knowingly to make a false
23 statement in or relating to the recording of a notice of lien pursuant
24 to the provisions of this section. A person who violates this
25 subsection is guilty of a gross misdemeanor and shall be punished
26 by a fine of not less than \$5,000 nor more than \$10,000.

27 *5. A notice of lien must be substantially in the following*
28 *form:*

29
30 **NOTICE OF LIEN**

31
32 *The undersigned claims a lien upon the property described in this*
33 *notice for work, materials or equipment furnished for the*
34 *improvement of the property:*

- 35
- 36 *1. The amount of the original contract is: \$.....*
- 37 *2. The total amount of all change orders, if any, is: \$*
- 38 *3. The total amount of all payments received to date is: \$*
- 39 *4. The amount of the lien, after deducting all just credits and*
40 *offsets, is: \$.....*
- 41 *5. The name of the owner, if known, of the property is:*
- 42 *6. The name of the person by whom the lien claimant was*
43 *employed or to whom the lien claimant furnished work, materials*
44 *or equipment is:*



1 7. A brief statement of the terms of payment of the lien
2 claimant's contract is:

3
4 8. A description of the property to be charged with the lien is: ...

5
6
7 (Print Name of Lien Claimant)

8
9 By:
10 (Authorized Signature)

11
12 State of)
13) ss.
14 County of)

15
16 (print name), being first duly sworn on
17 oath according to law, deposes and says:

18 I have read the foregoing Notice of Lien, know the contents
19 thereof and state that the same is true of my own personal
20 knowledge, except those matters stated upon information and
21 belief, and, as to those matters, I believe them to be true.

22
23
24 (Authorized Signature of Lien Claimant)

25 Subscribed and sworn to before me
26 this day of the month of of the year

27
28
29 Notary Public in and for
30 the County and State

31 6. If a work of improvement involves the construction,
32 alteration or repair of multifamily or single-family residences, a
33 lien claimant, except laborers, must serve a 15-day notice of intent
34 to lien incorporating substantially the same information required
35 in a notice of lien upon both the owner and the prime contractor
36 before recording a notice of lien. Service of the notice of intent to
37 lien must be by personal delivery or certified mail and will extend
38 the time for recording the notice of lien described in subsection 1
39 by 15 days. A notice of lien for materials or equipment furnished
40 or for work or services performed, except labor, for a work of
41 improvement involving the construction, alteration or repair of
42 multifamily or single-family residences may not be perfected or
43 enforced pursuant to NRS 108.221 to 108.246, inclusive, and
44 sections 2 to 26, inclusive, of this act, unless the 15-day notice of
45 intent to lien has been given.



1 **Sec. 31.** NRS 108.227 is hereby amended to read as follows:
2 108.227 1. In addition to the requirements of NRS 108.226, a
3 copy of the ~~[claim]~~ *notice of lien* must be served upon the ~~[record]~~
4 owner of the property within 30 days after recording the notice of
5 lien, in one of the following ways:

6 (a) By *personally* delivering a copy *of the notice of lien* to the
7 ~~[record owner personally];~~

8 ~~—(b) If he is absent from his place of residence, or from his usual
9 place of business, by leaving a copy with some person of suitable
10 age and discretion at either place and mailing a copy addressed to
11 the record owner at his place of residence or place of business; or~~

12 ~~—(c) If his] owner or resident agent of the owner;~~

13 **(b) By mailing a copy of the notice of lien by certified mail
14 return receipt requested to the owner at his place of resident or his
15 usual place of business or to the resident agent of the owner at the
16 address of the resident agent; or**

17 **(c) If the** place of residence or business *of the owner and the
18 address of the resident agent of the owner, if applicable,* cannot be
19 ~~[ascertained, or a person of suitable age or discretion cannot be
20 found there,] determined,~~ by:

21 (1) Fixing a copy *of the notice of lien* in a conspicuous place
22 on the property;

23 (2) Delivering a copy *of the notice of lien* to a person there
24 residing, if such a person can be found; and

25 (3) Mailing a copy *of the notice of lien* addressed to the
26 ~~[record]~~ owner at ~~[the]~~ :

27 **(I) The** place where the property is ~~[situated].
28 —2.— Failure] located;~~

29 **(II) The address of the owner as identified in the deed;**

30 **(III) The address identified in the records of the office
31 of the county assessor; or**

32 **(IV) The address identified in the records of the county
33 recorder of the county in which the property is located.**

34 **2. If there is more than one owner, failure** to serve a copy of
35 the ~~[claim]~~ *notice of lien* upon a particular ~~[record]~~ owner does not
36 invalidate a ~~[claim based on a valid service]~~ *notice of lien if
37 properly served* upon another ~~[record]~~ owner.

38 3. ~~[As used in this section, “record owner” means any person
39 who holds an interest in real property or any improvement thereon
40 evidenced by a conveyance or other instrument which transfers that
41 interest to him and is recorded in the office of the county recorder of
42 the county in which the real property is located, but does not
43 include:~~

44 ~~—(a) A mortgagee;~~

45 ~~—(b) A trustee under, or a beneficiary of, a deed of trust; or~~



1 ~~—(c) The owner or holder of a lien encumbering real property or~~
 2 ~~any improvement thereon.] Each subcontractor who participates in~~
 3 ~~the construction, improvement, alteration or repair of a work of~~
 4 ~~improvement shall deliver a copy of each notice of lien required by~~
 5 ~~NRS 108.226 to the prime contractor. The failure of a~~
 6 ~~subcontractor to deliver the notice to the prime contractor is a~~
 7 ~~ground for disciplinary proceedings pursuant to chapter 624 of~~
 8 ~~NRS.~~

9 **Sec. 32.** NRS 108.2275 is hereby amended to read as follows:
 10 108.2275 1. The debtor of the lien claimant or a party in
 11 interest in the ~~[premises]~~ *property* subject to the *notice of* lien who
 12 believes the notice of lien is frivolous and was made without
 13 reasonable cause, or that the amount of the lien is excessive, may
 14 apply by motion to the district court for the county where the
 15 property or some part thereof is ~~[situated]~~ *located* for an order
 16 directing the lien claimant to appear before the court to show cause
 17 why the relief requested should not be granted.

18 2. The motion must ~~[set]~~ :
 19 (a) *Set forth in detail* the *legal and factual* grounds upon which
 20 relief is requested ; and ~~[must be]~~
 21 (b) *Be* supported by ~~[the affidavit of]~~ :
 22 (1) *A notarized affidavit signed by* the applicant ~~[or his~~
 23 ~~attorney]~~ setting forth a concise statement of the facts upon which
 24 the motion is based ~~[]~~ ; and
 25 (2) *Documentary evidence in support of the affidavit, if*
 26 *any.*

27 3. If the court issues an order for a hearing, the applicant shall
 28 serve notice of the application and order of the court on the lien
 29 claimant within 3 days after the court issues the order. The court
 30 shall conduct the hearing within not less than ~~[10]~~ *15* days or more
 31 than ~~[20]~~ *30* days after the court issues the order ~~[~~
 32 ~~—2.]~~ *for a hearing.*

33 4. The order for a hearing must include a statement that if the
 34 lien claimant fails to appear at the time and place noted, the *notice*
 35 *of* lien will be released with prejudice and the lien claimant will be
 36 ordered to pay the *reasonable* costs ~~[requested by]~~ the applicant ~~[~~
 37 ~~including reasonable attorney's fees.~~
 38 ~~—3.]~~ *incurs in bringing the motion, including reasonable*
 39 *attorney's fees.*

40 5. If, at the time the application is filed, an action to foreclose
 41 the *notice of* lien has not been filed, the clerk of the court shall
 42 assign a number to the application and obtain from the applicant a
 43 filing fee of \$85. If an action has been filed to foreclose the *notice*
 44 *of* lien before the application was filed pursuant to this section, the



1 application must be made a part of the action to foreclose the *notice*
2 *of* lien.

3 ~~[4.]~~ 6. If, after a hearing on the matter, the court determines
4 that:

5 (a) The *notice of* lien is frivolous and was made without
6 reasonable cause, the court ~~[may]~~ *shall* make an order releasing the
7 lien and awarding costs and reasonable attorney’s fees to the
8 applicant ~~[]~~ *for bringing the motion.*

9 (b) The amount of the *notice of* lien is excessive, the court may
10 make an order reducing the *notice of* lien to an amount deemed
11 appropriate by the court and awarding costs and reasonable
12 attorney’s fees to the applicant ~~[]~~ *for bringing the motion.*

13 (c) The *notice of* lien is not frivolous and was made with
14 reasonable cause ~~[and]~~ *or* that the amount of the *notice of* lien is not
15 excessive, the court ~~[may]~~ *shall* make an order awarding costs and
16 reasonable attorney’s fees to the lien claimant ~~[]~~
17 ~~[]~~ *for defending the motion.*

18 7. Proceedings conducted pursuant to this section do not affect
19 any other rights and remedies otherwise available to the parties.

20 ~~[6.]~~ 8. An appeal may be taken ~~[by either party]~~ from an order
21 made pursuant to subsection ~~[4.]~~ 6.

22 ~~[7.]~~ 9. If an order releasing or reducing a *notice of* lien is
23 entered by the court, and the order is not stayed, the ~~[lien claimant~~
24 ~~shall, within 2]~~ *applicant may, within 5* days after the order is
25 entered, record a certified copy of the order in the office of the
26 county recorder of the county where the property or some part
27 thereof is ~~[situated.]~~ *located*. The recording of a certified copy of the
28 order releasing or reducing a *notice of* lien is notice to any
29 interested party that the *notice of* lien has been released or reduced.

30 **Sec. 33.** NRS 108.228 is hereby amended to read as follows:

31 108.228 1. The owner may record a notice of completion
32 after ~~[]~~

33 ~~—(a) The] the~~ completion of ~~[any] the~~ work of improvement . ~~[] or~~
34 ~~—(b) There has been a cessation from labor thereon for a period of~~
35 ~~30 days.]~~

36 2. The notice of completion must be recorded in the office of
37 the county recorder of the county where the property is ~~[situated]~~
38 *located* and must set forth:

39 (a) The date ~~[when the work of improvement was completed, or~~
40 ~~the date on which cessation from labor occurred first and the period~~
41 ~~of its duration.]~~ *of completion of the work of improvement.*

42 (b) The owner’s name or owners’ names, as the case may be, the
43 address of the owner or addresses of the owners, as the case may be,
44 and the nature of the title, if any, of the person signing the notice.

45 (c) A description of the property sufficient for identification.



1 (d) The name of the *prime* contractor ~~[]~~ *or names of the prime*
2 *contractors*, if any.

3 3. The notice must be verified by the owner or by some other
4 person on his behalf. The notice need not be acknowledged to be
5 recorded.

6 4. Upon recording the notice pursuant to this section, the owner
7 shall, within 10 days after the notice is recorded, deliver a copy of
8 the notice by certified mail, to:

9 (a) ~~[Any-general]~~ *Each prime* contractor with whom the owner
10 contracted for *all or part of* the work of improvement.

11 (b) ~~[Any-person]~~ *Each potential lien claimant* who, before the
12 notice was recorded pursuant to this section, *either* submitted a
13 request to the owner to receive the notice ~~[]~~ *or delivered a*
14 *preliminary notice of right to lien pursuant to NRS 108.245.*

15 5. *The failure of the owner to deliver a copy of the notice of*
16 *completion in the time and manner provided in this section*
17 *renders the notice of completion ineffective with respect to each*
18 *prime contractor and lien claimant to whom a copy was required*
19 *to be delivered pursuant to subsection 4.*

20 **Sec. 34.** NRS 108.229 is hereby amended to read as follows:

21 108.229 1. *At any time before or during the trial of any*
22 *action to foreclose a lien, a lien claimant may record an amended*
23 *notice of lien to correct or clarify his notice of lien. The lien*
24 *claimant shall serve the owner of the property with an amended*
25 *notice of lien in the same manner as required for serving a notice*
26 *of lien pursuant to NRS 108.227 and within 30 days after*
27 *recording the amended notice of lien. A variance between a notice*
28 *of lien and an amended notice of lien does not defeat the lien and*
29 *shall not be deemed material unless the variance:*

30 (a) *Results from fraud or is made intentionally; or*

31 (b) *Misleads an adverse party to his prejudice, but then only*
32 *with respect to the adverse party who was prejudiced.*

33 2. Upon the trial of any action or suit to foreclose ~~[such-lien~~
34 ~~no]~~ *a lien, a* variance between the lien and the proof ~~[shall]~~ *does not*
35 *defeat the lien* ~~[or]~~ *and shall not* be deemed material unless the
36 ~~[same-results]~~ *variance:*

37 (a) *Results* from fraud or is made intentionally ~~[, or has misled]~~
38 *; or*

39 (b) *Misleads* the adverse party to his prejudice, but ~~[in]~~ *then*
40 *only with respect to the adverse party who was prejudiced.*

41 *In* all cases of immaterial variance the ~~[claim]~~ *notice* of lien may be
42 amended, by amendment duly recorded, to conform to the proof.

43 ~~[2.—No]~~

44 3. *An* error or mistake in the name of the owner ~~[or-reputed~~
45 ~~owner]~~ contained in any ~~[claim]~~ *notice* of lien ~~[shall-be-held-to]~~ *does*



1 *not* defeat the lien, unless a correction of the *notice of* lien in ~~{this}~~ a
2 particular *instance* would prejudice the rights of an innocent bona
3 fide purchaser or encumbrancer for value ~~{~~
4 ~~—3.}~~ , *but then only with respect to the bona fide purchaser or*
5 *encumbrancer for value who was prejudiced.*

6 4. Upon the trial, ~~{however,}~~ if it ~~{shall appear}~~ *appears* that an
7 error or mistake has been made in the name of the owner ~~{or reputed~~
8 ~~owner,}~~ or that the wrong person has been named as owner ~~{or~~
9 ~~reputed owner}~~ in any ~~{such claim}~~ *notice* of lien, the court shall
10 order an amended ~~{claim}~~ *notice* of lien to be recorded with the
11 *county* recorder where the original ~~{claim}~~ *notice of lien* was
12 recorded ~~{}~~ and shall issue to the person who is so made to appear
13 to be the original ~~{or reputed}~~ owner a notice directing ~~{such}~~ *the*
14 person or persons to be and appear before the court within the same
15 time as is provided by Nevada Rules of Civil Procedure for the
16 appearance in other actions after the service of summons, which
17 notice ~~{shall}~~ *must* be served in all respects as a summons is
18 required to be served, and to show cause why:

19 (a) He should not be substituted ~~{}~~ *as the correct owner* in the
20 ~~{claim}~~ *notice* of lien and in the suit, in lieu of the person so made
21 defendant and alleged to be owner ~~{or reputed owner}~~ by mistake.

22 (b) He should not be bound by the judgment or decree of the
23 court. Such proceedings ~~{shall}~~ *must* be had therein as though
24 the party so cited to appear had been an original party defendant in
25 the action or suit, and originally named in the ~~{claim}~~ *notice* of lien
26 as owner , ~~{or reputed owner,}~~ and the rights of all parties ~~{shall}~~
27 *must* thereupon be fully adjudicated.

28 ~~{4.}~~ 5. A notice of lien which contains therein the description
29 of the ~~{real}~~ property supplied by and set forth in the notice of
30 completion recorded pursuant to NRS 108.228 ~~{shall,}~~ *must*, for all
31 purposes, be sufficient as a description of the actual ~~{real}~~ property
32 upon which the work ~~{or labor}~~ was performed or materials *or*
33 *equipment* were supplied , ~~{}~~ and amendment of the *notice of* lien
34 ~~{claim}~~ or amendment of the pleading filed by the lien claimant in a
35 foreclosure action, or both, may be made to state the correct
36 description, and ~~{such}~~ *the* corrected description ~~{shall relate}~~
37 *relates* back to the time of recording ~~{such}~~ *the* notice of lien ,
38 ~~{claim,}~~ unless a correction of the *notice of* lien in ~~{this}~~ a particular
39 *instance* would prejudice the rights of an innocent bona fide
40 purchaser or encumbrancer for value ~~{}~~ , *but then only with respect*
41 *to the bona fide purchaser or encumbrancer for value who was*
42 *prejudiced.*

43 **Sec. 35.** NRS 108.231 is hereby amended to read as follows:
44 108.231 1. In every case in which ~~{one claim}~~ *a notice of*
45 *lien* is recorded against two or more *separate* buildings ~~{}~~ *or* mining



1 claims ~~for other improvements owned by the same person, the~~
2 ~~person recording such claim must at the same time designate~~ that
3 are owned by the same person and that are located on separate
4 legal parcels that existed at the commencement of construction,
5 the lien claimant must, at the time of recording the notice of lien,
6 designate the lienable amount due to him on each ~~of such~~
7 ~~buildings, mining claims or other improvements; otherwise the lien~~
8 ~~of such claim is postponed to other liens.~~ building or mining
9 claim.

10 2. The lien of ~~such claimant does not extend beyond~~ a lien
11 claimant only applies to the lienable amount designated ~~in~~ in the
12 notice of lien, plus all amounts that may be awarded by the court
13 pursuant to NRS 108.237, as against other creditors having liens by
14 judgment or otherwise, upon ~~either of such buildings or other~~
15 ~~improvements, or upon the land upon which the same are~~
16 ~~constructed.~~ the buildings or mining claims. However, the
17 lienable amount chargeable to the interest of the owner in each
18 building must be the total amount of the lien claimant's notice of
19 lien, without regard to the proportionate amount designated to
20 each separate building in the lien claimant's notice of lien, plus all
21 amounts that may be awarded by the court pursuant to NRS
22 108.237, but upon the trial thereof, the court may, where it deems
23 it equitable to do so, distribute the lien equitably as among the
24 several buildings involved.

25 3. If a lien claimant fails to designate in his notice of lien the
26 amount due to him on each separate building as provided in
27 subsection 1, the lien claimant's notice of lien must be postponed
28 to the notices of lien of other lien claimants and other
29 encumbrancers for value who have designated the amount due on
30 each building or mining claim but must not be inferior to any
31 rights or interests of the owner. For purposes of this subsection, a
32 lien claimant's lien must not be postponed to other liens or
33 encumbrances if the lien claimant's designation among the
34 parcels was estimated by the lien claimant in good faith or was
35 based upon a pro rata division of the total lienable amount.

36 **Sec. 36.** NRS 108.232 is hereby amended to read as follows:

37 108.232 The county recorder of the county in which property
38 that is subject to a lien is located must record the ~~claim~~ notice of
39 lien in a book kept by him for that purpose, which record must be
40 indexed as deeds and other conveyances are required by law to be
41 indexed, and for which he may receive the same fees as are allowed
42 by law for recording deeds and other instruments.

43 **Sec. 37.** NRS 108.233 is hereby amended to read as follows:

44 108.233 1. ~~No~~ A lien provided for in NRS 108.221 to
45 108.246, inclusive, ~~binds any building, mining claim, improvement~~



1 ~~or structure~~ and sections 2 to 26, inclusive, of this act must not
2 bind the property subject to the lien for a ~~longer~~ period longer
3 than 6 months after ~~such lien has been~~ the date on which the
4 notice of lien was recorded, unless:

5 (a) Proceedings are commenced in a proper court within that
6 time to enforce the same; or

7 (b) The time to commence the action is extended by a written
8 instrument signed by the ~~lienor~~ lien claimant and by a person or
9 persons in interest in the property subject to the lien, in which event,
10 and as to only that person or those persons in interest signing the
11 agreement, the time is extended, ~~;~~ but no extension ~~shall be~~ is
12 valid unless in writing and recorded in the county recorder's office
13 in which the notice of lien is recorded and unless the extension
14 agreement is recorded within ~~such~~ the 6-month period. ~~;~~ and
15 ~~such~~ The extension agreement, to be recorded, must be
16 acknowledged as required by law for the acknowledgment of deeds.
17 An action may be commenced within ~~such~~ the extended time only
18 ~~as to~~ against the persons signing the extension agreement and only
19 as to their interests in the property are affected, and upon the lapse
20 of the time specified in the extension agreement, an action may not
21 thereafter be commenced, nor may a second extension be given.

22 2. For all purposes, a ~~mechanic's lien of record~~ notice of lien
23 shall be deemed to have expired as a lien against the property after
24 the lapse of the 6-month period provided in subsection 1, and ~~such~~
25 ~~recording shall~~ the recording of a notice of lien does not provide
26 actual or constructive notice after the lapse of ~~such~~ the 6-month
27 period and as a lien on the ~~real~~ property referred to in the
28 ~~recorded~~ notice of lien, unless, ~~prior to~~ before the lapse of ~~such~~
29 the 6-month period ~~the~~ an extension agreement has been recorded,
30 in which event, the lien ~~shall~~ will only continue as a lien on the
31 interests of those persons signing the extension for the period
32 specified in the extension. ~~and for no longer period.~~ An extension
33 must not be given for a period in excess of 1 year beyond the date
34 on which the notice of lien is recorded.

35 3. If there are other ~~claims~~ notices of lien outstanding against
36 the property, ~~no extension shall~~ an extension must not be given
37 upon ~~the~~ a notice of lien which will tend to delay or postpone the
38 collection of other ~~claims~~ liens evidenced by a notice of lien or
39 encumbrances against the property. ~~;~~ and no extension shall be
40 given for a period in excess of 1 year beyond the recording of the
41 lien.

42 Sec. 38. NRS 108.234 is hereby amended to read as follows:
43 108.234 ~~Every building or other improvement mentioned in~~
44 ~~NRS 108.222.~~



1 *1. Except as otherwise provided in subsection 2, every*
 2 *improvement constructed, altered or repaired upon* ~~any lands with~~
 3 ~~the knowledge of the owner or the person having or claiming any~~
 4 ~~interest therein,] property shall be [held] deemed~~ to have been
 5 constructed, altered or repaired at the instance of ~~the owner or~~
 6 ~~person] each owner~~ having or claiming any interest therein, and the
 7 interest owned or claimed ~~is] must be~~ subject to ~~any] each notice~~
 8 *of* lien recorded in accordance with the provisions of NRS 108.221
 9 to 108.246, inclusive, ~~unless the owner or person having or~~
 10 ~~claiming an interest therein shall,] and sections 2 to 26, inclusive, of~~
 11 *this act.*

12 *2. The interest of a disinterested owner in any improvement*
 13 *and the property upon which an improvement is constructed,*
 14 *altered or repaired is not subject to a notice of lien if the*
 15 *disinterested owner,* within 3 days after he ~~has obtained] first~~
 16 *obtains* knowledge of the construction, alteration or repair, or the
 17 intended construction, alteration or repair, ~~give] gives~~ notice that he
 18 will not be responsible for the improvement by recording a notice in
 19 writing to that effect with the county recorder of the county where
 20 the ~~land or building is situated] property is located~~ and, in the
 21 instance of ~~:-~~

22 ~~—1.] a disinterested owner who is:~~

23 (a) A lessor, the notice of ~~lien] nonresponsibility~~ shall be
 24 deemed timely recorded if the notice is recorded within 3 days
 25 immediately following the ~~execution] effective date~~ of the lease ~~by~~
 26 ~~all parties as to that construction, alteration or repair, or intended~~
 27 ~~construction, alteration or repair, known to the lessor at] or by~~ the
 28 time of the execution of the lease by all parties ~~:-~~

29 ~~—2.] whichever occurs first; or~~

30 (b) An optionor, the notice of ~~lien] nonresponsibility~~ shall be
 31 deemed timely recorded if the notice is recorded within 3 days
 32 immediately following the ~~execution of the agreement permitting~~
 33 ~~entry upon the real property by all parties as to that construction,~~
 34 ~~alteration, repair, or intended construction, alteration, repair or other~~
 35 ~~work known to the optionor at the time of the execution of the~~
 36 ~~agreement by all parties.] date on which the option is exercised in~~
 37 *writing.*

38 *3. Each notice of nonresponsibility recorded pursuant to this*
 39 *section must identify:*

40 (a) *The name and address of the owner;*

41 (b) *The location of the improvement and the property upon*
 42 *which the improvement is or will be constructed, altered or*
 43 *repaired;*



1 (c) *The nature and extent of the disinterested owner's interest*
2 *in the improvement and the property upon which the improvement*
3 *is or will be constructed, altered or repaired; and*

4 (d) *The date on which the disinterested owner first learned of*
5 *the construction, alteration or repair of the improvement that is*
6 *the subject of the notice of nonresponsibility.*

7 **Sec. 39.** NRS 108.235 is hereby amended to read as follows:

8 108.235 1. ~~1. [The contractor shall be entitled to recover, upon~~
9 ~~a lien recorded by him, only such] A prime contractor:~~

10 (a) *Upon a notice of lien, may recover the lienable* amount as
11 may be due to him ~~[according to the terms of his contract, after~~
12 ~~deducting all claims of other parties]~~, *plus all amounts that may be*
13 *awarded to him by the court pursuant to NRS 108.237; and*

14 (b) *Upon receipt of the amount described in paragraph (a),*
15 *shall pay all liens* for the work ~~[done and material furnished.]~~,
16 *equipment or materials which were furnished to him* as provided
17 in NRS 108.221 to 108.246, inclusive ~~[.]~~, *and sections 2 to 26,*
18 *inclusive, of this act.*

19 2. In all cases where a *prime contractor has been paid for the*
20 *work, materials or equipment which are the subject of a notice of*
21 *lien [is] recorded under NRS 108.221 to 108.246, inclusive,* ~~[for~~
22 ~~work done or materials furnished to any contractor, he]~~ *and sections*
23 *2 to 26, inclusive, of this act, the prime contractor shall defend the*
24 *owner in* any action brought thereupon at his own expense. ~~[During~~
25 ~~the pendency of the action.]~~

26 3. *Except as otherwise provided in this subsection, if a lien*
27 *claimant records a notice of lien for the work, equipment or*
28 *materials furnished to the prime contractor, the owner may*
29 withhold from the *prime contractor* the amount of money for which
30 ~~[such] the lien claimant's notice of lien is [filed.] recorded. If the~~
31 ~~lien claimant's notice of lien resulted from the owner's failure to~~
32 ~~pay the prime contractor for the lien claimant's work, materials or~~
33 ~~equipment, the owner shall not withhold the amount set forth in~~
34 ~~the notice of lien from the prime contractor if the prime contractor~~
35 ~~tenders a release of the lien claimant's lien to the owner.~~ In case of
36 judgment against the owner or his property ~~[upon] which is the~~
37 *subject of the lien, the owner [shall be entitled to] may* deduct, from
38 any amount due or to become due by him to the *prime contractor,*
39 the amount ~~[of the judgment and costs. If the amount of the~~
40 ~~judgment and costs exceeds the amount due by him to the~~
41 ~~contractor, or if the owner has settled with the contractor, the owner~~
42 ~~shall be entitled to] paid by the owner to the lien claimant for~~
43 *which the prime contractor was liable and* recover back from the
44 *prime contractor* any amount so paid by the owner in excess of the
45 ~~[contract price, and for which the contractor was originally the party~~



1 ~~liable.]~~ amount the court has found that the owner owes to the
2 prime contractor.

3 **Sec. 40.** NRS 108.236 is hereby amended to read as follows:
4 108.236 1. In every case in which different liens are asserted
5 against any property, the court, in the judgment, must declare the
6 rank of each lien ~~[.] claimant~~ or class of ~~[liens, which must be] lien~~
7 ~~claimants~~ in the following order:

8 (a) First: All labor whether performed at the instance or
9 direction of the owner, ~~the~~ subcontractor or the ~~[original] prime~~
10 contractor.

11 (b) Second: Material suppliers ~~[.~~
12 ~~Third: The subcontractors, architects, land surveyors, geologists~~
13 ~~and engineers, if such architects, land surveyors, geologists and~~
14 ~~engineers] and lessors of equipment.~~

15 (c) ~~Third: All other lien claimants who~~ have performed their
16 ~~[services,] work,~~ in whole or in part, under contract with the
17 ~~[general contractor.~~

18 ~~Fourth: The original contractors, architects, land surveyors,~~
19 ~~geologists and engineers, if such architects, land surveyors,~~
20 ~~geologists and engineers have not performed their services, in whole~~
21 ~~or in part, under contract with the general contractor, and all persons~~
22 ~~other than original contractors, subcontractors, architects, land~~
23 ~~surveyors, geologists and engineers.] prime contractor or any~~
24 ~~subcontractor.~~

25 (d) ~~Fourth: All other lien claimants.~~

26 2. The proceeds of the sale of the property must be applied to
27 each lien ~~[.] claimant~~ or class of ~~[liens,] lien claimants~~ in the order
28 of its rank.

29 **Sec. 41.** NRS 108.237 is hereby amended to read as follows:

30 108.237 1. ~~[Any number of persons claiming liens may join~~
31 ~~in the same action. When separate actions are commenced the court~~
32 ~~may consolidate them.] The court shall award to a prevailing lien~~
33 ~~claimant, whether on its lien or on a surety bond, the lienable~~
34 ~~amount found due to the lien claimant by the court and the cost of~~
35 ~~preparing and filing the lien claim, including, without limitation,~~
36 ~~attorney's fees, if any, and interest. The court shall also award to~~
37 ~~the prevailing lien claimant, whether on its lien or on a surety~~
38 ~~bond, the costs of the proceedings, including, without limitation,~~
39 ~~reasonable attorney's fees, the costs for representation of the lien~~
40 ~~claimant in the proceedings, and any other amounts as the court~~
41 ~~may find to be justly due and owing to the lien claimant.~~

42 2. The court ~~[may also allow]~~ shall calculate interest for
43 purposes of subsection 1 based upon:

44 (a) The rate of interest agreed upon in the lien claimant's
45 contract; or



1 *(b) If a rate of interest is not provided in the lien claimant's*
 2 *contract*, interest at a rate equal to the prime rate at the largest bank
 3 in Nevada, as ascertained by the Commissioner of Financial
 4 Institutions, on January 1 or July 1, as the case may be, immediately
 5 preceding the date of judgment, plus 2 percent, on the amount of the
 6 lien found payable. ~~The interest is payable from the date that the~~
 7 ~~payment is found to have been due, and the court may allow, as part~~
 8 ~~of the costs, the money paid for recording the lien.~~ The rate of
 9 interest must be adjusted accordingly on each January 1 and July 1
 10 thereafter until the amount of the lien is paid.

11 ~~[3.—The court shall also allow to the prevailing party reasonable~~
 12 ~~attorney's fees for the preparation of the lien and for representation~~
 13 ~~of the lien claimant in the action.]~~

14 *Interest is payable from the date on which the payment is found to*
 15 *have been due, as determined by the court.*

16 *3. If the lien claim is not upheld, the court may award costs*
 17 *and reasonable attorney's fees to the owner.*

18 **Sec. 42.** NRS 108.238 is hereby amended to read as follows:

19 108.238 ~~[Nothing contained in]~~ *The provisions of* NRS
 20 108.221 to 108.246, inclusive, ~~[shall]~~ *and sections 2 to 26,*
 21 *inclusive, of this act must not* be construed to impair or affect the
 22 right of ~~[any person]~~ *a lien claimant* to whom any debt may be due
 23 for work ~~[done or material]~~ *, materials or equipment* furnished to
 24 maintain a ~~[personal]~~ *civil* action to recover ~~[such]~~ *that* debt against
 25 the person liable therefor ~~[.]~~ *or to submit any controversy arising*
 26 *under a contract to arbitration to recover that amount.*

27 **Sec. 43.** NRS 108.239 is hereby amended to read as follows:

28 108.239 1. ~~[Liens]~~ *A notice of lien* may be enforced by an
 29 action in any court of competent jurisdiction, on setting out in the
 30 complaint the particulars of the demand, with a description of the
 31 ~~[premises]~~ *property* to be charged with the lien.

32 2. At the time of filing the complaint and issuing the summons,
 33 the ~~[plaintiff]~~ *lien claimant* shall:

34 (a) File a notice of pendency of the action in the manner
 35 provided in NRS 14.010; and

36 (b) Cause a notice *of foreclosure* to be published at least once a
 37 week for 3 successive weeks, in one newspaper published in the
 38 county, and if there is no newspaper published in the county, then in
 39 such mode as the court may determine, notifying all persons holding
 40 or claiming ~~[liens]~~ *a notice of lien* pursuant to the provisions of
 41 NRS 108.221 to 108.246, inclusive, *and sections 2 to 26, inclusive,*
 42 *of this act* on the ~~[premises]~~ *property* to file with the clerk and serve
 43 on the ~~[plaintiff]~~ *lien claimant* and also on the defendant, if the
 44 defendant is within the State or is represented by counsel, written



1 statements of the facts constituting their liens, together with the
2 dates and amounts thereof. ~~{The statements must be filed}~~

3 **3. All persons holding or claiming a notice of lien may join a**
4 **lien claimant's action by filing a statement of facts** within 10 days
5 after the last publication of the notice ~~{The plaintiff}~~ **of**
6 **foreclosure. Any number of persons claiming liens may join in the**
7 **same action if they timely file a statement of facts in the lien**
8 **claimant's action. The lien claimant** and other parties adversely
9 interested must be allowed ~~{5}~~ **20** days to answer the statements.

10 ~~{3.}~~ **4.** If it appears from the records of the county recorder that
11 there are other **notices of lien** ~~{claims}~~ recorded against the same
12 ~~{premises}~~ **property** at the time of the commencement of the action,
13 the ~~{plaintiff}~~ **lien claimant** shall, in addition to and after the initial
14 publication of the notice **of foreclosure** as provided in paragraph (b)
15 of subsection 2, mail to those other lien claimants, by registered or
16 certified mail, or deliver in person a copy of the notice **of**
17 **foreclosure** as published.

18 ~~{4.}~~ **5.** At the time of any change in the venue of the action, the
19 ~~{plaintiff}~~ **lien claimant** shall file a notice of pendency of the action,
20 in the manner provided in NRS 14.010, and include in the notice the
21 court and county to which the action is changed.

22 ~~{5.}~~ **6. When separate actions are commenced by lien**
23 **claimants to foreclose on their respective notices of lien, the court**
24 **may consolidate all the actions. The consolidation does not affect**
25 **or change the priority of lien claims.**

26 **7.** The court shall enter judgment according to the right of the
27 parties, and shall, by decree, proceed to hear and determine
28 the claims in a summary way, or may, if it be the district court, refer
29 the claims to a **special** master to ascertain and report upon the liens
30 and the amount justly due thereon. No consequential damages may
31 be recovered in an action pursuant to this section. All liens not so
32 exhibited shall be deemed to be waived in favor of those which are
33 so exhibited.

34 ~~{6.}~~ **8. Upon petition by a lien claimant for a preferential trial**
35 **setting:**

36 **(a) The court shall give preference in setting a date for the**
37 **trial of an action brought pursuant to this section; and**

38 **(b) If a lien action is designated as complex by the court, the**
39 **court may take into account the rights and claims of all lien**
40 **claimants in setting a date for the preferential trial.**

41 **9. If the lienable amount of a lien claimant's lien is the**
42 **subject of binding arbitration:**

43 **(a) The court may, at the request of a party to the arbitration,**
44 **stay the lien claimant's action to foreclose the lien pending the**
45 **outcome of the binding arbitration. If the foreclosure on the lien**



1 *involves the rights of other lien claimants or persons whose claims*
2 *are not the subject of the binding arbitration, the court may stay*
3 *the lien claimant's foreclosure proceeding only upon terms which*
4 *are just and which afford the lien claimant a fair opportunity to*
5 *protect his lien rights and priorities with respect to other lien*
6 *claimants and persons.*

7 (b) *Upon the granting of an award by the arbitrator, any party*
8 *to the arbitration may seek an order from the court in the action to*
9 *foreclose on the lien confirming or adopting the award and*
10 *determining the lienable amount of the lien claimant's lien in*
11 *accordance with the order, if any. Upon determining the lienable*
12 *amount, the court shall enter a judgment or decree for the lienable*
13 *amount, plus all amounts that may be awarded by the court to the*
14 *lien claimant pursuant to NRS 108.237, and the court may include*
15 *as part of the lien all costs and attorney's fees awarded to the lien*
16 *claimant by the arbitrator and all costs and attorney's fees*
17 *incurred by the lien claimant pertaining to any application or*
18 *motion to confirm, adopt, modify or correct the award of the*
19 *arbitrator. A judgment or decree entered by the court pursuant to*
20 *this subsection may be enforced against the property as provided*
21 *in subsections 10, 11 and 12.*

22 10. On ascertaining the whole amount of the liens with which
23 the ~~premises are~~ *property is* justly chargeable, as provided in NRS
24 108.221 to 108.246, inclusive, *and sections 2 to 26, inclusive, of*
25 *this act*, the court shall cause the ~~premises~~ *property* to be sold in
26 satisfaction of ~~the~~ *all* liens and *the* costs ~~including costs of suit,~~
27 *of sale, including all amounts awarded to all lien claimants*
28 *pursuant to NRS 108.237*, and any party in whose favor judgment
29 may be rendered may cause the ~~premises~~ *property* to be sold
30 within the time and in the manner provided for sales on execution,
31 issued out of any district court, for the sale of real property.

32 ~~7.~~ 11. If the proceeds of sale, after ~~the~~ payment of *the* costs
33 ~~of sale,~~ are not sufficient to satisfy ~~the whole amount of the~~ *all*
34 *liens to be* included in the decree of sale, *including all amounts*
35 *awarded to all lien claimants pursuant to NRS 108.237*, the
36 proceeds must be apportioned according to the right of the ~~several~~
37 ~~parties.~~ *various lien claimants*. If the proceeds of the sale amount
38 to more than the sum of ~~the~~ *all* liens and the cost of sale, the
39 remainder must be paid over to the owner of the property.

40 ~~8.~~ 12. Each party whose claim is not satisfied in the manner
41 provided in this section is entitled to personal judgment for the
42 residue against the party legally liable for it if that person has been
43 personally summoned or has appeared in the action.



1 **Sec. 44.** NRS 108.2413 is hereby amended to read as follows:
2 108.2413 A ~~[mechanic's lien of record upon real property]~~ *lien*
3 *claimant's lien rights or notice of lien* may be released upon the
4 posting of a surety bond in the manner provided in NRS 108.2415 to
5 108.2425, inclusive.

6 **Sec. 45.** NRS 108.2415 is hereby amended to read as follows:
7 108.2415 ~~[The debtor of the lien claimant or a party in interest~~
8 ~~in the premises subject to the lien must obtain a surety bond~~
9 ~~executed by the debtor of the lien claimant or a party in interest in~~
10 ~~the premises subject to the lien, as principal, and executed by a~~
11 ~~corporation authorized to transact surety business in this state, as~~
12 ~~surety, in substantially]~~

13 **I. To obtain the release of a notice of lien, a principal and a**
14 **surety must execute a surety bond which must be in** the following
15 form:

16
17 *(Assessor's Parcel Numbers)*

18
19 (Title of court and cause, if action has been commenced)

20
21 WHEREAS, (name of ~~[owner, contractor, or~~
22 ~~other person disputing lien])~~ *principal*, *located at*
23 *(address of principal)*, desires to
24 give a bond for releasing the following described ~~[real]~~ property
25 *owned by* *(name of owners)* from that
26 certain ~~[claim of mechanic's]~~ *notice of lien* in the sum of
27 \$...... recorded (month) (day) (year) in the office of
28 the recorder in (name of county where the ~~[real]~~
29 property is ~~[situated];~~ *located*):

30
31 (Legal Description)

32
33 NOW, THEREFORE, the undersigned principal and surety do
34 hereby obligate themselves to the *lien* claimant named in the
35 ~~[mechanic's]~~ *notice of lien*, (name of *lien*
36 claimant) under the conditions prescribed by NRS 108.2413 to
37 108.2425, inclusive, in the sum of \$...... (1 1/2 x ~~[claim];~~
38 *lienable amount*), from which sum they will pay the *lien* claimant
39 ~~[such]~~ *that* amount as a court of competent jurisdiction may adjudge
40 to have been secured by his lien, ~~[with interest, costs and attorney's~~
41 ~~fees.]~~ *including the total amount awarded pursuant to*
42 *NRS 108.237.*

43 IN TESTIMONY WHEREOF, the principal and surety have
44 executed this bond at, Nevada, on the day
45 of the month of of the year



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.....
(Signature of Principal)

(Surety Corporation)

By.....
(Its Attorney in Fact)

State of Nevada }
 }ss.
County of }

On (month) (day) (year) before me, the undersigned, a notary public of this county and state, personally appeared who acknowledged that he executed the foregoing instrument as principal for the purposes therein mentioned and also personally appeared known (or satisfactorily proved) to me to be the attorney in fact of the ~~[corporation]~~ surety that executed the foregoing instrument, known to me to be the person who executed that instrument on behalf of the ~~[corporation]~~ surety therein named, and he acknowledged to me that ~~[that corporation]~~ the surety executed the foregoing instrument.

.....
(Notary Public in and for
the County and State)

2. The principal must record the surety bond in the office of the county recorder in which the notice of lien was recorded, either before or after the commencement of an action to enforce the lien. A certified copy of the recorded surety bond shall be deemed an original for purposes of this section.

3. Upon the recording of the surety bond, the principal must serve a file-stamped copy of the recorded surety bond in the following manner:

(a) If an action is pending to enforce the lien, service must be made by certified or registered mail, return receipt requested, upon the lien claimant at the address set forth in the lien and the lien claimant’s counsel of record at his place of business; or

(b) If no action is pending to enforce the lien, personal service must be made upon the lien claimant pursuant to Rule 4 of the Nevada Rules of Civil Procedure.

4. Failure to serve the surety bond as provided in subsection 3 does not affect the validity of the surety bond, but the statute of



1 *limitations on any action on the surety bond, including a motion*
2 *excepting to the sufficiency of the surety pursuant to NRS*
3 *108.2425, is tolled until notice is given.*

4 *5. Subject to the provisions of NRS 108.2425, the recording*
5 *and service of the surety bond pursuant to this section releases the*
6 *property described in the surety bond from the lien and the surety*
7 *bond shall be deemed to replace the property as security for the*
8 *lien.*

9 **Sec. 46.** NRS 108.2421 is hereby amended to read as follows:

10 108.2421 1. The lien claimant is entitled to **[bring]** :

11 *(a) Bring an action against ~~[the lien claimant's debtor and to~~*
12 *join therein]; or*

13 *(b) If an action has been commenced, join in the pending*
14 *action against,*

15 *the principal and surety on the surety bond ~~[. A judgment for the~~*
16 *claimant on the bond may not be made against the property. The*
17 *rights of the lien claimant include and the court may award to him in*
18 *that action:*

19 ~~—(a) The amount found due to the lien claimant by the court;~~

20 ~~—(b) The cost of preparing and filing the lien claim, including~~
21 ~~attorney's fees, if any;~~

22 ~~—(c) The costs of the proceedings;~~

23 ~~—(d) Attorney's fees for representation of the lien claimant in the~~
24 ~~proceedings; and~~

25 ~~—(e) Interest at a rate established pursuant to NRS 99.040 from~~
26 ~~the date found by the court that the sum was due.~~

27 ~~—2. Proceedings pursuant to subsection 1 are entitled to priority~~
28 ~~of hearing second only to criminal hearings. The plaintiff] and the~~
29 ~~lien claimant's debtor.~~

30 *2. At any time after the filing of a joint case conference*
31 *report pursuant to Rule 16.1 of the Nevada Rules of Civil*
32 *Procedure or, if the case is designated by the court as complex*
33 *litigation, after the approval of the initial case management order*
34 *by the court, each lien claimant in the action may serve upon the*
35 *adverse party a "demand for ~~[30 day setting,] in the proper form,~~*
36 *preferential trial setting"* and file the demand with the clerk of the
37 court. Upon filing, the clerk of the court shall, before the Friday
38 after the demand is filed, vacate a case or cases in a department of
39 the court and set the lien claimant's case for hearing, on a day or
40 days certain, to be heard within ~~[30] 60~~ days after the filing of the
41 "demand for ~~[30 day] preferential trial~~ setting." Only one such
42 preferential *trial* setting need be given by the court, unless the
43 hearing date is vacated without stipulation of counsel for the
44 ~~[plaintiff] lien claimant~~ in writing. If the hearing date is vacated



1 without that stipulation, upon service and filing, a new preferential
2 trial setting must be given.

3 3. A lien claimant shall, at the time of making his demand for
4 a preferential trial setting, and each other party to the preferential
5 trial shall, within 20 days after the lien claimant's service of the
6 demand, serve upon all parties to the preferential trial the
7 following documents and information:

8 (a) A copy of all documents that the party intends to rely upon
9 at the time of the trial;

10 (b) A list of witnesses whom the party intends to call at the
11 time of the trial, which must include for each witness:

12 (1) The name of the witness;

13 (2) The company for whom the witness works and title of
14 the witness; and

15 (3) A brief summary of the expected testimony of the
16 witness;

17 (c) Any supplemental discovery responses as required by the
18 Nevada Rules of Civil Procedure;

19 (d) The identity of each person whom the party expects to call
20 as an expert witness at the trial, together with a statement of the
21 substance of the facts and opinions to which the expert witness is
22 expected to testify and a summary of the grounds for each
23 opinion;

24 (e) Any expert reports not previously disclosed; and

25 (f) A detailed summary of all claims, offsets and defenses that
26 the party intends to rely upon at the trial.

27 4. Within 20 days after receipt of an opposing party's
28 identification of an expert witness, a party who desires to call a
29 rebuttal expert witness at the trial must identify each person whom
30 the party expects to call as a rebuttal expert witness, and must
31 provide a statement of the substance of the facts and opinions to
32 which the rebuttal expert witness is expected to testify and a
33 summary of the grounds for each opinion.

34 5. A prevailing lien claimant on a claim against a surety bond
35 must be awarded the lienable amount plus the total amount that
36 may be awarded by the court pursuant to NRS 108.237.

37 **Sec. 47.** NRS 108.2423 is hereby amended to read as follows:
38 108.2423 1. By entering into a surety bond given pursuant to
39 NRS 108.2415, the principal and surety ~~submits himself~~ submit
40 themselves to the jurisdiction of the court in which ~~the bond is filed~~
41 ~~in the proceeding or release of the lien,~~ an action or suit is pending
42 on a notice of lien on the property described in the surety bond,
43 and the principal and surety irrevocably ~~appoints~~ appoint the
44 clerk of that court as ~~its~~ their agent upon whom any papers
45 affecting ~~its~~ the liability on the surety bond may be served. ~~Its~~



1 *The liability of the principal may be established by the court in the*
2 *pending action. The liability of the surety* may be enforced on
3 motion without necessity of an independent action. The motion and
4 such notice of motion as the court prescribes may be served on the
5 clerk of the court, who shall forthwith mail copies to the *principal*
6 *and* surety if ~~his address is~~ *their addresses are* known.

7 2. The motion described in subsection 1 must not be instituted
8 until ~~the lapse of~~ 30 days ~~following~~ after:

9 (a) *If a notice of appeal from the judgment is not filed*, the
10 giving of notice of entry of judgment in the action against the lien
11 claimant's debtor, ~~if no notice of appeal from the judgment is filed,~~
12 ~~nor may the motion be instituted until the lapse of 30 days~~
13 ~~following~~ *as the case may be, or the giving of notice of entry of*
14 *judgment in an action against the principal or the lien claimant's*
15 *debtor, as the case may be; or*

16 (b) *If an appeal has been taken from the judgment*, the filing
17 of the remittitur from the Supreme Court . ~~if an appeal has been~~
18 ~~taken from the judgment.~~

19 **Sec. 48.** NRS 108.2425 is hereby amended to read as follows:

20 108.2425 1. The lien claimant may, within ~~2~~ 15 days after
21 the service of a copy of the ~~petition and a copy of the bond attached~~
22 ~~thereto.~~ *surety bond pursuant to subsection 3 of NRS 108.2415,*
23 file a *motion* with the clerk of the court in ~~the action a notice~~ a
24 *pending action* excepting to the sufficiency of the surety ~~on~~ or the
25 *surety* bond, and shall, at the same time and together with that
26 ~~notice.~~ *motion*, file an affidavit setting forth the grounds and basis
27 of the exceptions to the surety ~~or the surety bond~~, and shall serve
28 a copy of the ~~notice~~ *motion* and a copy of the affidavit upon the
29 ~~attorney or the petitioner on the same date as~~ *principal at the*
30 *address set forth in the surety bond within 5 business days after*
31 the date of filing. A hearing must be had upon the justification of the
32 surety ~~at the same time as that set for the hearing on the petition for~~
33 ~~the order to release the lien.~~

34 ~~2. If the lien claimant fails to file and serve the notice and~~
35 ~~affidavit within 2 days after the service of the petition for release of~~
36 ~~the lien, he shall be deemed to have waived all objection to the~~
37 ~~justification and sufficiency of the surety.~~ *or the surety bond not*
38 *less than 10 days and not more than 20 days after the filing of the*
39 *motion. If the court determines that the surety or surety bond is*
40 *insufficient, the lien claimant's lien will remain against the*
41 *property or the court may allow the substitution of a sufficient*
42 *surety and surety bond.*

43 2. *If, at any time after the recording of a surety bond*
44 *pursuant to NRS 108.2415, the surety becomes unauthorized to*
45 *transact surety business in this state pursuant to NRS 679A.030 or*



1 *is dropped from the United States Department of the Treasury's*
2 *Listing of Approved Sureties or there exists any other good cause,*
3 *a lien claimant or other person having an interest in the surety*
4 *bond may apply to the district court in a pending action, or*
5 *commence an action if none is pending, for an order to require*
6 *additional security or to change, substitute or add securities, or to*
7 *enforce or change any other matter affecting the security provided*
8 *by the surety bond.*

9 3. *If a court finds that the amount of a surety bond recorded*
10 *pursuant to NRS 108.2415 is insufficient to pay the total amount*
11 *that may be awarded by the court pursuant to NRS 108.237, the*
12 *court shall increase the amount of the surety bond to 1.5 times the*
13 *total amount that may be awarded. Any surety that records or*
14 *consents to the recording of a surety bond pursuant to NRS*
15 *108.2415 will:*

16 (a) *Remain fully liable on the surety bond regardless of the*
17 *payment or nonpayment of any surety bond premium; and*

18 (b) *Be liable for any increase in the amount of the surety bond*
19 *as ordered by the court pursuant to this subsection.*

20 **Sec. 49.** NRS 108.243 is hereby amended to read as follows:

21 108.243 1. Any *notice of* lien may be assigned in the same
22 manner as any other chose in action after it has been perfected by
23 recording.

24 2. ~~[No]~~ *An* assignment of a lien ~~[prior to recording shall]~~
25 *before recording will not* be effective until written notice of the
26 assignment has been given to the owner by the assignee. ~~[Any such~~
27 ~~notice shall]~~ *The notice will* be sufficient if delivered in person or
28 mailed by certified mail to the ~~[person named as owner in the~~
29 ~~building permit.]~~ *owner.* After such notice the assignee may perfect
30 the lien in his own name.

31 3. ~~[Two]~~ *One* or more lien claimants of ~~[the same]~~ *any* class
32 may assign their *notices of* lien ~~[claims]~~ by written assignment,
33 signed by each assignor, to any other person or lien claimant of ~~[the~~
34 ~~same]~~ *any* class, and the assignee may commence and prosecute the
35 action upon all of the *notices of* lien ~~[claims]~~ in his own name ~~[]~~ *or*
36 *in the name of the original lien claimant.*

37 4. In the event that a claim for which a lien may be filed is
38 assigned before it is perfected, such assignment ~~[shall]~~ *does* not
39 discharge or defeat the right to perfect ~~[such]~~ *the* lien, if ~~[such]~~ *the*
40 claim is reassigned to the lien claimant, and thereafter ~~[such lien~~
41 ~~claim]~~ *the lien* is timely perfected.

42 **Sec. 50.** NRS 108.2433 is hereby amended to read as follows:

43 108.2433 1. Except as otherwise provided in subsection 2, a
44 *notice of* lien ~~[of record upon real]~~ *upon the* property provided for
45 in NRS 108.221 to 108.246, inclusive, *and sections 2 to 26,*



1 *inclusive, of this act* may be discharged by an entry on the margin
2 of the record thereof, signed by the ~~lienor~~ *lien claimant* or his
3 personal representative or assignee in the presence of the recorder or
4 his deputy, acknowledging the satisfaction of or value received for
5 the *notice of* lien and the debt secured thereby. The recorder or his
6 deputy shall subscribe the entry as witness. The entry has the same
7 effect as a discharge or release of the *notice of* lien acknowledged
8 and recorded as provided by law. The recorder shall properly index
9 each marginal discharge.

10 2. If the *notice of* lien has been recorded by a microfilm or
11 other photographic process, a marginal release may not be used and
12 an acknowledged discharge or release of the *notice of* lien must be
13 recorded.

14 3. If the recorder or his deputy is presented with a certificate
15 executed by the ~~lienor~~ *lien claimant* or his personal representative
16 or assignee, specifying that the *notice of* lien has been paid or
17 otherwise satisfied or discharged, the recorder or his deputy shall
18 discharge the *notice of* lien upon the record.

19 **Sec. 51.** NRS 108.2437 is hereby amended to read as follows:
20 108.2437 1. As soon as practicable, but not later than 10 days
21 after a *notice of* lien ~~[of record upon real]~~ *upon the* property
22 pursuant to NRS 108.221 to 108.246, inclusive, *and sections 2 to*
23 *26, inclusive, of this act* is *fully* satisfied or discharged, the ~~lienor~~
24 *lien claimant* shall cause to be recorded a discharge or release of the
25 *notice of* lien in substantially the following form:

26
27 DISCHARGE OR RELEASE OF *NOTICE OF LIEN*

28
29 NOTICE IS HEREBY GIVEN THAT:

30 The undersigned did, on the day of the month of of
31 the year, record in Book, as Document No., in
32 the office of the county recorder of County, Nevada, its
33 Notice of Lien, or has otherwise given notice of his intention to hold
34 ~~[and claim]~~ a lien upon the following described property ~~[.]~~ *or*
35 *improvements*, owned or purportedly owned by, ~~[situated]~~
36 *located* in the County of, State of Nevada, to wit:

37
38 (Legal Description or Address of the Property ~~[.]~~ *or Improvements*)

39
40 NOW, THEREFORE, for valuable consideration the
41 undersigned does release, satisfy and discharge ~~[the claim or]~~ *his*
42 *notice of* lien on the property *or improvements* described above by
43 reason of ~~[such]~~ *this* Notice of Lien . ~~[, or by reason of the work and~~
44 ~~labor on, or materials furnished for, that property.]~~



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.....
(Signature of ~~[Lienor]~~ *Lien Claimant*)

2. If the ~~[Lienor]~~ *lien claimant* fails to comply with the provisions of subsection 1, he is liable in a civil action to the owner of the ~~[real]~~ property, his heirs or assigns for any actual damages caused by his failure to comply with those provisions or \$100, whichever is greater, and for a reasonable attorney's fee and the costs of bringing the action.

Sec. 52. NRS 108.244 is hereby amended to read as follows:

108.244 A lien claimant or assignee of a lien claimant or claimants may not file a complaint for foreclosure of his ~~[mechanic's]~~ *notice of* lien or the assigned ~~[mechanic's]~~ *notice of* lien or ~~[mechanics' liens]~~ *notices of lien* until 30 days have expired immediately following the filing of his ~~[mechanic's]~~ *notice of* lien or following the filing of the assigned ~~[mechanic's]~~ *notice of* lien or the last of the assigned ~~[mechanics' liens]~~ *notices of lien*. This provision ~~[shall]~~ *does* not apply to ~~[nor]~~ *or* prohibit the filing of any statement of *fact constituting a* lien or statements of *fact constituting a* lien ~~[in an already filed]~~ :

- 1. *In an* ~~action already filed~~ *for* foreclosure of ~~[mechanic's lien and]~~ *a notice of lien; or*
- 2. *In order* to comply with the provisions of NRS 108.239.

Sec. 53. NRS 108.245 is hereby amended to read as follows:

108.245 1. Except as otherwise provided in subsection 5, every ~~[person, firm, partnership, corporation or other legal entity]~~ *lien claimant*, other than one who performs only labor, who claims the benefit of NRS 108.221 to 108.246, inclusive, *and sections 2 to 26, inclusive, of this act* shall, ~~[within 31 days]~~ *at any time* after the first delivery of material or performance of work or services under his contract, deliver in person or by certified mail to the owner ~~[or reputed owner of the property or to the person whose name appears as owner on the building permit, if any, for the improvement]~~ *of the property* a *preliminary notice of right to lien* in substantially the following form:

NOTICE ~~[TO OWNER OF MATERIALS SUPPLIED OR WORK OR SERVICES PERFORMED]~~ *OF RIGHT TO LIEN*

To:
(Owner's name and address)

The undersigned notifies you that he has supplied materials or *equipment or* performed work or services as follows:



1
 2 (General description of materials, *equipment*, work or services
 3 ~~[and anticipated total value]~~)
 4 for improvement of ~~[real]~~ property identified as (property
 5 description or street address) under contract with (general contractor
 6 or subcontractor). This is not a notice that the undersigned has not
 7 been or does not expect to be paid, but a notice required by law that
 8 the undersigned may, at a future date, ~~[claim]~~ *record a notice of* lien
 9 as provided by law against the property if the undersigned is not
 10 paid.

11
 12 (Claimant)
 13

14 A subcontractor or ~~[materialman under a subcontract]~~ *equipment or*
 15 *material supplier* who gives such a notice must also deliver in
 16 person or send by certified mail a copy of the notice to the ~~[general]~~
 17 *prime* contractor for information only. The failure by a
 18 subcontractor to deliver ~~[such notices]~~ *the notice* to the ~~[general]~~
 19 *prime* contractor is a ground for disciplinary proceedings against the
 20 subcontractor under chapter 624 of NRS ~~[]~~ *but does not invalidate*
 21 *the notice to the owner.*

22 2. Such a notice does not constitute a lien or give actual or
 23 constructive notice of a lien for any purpose.

24 3. No lien for materials *or equipment* furnished or for work or
 25 services performed, except labor, may be perfected or enforced
 26 pursuant to NRS 108.221 to 108.246, inclusive, *and sections 2 to*
 27 *26, inclusive, of this act* unless the notice has been given.

28 4. The notice need not be verified, sworn to or acknowledged.

29 5. A ~~[general]~~ *prime* contractor or other person who contracts
 30 directly with an owner or sells materials directly to an owner is not
 31 required to give notice pursuant to this section.

32 6. ~~[As used in this section, "owner" does not include any~~
 33 ~~person, firm or corporation whose only interest in the real property~~
 34 ~~is under a mortgage, deed of trust or other security arrangement.]~~
 35 *Any lien subsequently filed relates back not more than 30 days*
 36 *before the date of filing of the notice of right to lien.*

37 **Sec. 54.** NRS 108.246 is hereby amended to read as follows:
 38 108.246 1. Each ~~[general]~~ *prime* contractor shall, before
 39 execution of a contract for construction, inform the ~~[record]~~ owner
 40 with whom he intends to contract of the provisions of NRS 108.245
 41 in substantially the following form:

42
 43 To:.....
 44 (Owner's name and address)



1 ~~[Section 108.245 of Nevada Revised Statutes.]~~ *The provisions of*
2 *NRS 108.245*, a part of the mechanics' *and materialmen's* lien law
3 of the State of Nevada, ~~[requires.]~~ *require*, for your information and
4 protection from hidden liens, that each person or other legal entity
5 ~~[which]~~ *who* supplies materials to or performs work ~~[or services]~~ on
6 a construction project, other than one who performs only labor,
7 ~~[shall]~~ deliver to the owner a notice of the materials *and equipment*
8 supplied or the work ~~[or services]~~ performed. You may receive
9 ~~[such]~~ *these* notices in connection with the construction project
10 which you propose to undertake.

11 2. Each ~~[general]~~ *prime* contractor shall deliver a copy of the
12 information required by subsection 1 to each subcontractor who
13 participates in the construction project.

14 3. The failure of a ~~[general contractor so]~~ *prime contractor* to
15 inform *pursuant to this section* owners and subcontractors with
16 whom he contracts is a ground for disciplinary proceedings under
17 chapter 624 of NRS.

18 ~~[4.— Each subcontractor who participates in the construction~~
19 ~~project shall deliver a copy of each notice required by NRS 108.226~~
20 ~~to the general contractor. The failure of the subcontractor to deliver~~
21 ~~such notice to the general contractor is a ground for disciplinary~~
22 ~~proceedings under chapter 624 of NRS.]~~

23 **Sec. 55.** NRS 116.4111 is hereby amended to read as follows:

24 116.4111 1. In the case of a sale of a unit where delivery of a
25 public offering statement is required pursuant to subsection 3 of
26 NRS 116.4102, a seller:

27 (a) Before conveying a unit, shall record or furnish to the
28 purchaser releases of all liens, except liens on real estate that a
29 declarant has the right to withdraw from the common-interest
30 community, that the purchaser does not expressly agree to take
31 subject to or assume and that encumber:

32 (1) In a condominium, that unit and its interest in the
33 common elements; and

34 (2) In a cooperative or planned community, that unit and any
35 limited common elements assigned thereto; or

36 (b) Shall provide a surety bond against the lien as provided for
37 liens on real estate in NRS 108.2413 to ~~[108.2419.]~~ *108.2425*,
38 inclusive.

39 2. Before conveying real estate to the association, the declarant
40 shall have that real estate released from:

41 (a) All liens the foreclosure of which would deprive units'
42 owners of any right of access to or easement of support of their
43 units; and



1 (b) All other liens on that real estate unless the public offering
2 statement describes certain real estate that may be conveyed subject
3 to liens in specified amounts.

4 **Sec. 56.** NRS 624.3016 is hereby amended to read as follows:
5 624.3016 The following acts or omissions, among others,
6 constitute cause for disciplinary action under NRS 624.300:

7 1. Any fraudulent or deceitful act committed in the capacity of
8 a contractor.

9 2. A conviction of a violation of NRS 624.730 or a felony or a
10 crime involving moral turpitude.

11 3. Knowingly making a false statement in or relating to the
12 recording of a notice of lien pursuant to the provisions of
13 NRS 108.226.

14 4. Failure to give a notice required by NRS **108.227**, 108.245
15 or 108.246.

16 5. Failure to comply with NRS 597.713, 597.716 or 597.719 or
17 any regulations of the Board governing contracts for the
18 construction of residential pools and spas.

19 6. Failure to comply with NRS 624.600.

20 7. Misrepresentation or the omission of a material fact, or the
21 commission of any other fraudulent or deceitful act, to obtain a
22 license.

23 8. Failure to pay an assessment required pursuant to
24 NRS 624.470.

25 **Sec. 57.** NRS 624.620 is hereby amended to read as follows:

26 624.620 1. Except as otherwise provided in this section, any
27 money remaining unpaid for the construction of a work of
28 improvement is payable to the contractor within 30 days after:

29 (a) Occupancy or use of the work of improvement by the owner
30 or by a person acting with the authority of the owner; or

31 (b) The availability of a work of improvement for its intended
32 use. The contractor must have given a written notice of availability
33 to the owner on or before the day on which he claims that the work
34 of improvement became available for use or occupancy.

35 2. If the owner has complied with subsection 3, the owner
36 may:

37 (a) Withhold payment for the amount of:

38 (1) Any work or labor that has not been performed or
39 materials or equipment that has not been furnished for which
40 payment is sought;

41 (2) The costs and expenses reasonably necessary to correct or
42 repair any work that is not materially in compliance with the
43 contract to the extent that such costs and expenses exceed 50 percent
44 of the amount of retention being withheld pursuant to the terms of
45 the contract; and



1 (3) Money the owner has paid or is required to pay pursuant
2 to an official notice from a state agency, or employee benefit trust
3 fund, for which the owner is liable for the contractor or his
4 subcontractors in accordance with chapter 608, 612, 616A to 616D,
5 inclusive, or 617 of NRS.

6 (b) Require, as a condition precedent to the payment of any
7 unpaid amount under the construction contract, that lien releases be
8 furnished by the contractor's subcontractors, suppliers or
9 employees. For purposes of this paragraph:

10 (1) If the amount due is paid with a check or is not paid
11 concurrently with the owner's receipt of the lien releases, the lien
12 releases must be conditioned upon the check clearing the bank upon
13 which it is drawn and the receipt of payment and shall be deemed to
14 become unconditional upon the receipt of payment; and

15 (2) The lien releases must be limited to the amount of the
16 payment received.

17 3. If, pursuant to paragraph (a) of subsection 2, an owner
18 intends to withhold any amount from a payment to be made to a
19 contractor, the owner must, on or before the date the payment is due,
20 give written notice to the contractor of any amount that will be
21 withheld. The written notice must:

22 (a) Identify the amount that will be withheld from the
23 contractor;

24 (b) Give a reasonably detailed explanation of the reason the
25 owner will withhold that amount, including, without limitation, a
26 specific reference to the provision or section of the contract, and any
27 documents relating thereto, and the applicable building code, law or
28 regulation with which the contractor has failed to comply; and

29 (c) Be signed by an authorized agent of the owner.

30 4. A contractor who receives a notice pursuant to subsection 3
31 may provide written notice to the owner of the correction of a
32 condition described in the notice received pursuant to subsection 3.
33 The notice of correction must be sufficient to identify the scope and
34 manner of the correction of the condition and be signed by an
35 authorized representative of the contractor. If an owner receives a
36 written notice from the contractor of the correction of a condition
37 described in an owner's notice of withholding pursuant to
38 subsection 3, the owner must, within 10 days after receipt of such
39 notice:

40 (a) Pay the amount withheld by the owner for that condition; or

41 (b) Object to the scope and manner of the correction of the
42 condition in a written statement that sets forth the reason for
43 the objection and complies with subsection 3. If the owner objects to
44 the scope and manner of the correction of a condition, he shall
45 nevertheless pay to the contractor, along with payment made



1 pursuant to the contractor's next payment request, the amount
2 withheld for the correction of conditions to which the owner no
3 longer objects.

4 5. The partial occupancy or availability of a building requires
5 payment in direct proportion to the value of the part of the building
6 which is partially occupied or partially available. For projects which
7 involve more than one building, each building must be considered
8 separately in determining the amount of money which is payable to
9 the contractor.

10 6. Unless otherwise provided in the construction contract, any
11 money which is payable to a contractor pursuant to this section
12 accrues interest at a rate equal to the lowest daily prime rate at the
13 largest bank in this state, as determined by the Commissioner of
14 Financial Institutions on January 1 or July 1, as the case may be,
15 immediately preceding:

16 (a) The time the contract was signed; or

17 (b) If the contract was oral, the time the terms of the contract
18 were agreed to by the parties,
19 plus 2 percent.

20 7. This section does not apply to:

21 (a) Any residential building; or

22 (b) Public works.

23 8. As used in this section, unless the context otherwise
24 requires, "work of improvement" has the meaning ascribed to it in
25 ~~NRS 108.221.~~ *section 24 of this act.*

26 **Sec. 58.** NRS 108.223, 108.2231, 108.224, 108.2417 and
27 108.2419 are hereby repealed.

28 **Sec. 59.** Sections 25 and 26 of this act apply only to
29 agreements entered into on or after October 1, 2003.

LEADLINES OF REPEALED SECTIONS

**108.223 Lien on lot or tract of land for improvements made
at request of owner.**

**108.2231 Lien on real property, building, structure or
improvement thereon for services rendered at request of owner.**

108.224 Land subject to lien.

**108.2417 Release of lien on real property by posting surety
bond: Petition for release; service of copy of petition.**



108.2419 Release of lien on real property by posting surety bond: Hearing on petition; contents and effect of order releasing lien.

⑩

