

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*



\* S B 2 0 6 R 2 \*

- 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 all 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.** (Deleted by amendment.)
- 22       **Sec. 8.** *“Equipment” means tools, machinery and vehicles,*  
23 *furnished or rented, which are used or to be used in the*  
24 *construction, alteration or repair of a work of improvement at the*  
25 *request of the owner or an agent of the owner.*
- 26       **Sec. 9.** *“Improvement” means the development,*  
27 *enhancement or addition to property, by the provision of work,*  
28 *materials or equipment. The term includes, without limitation:*  
29       1. *A building, railway, tramway, toll road, canal, water ditch,*  
30 *flume, aqueduct, reservoir, bridge, fence, street, sidewalk, fixtures*  
31 *or other structure or superstructure;*  
32       2. *A mine or a shaft, tunnel, adit or other excavation,*  
33 *designed or used to prospect, drain or work a mine;*  
34       3. *A system for irrigation, plants, sod or other landscaping;*  
35       4. *The demolition or removal of existing improvements, trees*  
36 *or other vegetation;*  
37       5. *The drilling of test holes;*  
38       6. *Grading, grubbing, filling or excavating;*  
39       7. *Constructing or installing sewers or other public utilities;*  
40 *and*  
41       8. *Constructing a vault, cellar or room under sidewalks or*  
42 *making improvements to the sidewalks in front of or adjoining the*  
43 *property.*
- 44       **Sec. 10.** *“Lien” means the statutory rights and security*  
45 *interest in property or any improvements thereon provided to a*



1 *lien claimant by NRS 108.221 to 108.246, inclusive, and sections 2*  
2 *to 26, inclusive, of this act.*

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

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

16 **Sec. 13.** *“Material” means appliances, equipment,*  
17 *machinery and substances affixed, used, consumed or*  
18 *incorporated in the improvement of property or the construction,*  
19 *alteration or repair of any improvement, property or work of*  
20 *improvement.*

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

22 *(a) The record owner or owners of the property or an*  
23 *improvement to the property as evidenced by a conveyance or*  
24 *other instrument which transfers that interest to him and is*  
25 *recorded in the office of the county recorder in which the*  
26 *improvement or the property is located;*

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

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

32 *(d) The person or persons whose name appears as owner of*  
33 *the property or an improvement to the property on the building*  
34 *permit; or*

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

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

38 *(a) A mortgagee;*

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

40 *(c) The owner or holder of a lien encumbering the property or*  
41 *an improvement to the property.*

42 **Sec. 15.** *“Notice of lien” means a notice recorded pursuant*  
43 *to NRS 108.226 to perfect a lien.*



1       **Sec. 16.** *“Prevailing lien claimant” means a lien claimant to*  
2 *whom an amount is found due by a trier of fact on a notice of lien*  
3 *or a claim against a surety bond.*

4       **Sec. 17.** *“Prime contract” means a contract between a prime*  
5 *contractor and the owner of property about which the contract*  
6 *relates.*

7       **Sec. 18.** *“Prime contractor” means:*  
8       1. *A person who contracts with an owner of property to*  
9 *provide work, materials or equipment to be used for the*  
10 *improvement of the property or in the construction, alteration or*  
11 *repair of a work of improvement; or*  
12       2. *A person who is an owner of the property, is licensed as a*  
13 *general contractor and provides work, materials or equipment to*  
14 *be used for the improvement of the property or in the construction,*  
15 *alteration or repair of a work of improvement.*

16       **Sec. 19.** *“Principal,” as pertaining to a surety bond, means*  
17 *the debtor of the lien claimant or a party in interest in the property*  
18 *subject to the lien whose name and signature appear as principal*  
19 *on a surety bond.*

20       **Sec. 20.** *“Property” means the land, real property or mining*  
21 *claim of an owner for which a work of improvement was provided,*  
22 *including all buildings, improvements and fixtures thereon, and a*  
23 *convenient space on, around and about the same, or so much as*  
24 *may be required for the convenient use and occupation thereof.*

25       **Sec. 21.** *“Surety” means a corporation authorized to transact*  
26 *surety business in this state pursuant to NRS 679A.030 that:*

27       1. *Is included in the United States Department of the*  
28 *Treasury’s Listing of Approved Sureties; and*

29       2. *Issues a surety bond pursuant to NRS 108.2413 to*  
30 *108.2425, inclusive, that does not exceed the underwriting*  
31 *limitations established for that surety by the United States*  
32 *Department of the Treasury.*

33       **Sec. 22.** *“Surety bond” means a bond issued by a surety for*  
34 *the release of a lien pursuant to NRS 108.2413 to 108.2425,*  
35 *inclusive.*

36       **Sec. 23.** *“Work” means the planning, design, geotechnical*  
37 *and environmental investigations, surveying, labor and services*  
38 *provided by a lien claimant for the construction, alteration or*  
39 *repair of any improvement, property or work of improvement*  
40 *whether the work is completed or partially completed.*

41       **Sec. 24.** *“Work of improvement” means the entire structure*  
42 *or scheme of improvement as a whole, including, without*  
43 *limitation, all work, materials and equipment to be used in or for*  
44 *the construction, alteration or repair of the property or any*



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



1 (c) *Make the contract or other agreement subject to the laws of*  
2 *a state other than this state;*

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

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

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

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

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

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

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

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

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

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

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

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



1 3. This section does not affect the enforceability of either an  
2 accord and satisfaction regarding a bona fide dispute or any  
3 agreement made in settlement of an action pending in any court or  
4 arbitration, provided the accord and satisfaction or settlement  
5 make specific reference to the lien rights waived or impaired and  
6 is in a writing signed by the lien claimant.

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

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

16  
17 **CONDITIONAL WAIVER AND RELEASE**  
18 **UPON PROGRESS PAYMENT**

19  
20 *Property Name:*.....  
21 *Property Location:*.....  
22 *Undersigned's Customer:*.....  
23 *Invoice/Payment Application Number:*.....  
24 *Payment Amount:*.....  
25 *Payment Period:*.....

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

35 This release covers a progress payment for the work, materials  
36 or equipment furnished by the undersigned to the Property or to  
37 the Undersigned's Customer which are the subject of the Invoice  
38 or Payment Application, but only to the extent of the Payment  
39 Amount or such portion of the Payment Amount as the  
40 undersigned is actually paid, and does not cover any retention  
41 withheld, any items, modifications or changes pending approval,  
42 disputed items and claims, or items furnished or invoiced after the  
43 Payment Period. Before any recipient of this document relies on it,  
44 he should verify evidence of payment to the undersigned. The  
45 undersigned warrants that he either has already paid or will use



1 *the money he receives from this progress payment promptly to pay*  
2 *in full all his laborers, subcontractors, materialmen and suppliers*  
3 *for all work, materials or equipment that are the subject of this*  
4 *waiver and release.*

5  
6 *Dated: .....*

7 .....  
8 *(Company Name)*

9  
10 *By: .....*

11  
12 *Its:.....*

13  
14 *(b) Where the lien claimant has been paid in full or a part of*  
15 *the amount provided for in the progress billing, the waiver and*  
16 *release of the amount paid must be in the following form:*

17  
18 **UNCONDITIONAL WAIVER AND RELEASE**  
19 **UPON PROGRESS PAYMENT**

20  
21 *Property Name:.....*  
22 *Property Location:.....*  
23 *Undersigned's Customer:.....*  
24 *Invoice/Payment Application Number: .....*  
25 *Payment Amount: .....*  
26 *Payment Period:.....*

27  
28 *The undersigned has been paid and has received a progress*  
29 *payment in the above referenced Payment Amount for all work,*  
30 *materials and equipment the undersigned furnished to his*  
31 *Customer for the above described Property and does hereby waive*  
32 *and release any notice of lien, any private bond right, any claim*  
33 *for payment and any rights under any similar ordinance, rule or*  
34 *statute related to payment rights that the undersigned has on the*  
35 *above described Property to the following extent:*

36 *This release covers a progress payment for the work, materials*  
37 *and equipment furnished by the undersigned to the Property or to*  
38 *the Undersigned's Customer which are the subject of the Invoice*  
39 *or Payment Application, but only to the extent of the Payment*  
40 *Amount or such portion of the Payment Amount as the*  
41 *undersigned is actually paid, and does not cover any retention*  
42 *withheld, any items, modifications or changes pending approval,*  
43 *disputed items and claims, or items furnished or invoiced after the*  
44 *Payment Period. The undersigned warrants that he either has*  
45 *already paid or will use the money he receives from this progress*





1 *payment promptly to pay in full all his laborers, subcontractors,*  
2 *materialmen and suppliers for all work, materials or equipment*  
3 *that are the subject of this waiver and release.*

4  
5 *Dated: .....*

6 .....  
7 (Company Name)

8 *By: .....*

9  
10 *Its:.....*

11  
12 *(Each unconditional waiver and release must contain the*  
13 *following language, in type at least as large as the largest type*  
14 *otherwise on the document:)*

15  
16 *Notice: This document waives rights unconditionally and states*  
17 *that you have been paid for giving up those rights. This document*  
18 *is enforceable against you if you sign it to the extent of the*  
19 *Payment Amount or the amount received. If you have not been*  
20 *paid, use a conditional release form.*

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

27  
28 **CONDITIONAL WAIVER AND RELEASE**  
29 **UPON FINAL PAYMENT**

30  
31 *Property Name:.....*

32 *Property Location: .....*

33 *Undersigned's Customer: .....*

34 *Invoice/Payment Application Number: .....*

35 *Payment Amount: .....*

36 *Payment Period:.....*

37 *Amount of Disputed Claims: .....*

38  
39 *Upon receipt by the undersigned of a check in the above*  
40 *referenced Payment Amount payable to the undersigned, and*  
41 *when the check has been properly endorsed and has been paid by*  
42 *the bank on which it is drawn, this document becomes effective to*  
43 *release and the undersigned shall be deemed to waive any notice*  
44 *of lien, any private bond right, any claim for payment and any*  
45 *rights under any similar ordinance, rule or statute related to*



1 *payment rights that the undersigned has on the above described*  
2 *Property to the following extent:*

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

13  
14 *Dated: .....*

15 .....  
16 *(Company Name)*

17  
18 *By: .....*

19  
20 *Its:.....*

21  
22 *(d) Where the lien claimant has been paid the final billing, the*  
23 *waiver and release must be in the following form:*

24  
25 **UNCONDITIONAL WAIVER AND RELEASE**  
26 **UPON FINAL PAYMENT**

27  
28 *Property Name:.....*

29 *Property Location: .....*

30 *Undersigned's Customer: .....*

31 *Invoice/Payment Application Number: .....*

32 *Payment Amount: .....*

33 *Amount of Disputed Claims: .....*

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



1 all work, materials and equipment that are the subject of this  
2 waiver and release.

3  
4 Dated: .....

5  
6 .....  
7 (Company Name)

8 By: .....

9  
10 Its:.....

11  
12 (Each unconditional waiver and release must contain the  
13 following language, in type at least as large as the largest type  
14 otherwise on the document:)

15  
16 Notice: This document waives rights unconditionally and states  
17 that you have been paid for giving up those rights. This document  
18 is enforceable against you if you sign it, even if you have not been  
19 paid. If you have not been paid, use a conditional release form.

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

30 **Sec. 27.** NRS 108.221 is hereby amended to read as follows:  
31 108.221 As used in NRS 108.221 to 108.246, inclusive, *and*  
32 *sections 2 to 26, inclusive, of this act*, unless the context otherwise  
33 requires, ~~["work of improvement" or "improvement" means the~~  
34 ~~entire structure or scheme of improvement as a whole.]~~ *the words*  
35 *and terms defined in sections 2 to 24, inclusive, of this act have the*  
36 *meanings ascribed to them in those sections.*

37 **Sec. 28.** NRS 108.222 is hereby amended to read as follows:  
38 108.222 1. Except as otherwise provided in subsection 2, a  
39 ~~[person who performs labor upon or furnishes material of the value~~  
40 ~~of \$500 or more, to be used in the construction, alteration or repair~~  
41 ~~of any building, or other superstructure, railway, tramway, toll road,~~  
42 ~~canal, water ditch, flume, aqueduct or reservoir, bridge, fence or any~~  
43 ~~other structure,] lien claimant~~ has a lien upon the ~~[premises and any~~  
44 ~~building, structure and improvement thereon]~~ *property and any*



1 *improvements for which the work, materials and equipment were*  
2 *furnished* for:

3 (a) If the parties ~~[entered into a contract,]~~ *agreed upon a*  
4 *specific price or method for determining a specific price for some*  
5 *or all of the work, material and equipment furnished by or*  
6 *through the lien claimant,* the unpaid balance of the price agreed  
7 upon for ~~[-; or~~  
8 ~~—(b) In absence of a contract,]~~ *such work, material or equipment,*  
9 *as the case may be, whether performed or furnished at the*  
10 *instance of the owner or his agent; and*

11 (b) *If the parties did not agree upon a specific price or method*  
12 *for determining a specific price for some or all of the work,*  
13 *material and equipment furnished by or through the lien claimant,*  
14 an amount equal to the fair market value of ~~[-, the labor performed or~~  
15 ~~material furnished or rented,]~~ *such work, material or equipment,* as  
16 the case may be, ~~[by each respectively,]~~ including a reasonable  
17 allowance for overhead and a profit, whether performed or furnished  
18 at the instance of the owner ~~[of the building or other improvement,]~~  
19 or at the instance of his agent.

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

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

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

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

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



1 *the contractor or professional will only have a lien pursuant to*  
2 *subsection 1 if he is licensed to perform the work.*

3 **Sec. 29.** NRS 108.225 is hereby amended to read as follows:  
4 108.225 1. The liens provided for in NRS 108.221 to  
5 108.246, inclusive, *and sections 2 to 26, inclusive, of this act* are  
6 preferred to:

7 (a) Any lien, mortgage or other encumbrance which may have  
8 attached *to the property* after the ~~[time when the building,~~  
9 ~~improvement or structure was commenced, work done, or materials~~  
10 ~~were commenced to be furnished.] commencement of construction~~  
11 *of a work of improvement.*

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

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

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

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

34 ~~[3.—If any improvement at the site is provided for in a contract~~  
35 ~~that is separate from any contract for the construction of a building~~  
36 ~~or other structure, the improvement at the site shall be deemed a~~  
37 ~~separate work of improvement and the commencement thereof does~~  
38 ~~not constitute the commencement of the construction of the building~~  
39 ~~or other structure. As used in this subsection, "improvement at the~~  
40 ~~site" means:~~

41 ~~—(a) The demolition or removal of improvements, trees or other~~  
42 ~~vegetation from;~~

43 ~~—(b) The drilling of test holes in;~~

44 ~~—(c) Grading, filling or otherwise improving; or~~



1 ~~—(d) Constructing or installing sewers or other public utilities~~  
2 ~~on,~~  
3 ~~any lot or tract of land or the street, highway or sidewalk in front of~~  
4 ~~or adjoining any lot or tract of land. The term includes the~~  
5 ~~construction of any vaults, cellars or rooms under the sidewalks or~~  
6 ~~making improvements to the sidewalks in front of or adjoining any~~  
7 ~~tract of land.]~~

8 **Sec. 30.** NRS 108.226 is hereby amended to read as follows:  
9 108.226 1. ~~[Every person claiming the benefit of NRS~~  
10 ~~108.221 to 108.246, inclusive.]~~ *To perfect his lien, a lien claimant*  
11 *must record his notice of lien in the office of the county recorder of*  
12 *the county where the property or some part thereof is located in*  
13 *the form provided in subsection 5:*

14 (a) Within 90 days after the *date on which the latest of the*  
15 *following occurs:*

16 (1) *The completion of the work of improvement;*  
17 ~~[(b) Within 90 days after the]~~

18 (2) *The last delivery of material or furnishing of equipment*  
19 *by the lien claimant* ~~[-or~~

20 ~~—(c) Within 90 days after the]~~ *for the work of improvement; or*  
21 (3) *The last performance of [labor] work by the lien*

22 *claimant* ~~[-~~  
23 ~~whichever is later.~~

24 ~~—2. The time within which to perfect the lien by recording the~~  
25 ~~notice of lien is shortened if a] for the work of improvement; or~~

26 (b) *Within 40 days after the recording of a valid notice of*  
27 *completion, if the notice of completion is recorded [in a timely] and*  
28 *served in the manner required pursuant to NRS 108.228 . [-in*

29 ~~which event the notice of lien must be recorded within 40 days after~~  
30 ~~the recording of the notice of completion.~~

31 ~~—3. Any one of the following acts or events is equivalent to~~  
32 ~~“completion of the work of improvement” for all purposes of NRS~~

33 ~~108.221 to 108.246, inclusive:~~

34 ~~—(a) The occupation or use of a building, improvement or~~  
35 ~~structure by the owner, his agent or his representative and~~  
36 ~~accompanied by cessation of labor thereon.~~

37 ~~—(b) The acceptance by the owner, his agent or his representative~~  
38 ~~of the building, improvement or structure.~~

39 ~~—(c) The cessation from labor for 30 days upon any building,~~  
40 ~~improvement or structure, or the alteration, addition to or repair~~  
41 ~~thereof.~~

42 ~~—(d) The recording of the notice of completion provided in~~  
43 ~~NRS 108.228.~~



1 ~~—4. For the purposes of this section, if a work of improvement~~  
2 ~~consists of the construction of more than one separate building and~~  
3 ~~each building is constructed pursuant to:~~

4 ~~—(a) A separate contract, each building shall be deemed a separate~~  
5 ~~work of improvement. The time within which to perfect the lien by~~  
6 ~~recording the notice of lien pursuant to subsection 1 commences to~~  
7 ~~run upon the completion of each separate building; or~~

8 ~~—(b) A single contract, the time within which to perfect the lien~~  
9 ~~by recording the notice of lien pursuant to subsection 1 commences~~  
10 ~~to run upon the completion of all the buildings constructed pursuant~~  
11 ~~to that contract.~~

12 ~~As used in this subsection, “separate building” means one structure~~  
13 ~~of a work of improvement and any garages or other outbuildings~~  
14 ~~appurtenant thereto.~~

15 ~~—5.]~~ 2. The notice of ~~[mechanic’s lien must be recorded in the~~  
16 ~~office of the county recorder of the county where the property or~~  
17 ~~some part thereof is situated and] *lien* must contain:~~

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

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

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

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

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

27 ~~[6.—The claim]~~

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

31 ~~[7.]~~ 4. It is unlawful for a person knowingly to make a false  
32 statement in or relating to the recording of a notice of lien pursuant  
33 to the provisions of this section. A person who violates this  
34 subsection is guilty of a gross misdemeanor and shall be punished  
35 by a fine of not less than \$5,000 nor more than \$10,000.

36 5. *A notice of lien must be substantially in the following*  
37 *form:*

38  
39 *Assessor’s Parcel Numbers*

40  
41 ***NOTICE OF LIEN***

42  
43 *The undersigned claims a lien upon the property described in this*  
44 *notice for work, materials or equipment furnished for the*  
45 *improvement of the property:*



- 1 *1. The amount of the original contract is: \$.....*
- 2 *2. The total amount of all changes and additions, if any, is: \$.....*
- 3 *3. The total amount of all payments received to date is: \$.....*
- 4 *4. The amount of the lien, after deducting all just credits and*
- 5 *offsets, is: \$.....*
- 6 *5. The name of the owner, if known, of the property is: .....*
- 7 *6. The name of the person by whom the lien claimant was*
- 8 *employed or to whom the lien claimant furnished work, materials*
- 9 *or equipment is: .....*
- 10 *7. A brief statement of the terms of payment of the lien*
- 11 *claimant's contract is: .....*
- 12 *.....*
- 13 *8. A description of the property to be charged with the lien is: ...*
- 14

.....  
*(Print Name of Lien Claimant)*

By: .....  
*(Authorized Signature)*

21 *State of .....* )  
22 *.....* ) ss.  
23 *County of .....* )

24  
25 *..... (print name), being first duly sworn on*  
26 *oath according to law, deposes and says:*

27 *I have read the foregoing Notice of Lien, know the contents*  
28 *thereof and state that the same is true of my own personal*  
29 *knowledge, except those matters stated upon information and*  
30 *belief, and, as to those matters, I believe them to be true.*

31  
32 .....  
33 *(Authorized Signature of Lien Claimant)*

34 *Subscribed and sworn to before me*  
35 *this ..... day of the month of ..... of the year .....*

36  
37 .....  
38 *Notary Public in and for*  
39 *the County and State*

40 *6. If a work of improvement involves the construction,*  
41 *alteration or repair of multifamily or single-family residences, a*  
42 *lien claimant, except laborers, must serve a 15-day notice of intent*  
43 *to lien incorporating substantially the same information required*  
44 *in a notice of lien upon both the owner and the prime contractor*  
45 *before recording a notice of lien. Service of the notice of intent to*





1 *lien must be by personal delivery or certified mail and will extend*  
2 *the time for recording the notice of lien described in subsection 1*  
3 *by 15 days. A notice of lien for materials or equipment furnished*  
4 *or for work or services performed, except labor, for a work of*  
5 *improvement involving the construction, alteration or repair of*  
6 *multifamily or single-family residences may not be perfected or*  
7 *enforced pursuant to NRS 108.221 to 108.246, inclusive, and*  
8 *sections 2 to 26, inclusive, of this act, unless the 15-day notice of*  
9 *intent to lien has been given.*

10 **Sec. 31.** NRS 108.227 is hereby amended to read as follows:

11 108.227 1. In addition to the requirements of NRS 108.226, a  
12 copy of the ~~[claim]~~ *notice of lien* must be served upon the ~~[record]~~  
13 owner of the property within 30 days after recording the notice of  
14 lien, in one of the following ways:

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

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

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

22 (b) *By mailing a copy of the notice of lien by certified mail*  
23 *return receipt requested to the owner at his place of residence or*  
24 *his usual place of business or to the resident agent of the owner at*  
25 *the address of the resident agent; or*

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

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

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

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

36 (I) *The place where the property is [situated.*

37 ~~—2.—Failure] located;~~

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

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

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

43 2. *If there is more than one owner, failure* to serve a copy of  
44 the ~~[claim]~~ *notice of lien* upon a particular ~~[record]~~ owner does not



1 invalidate a ~~[claim based on a valid service]~~ *notice of lien if*  
2 *properly served* upon another ~~[record]~~ owner.

3 3. ~~[As used in this section, "record owner" means any person~~  
4 ~~who holds an interest in real property or any improvement thereon~~  
5 ~~evidenced by a conveyance or other instrument which transfers that~~  
6 ~~interest to him and is recorded in the office of the county recorder of~~  
7 ~~the county in which the real property is located, but does not~~  
8 ~~include:~~

9 ~~—(a) A mortgagee;~~

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

11 ~~—(c) The owner or holder of a lien encumbering real property or~~  
12 ~~any improvement thereon.]~~

13 *Each subcontractor who participates in*  
14 *the construction, improvement, alteration or repair of a work of*  
15 *improvement shall deliver a copy of each notice of lien required by*  
16 *NRS 108.226 to the prime contractor. The failure of a*  
17 *subcontractor to deliver the notice to the prime contractor is a*  
18 *ground for disciplinary proceedings pursuant to chapter 624 of*  
19 *NRS.*

20 **Sec. 32.** NRS 108.2275 is hereby amended to read as follows:

21 108.2275 1. The debtor of the lien claimant or a party in  
22 interest in the ~~[premises]~~ *property* subject to the *notice of* lien who  
23 believes the notice of lien is frivolous and was made without  
24 reasonable cause, or that the amount of the lien is excessive, may  
25 apply by motion to the district court for the county where the  
26 property or some part thereof is ~~[situated]~~ *located* for an order  
27 directing the lien claimant to appear before the court to show cause  
28 why the relief requested should not be granted.

29 2. The motion must ~~[set]~~ :

30 (a) *Set forth in detail the legal and factual* grounds upon which  
31 relief is requested ; and ~~[must be]~~

32 (b) *Be* supported by ~~[the affidavit of]~~ :

33 (1) *A notarized affidavit signed by* the applicant ~~[or his~~  
34 ~~attorney]~~ setting forth a concise statement of the facts upon which  
35 the motion is based ~~[.]~~ ; and

36 (2) *Documentary evidence in support of the affidavit, if*  
37 *any.*

38 3. If the court issues an order for a hearing, the applicant shall  
39 serve notice of the application and order of the court on the lien  
40 claimant within 3 days after the court issues the order. The court  
41 shall conduct the hearing within not less than ~~[10]~~ *15* days or more  
42 than ~~[20]~~ *30* days after the court issues the order ~~[.]~~

43 ~~—2.]~~ *for a hearing.*

44 4. The order for a hearing must include a statement that if the  
45 lien claimant fails to appear at the time and place noted, the *notice*  
*of* lien will be released with prejudice and the lien claimant will be



1 ordered to pay the *reasonable* costs ~~requested by~~ the applicant ~~;~~  
2 ~~including reasonable attorney's fees.~~  
3 ~~—3.1 incurs in bringing the motion, including reasonable~~  
4 ~~attorney's fees.~~

5 5. If, at the time the application is filed, an action to foreclose  
6 the *notice of* lien has not been filed, the clerk of the court shall  
7 assign a number to the application and obtain from the applicant a  
8 filing fee of \$85. If an action has been filed to foreclose the *notice*  
9 *of* lien before the application was filed pursuant to this section, the  
10 application must be made a part of the action to foreclose the *notice*  
11 *of* lien.

12 ~~4.1~~ 6. If, after a hearing on the matter, the court determines  
13 that:

14 (a) The *notice of* lien is frivolous and was made without  
15 reasonable cause, the court ~~may~~ shall make an order releasing the  
16 lien and awarding costs and reasonable attorney's fees to the  
17 applicant ~~;~~ for bringing the motion.

18 (b) The amount of the *notice of* lien is excessive, the court may  
19 make an order reducing the *notice of* lien to an amount deemed  
20 appropriate by the court and awarding costs and reasonable  
21 attorney's fees to the applicant ~~;~~ for bringing the motion.

22 (c) The *notice of* lien is not frivolous and was made with  
23 reasonable cause ~~and~~ or that the amount of the *notice of* lien is not  
24 excessive, the court ~~may~~ shall make an order awarding costs and  
25 reasonable attorney's fees to the lien claimant ~~;~~

26 ~~5.1~~ for defending the motion.

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

29 ~~6.1~~ 8. An appeal may be taken ~~by either party~~ from an order  
30 made pursuant to subsection ~~4.1~~ 6.

31 ~~7.1~~ 9. If an order releasing or reducing a *notice of* lien is  
32 entered by the court, and the order is not stayed, the ~~lien claimant~~  
33 ~~shall, within 2~~ applicant may, within 5 days after the order is  
34 entered, record a certified copy of the order in the office of the  
35 county recorder of the county where the property or some part  
36 thereof is ~~situated.~~ located. The recording of a certified copy of the  
37 order releasing or reducing a *notice of* lien is notice to any  
38 interested party that the *notice of* lien has been released or reduced.

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

40 108.228 1. The owner may record a notice of completion  
41 after ~~;~~

42 ~~—(a) The~~ the completion of ~~any~~ the work of improvement . ~~;~~ or

43 ~~—(b) There has been a cessation from labor thereon for a period of~~  
44 ~~30 days.~~



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

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

7 (b) The owner's name or owners' names, as the case may be, the  
8 address of the owner or addresses of the owners, as the case may be,  
9 and the nature of the title, if any, of the person signing the notice.

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

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

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

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

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

21 (b) ~~[Any person]~~ *Each potential lien claimant* who, before the  
22 notice was recorded pursuant to this section, *either* submitted a  
23 request to the owner to receive the notice ~~[;]~~ *or delivered a*  
24 *preliminary notice of right to lien pursuant to NRS 108.245.*

25 *5. The failure of the owner to deliver a copy of the notice of*  
26 *completion in the time and manner provided in this section*  
27 *renders the notice of completion ineffective with respect to each*  
28 *prime contractor and lien claimant to whom a copy was required*  
29 *to be delivered pursuant to subsection 4.*

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

31 108.229 1. *At any time before or during the trial of any*  
32 *action to foreclose a lien, a lien claimant may record an amended*  
33 *notice of lien to correct or clarify his notice of lien. The lien*  
34 *claimant shall serve the owner of the property with an amended*  
35 *notice of lien in the same manner as required for serving a notice*  
36 *of lien pursuant to NRS 108.227 and within 30 days after*  
37 *recording the amended notice of lien. A variance between a notice*  
38 *of lien and an amended notice of lien does not defeat the lien and*  
39 *shall not be deemed material unless the variance:*

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

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

43 2. Upon the trial of any action or suit to foreclose ~~[such lien~~  
44 ~~no]~~ *a lien, a* variance between the lien and the proof ~~[shall]~~ *does not*



1 defeat the lien ~~for~~ and shall not be deemed material unless the  
2 ~~[same results]~~ variance:

3 (a) Results from fraud or is made intentionally ~~[, or has misled]~~  
4 ; or

5 (b) Misleads the adverse party to his prejudice, but ~~fin~~ then  
6 only with respect to the adverse party who was prejudiced.

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

9 ~~[2.—No]~~

10 3. An error or mistake in the name of the owner ~~[or reputed]~~  
11 ~~owner~~ contained in any ~~[claim]~~ notice of lien ~~[shall be held to]~~ does  
12 not defeat the lien, unless a correction of the notice of lien in ~~[this] a~~  
13 particular instance would prejudice the rights of an innocent bona  
14 fide purchaser or encumbrancer for value ~~[,~~

15 ~~—3.] , but then only with respect to the bona fide purchaser or~~  
16 ~~encumbrancer for value who was prejudiced.~~

17 4. Upon the trial, ~~[however,]~~ if it ~~[shall appear]~~ appears that an  
18 error or mistake has been made in the name of the owner ~~[or reputed]~~  
19 ~~owner,~~ or that the wrong person has been named as owner ~~[or~~  
20 ~~reputed owner]~~ in any ~~[such claim]~~ notice of lien, the court shall  
21 order an amended ~~[claim]~~ notice of lien to be recorded with the  
22 county recorder where the original ~~[claim]~~ notice of lien was  
23 recorded ~~[,~~ and shall issue to the person who is so made to appear  
24 to be the original ~~[or reputed]~~ owner a notice directing ~~[such] the~~  
25 person or persons to be and appear before the court within the same  
26 time as is provided by Nevada Rules of Civil Procedure for the  
27 appearance in other actions after the service of summons, which  
28 notice ~~[shall]~~ must be served in all respects as a summons is  
29 required to be served, and to show cause why:

30 (a) He should not be substituted ~~[,~~ as the correct owner in the  
31 ~~[claim]~~ notice of lien and in the suit, in lieu of the person so made  
32 defendant and alleged to be owner ~~[or reputed owner]~~ by mistake.

33 (b) He should not be bound by the judgment or decree of the  
34 court. Such proceedings ~~[shall]~~ must be had therein as though  
35 the party so cited to appear had been an original party defendant in  
36 the action or suit, and originally named in the ~~[claim]~~ notice of lien  
37 as owner , ~~[or reputed owner,]~~ and the rights of all parties ~~[shall]~~  
38 ~~must~~ thereupon be fully adjudicated.

39 ~~[4.]~~ 5. A notice of lien which contains therein the description  
40 of the ~~[real]~~ property supplied by and set forth in the notice of  
41 completion recorded pursuant to NRS 108.228 ~~[shall,]~~ must, for all  
42 purposes, be sufficient as a description of the actual ~~[real]~~ property  
43 upon which the work ~~[or labor]~~ was performed or materials or  
44 equipment were supplied , ~~[,~~ and amendment of the notice of lien  
45 ~~[claim]~~ or amendment of the pleading filed by the lien claimant in a



1 foreclosure action, or both, may be made to state the correct  
2 description, and ~~[such] the~~ corrected description ~~[shall relate]~~  
3 *relates* back to the time of recording ~~[such] the~~ notice of lien ,  
4 ~~[claim,]~~ unless a correction of the *notice of lien* in ~~[this] a~~ particular  
5 *instance* would prejudice the rights of an innocent bona fide  
6 purchaser or encumbrancer for value ~~[,]~~, *but then only with respect*  
7 *to the bona fide purchaser or encumbrancer for value who was*  
8 *prejudiced.*

9 **Sec. 35.** NRS 108.231 is hereby amended to read as follows:

10 108.231 1. In every case in which ~~[one claim] a notice of~~  
11 *lien* is recorded against two or more *separate* buildings ~~[,]~~ *or* mining  
12 claims ~~[for other improvements owned by the same person, the~~  
13 ~~person recording such claim must at the same time designate] that~~  
14 *are owned by the same person and that are located on separate*  
15 *legal parcels that existed at the commencement of construction,*  
16 *the lien claimant must, at the time of recording the notice of lien,*  
17 *designate the lienable amount due to him on each ~~[of such~~*  
18 ~~buildings, mining claims or other improvements; otherwise the lien~~  
19 ~~of such claim is postponed to other liens.] building or mining~~  
20 *claim.*

21 2. The lien of ~~[such claimant does not extend beyond] a lien~~  
22 *claimant only applies to the lienable amount designated ~~[,]~~ in the*  
23 *notice of lien, plus all amounts that may be awarded by the court*  
24 *pursuant to NRS 108.237, as against other creditors having liens by*  
25 *judgment or otherwise, upon ~~[either of such buildings or other~~*  
26 ~~improvements, or upon the land upon which the same are~~  
27 ~~constructed.] the buildings or mining claims. However, the~~  
28 *lienable amount chargeable to the interest of the owner in each*  
29 *building must be the total amount of the lien claimant's notice of*  
30 *lien, without regard to the proportionate amount designated to*  
31 *each separate building in the lien claimant's notice of lien, plus all*  
32 *amounts that may be awarded by the court pursuant to NRS*  
33 *108.237, but upon the trial thereof, the court may, where it deems*  
34 *it equitable to do so, distribute the lien equitably as among the*  
35 *several buildings involved.*

36 3. *If a lien claimant fails to designate in his notice of lien the*  
37 *amount due to him on each separate building as provided in*  
38 *subsection 1, the lien claimant's notice of lien must be postponed*  
39 *to the notices of lien of other lien claimants and other*  
40 *encumbrancers for value who have designated the amount due on*  
41 *each building or mining claim but must not be inferior to any*  
42 *rights or interests of the owner. For purposes of this subsection, a*  
43 *lien claimant's lien must not be postponed to other liens or*  
44 *encumbrances if the lien claimant's designation among the*



1 *parcels was estimated by the lien claimant in good faith or was*  
2 *based upon a pro rata division of the total lienable amount.*

3 **Sec. 36.** NRS 108.232 is hereby amended to read as follows:  
4 108.232 The *county recorder of the county in which property*  
5 *that is subject to a lien is located* must record the ~~claim~~ *notice of*  
6 *lien* in a book kept by him for that purpose, which record must be  
7 indexed as deeds and other conveyances are required by law to be  
8 indexed, and for which he may receive the same fees as are allowed  
9 by law for recording deeds and other instruments.

10 **Sec. 37.** NRS 108.233 is hereby amended to read as follows:  
11 108.233 1. ~~No~~ A lien provided for in NRS 108.221 to  
12 108.246, inclusive, ~~binds any building, mining claim, improvement~~  
13 ~~or structure~~ *and sections 2 to 26, inclusive, of this act must not*  
14 *bind the property subject to the lien* for a ~~longer~~ *period longer*  
15 *than 6 months after* ~~such lien has been~~ *the date on which the*  
16 *notice of lien was* recorded, unless:

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

19 (b) The time to commence the action is extended by a written  
20 instrument signed by the ~~lienor~~ *lien claimant* and by a person or  
21 persons in interest in the property subject to the lien, in which event,  
22 and as to only that person or those persons in interest signing the  
23 agreement, the time is extended, ~~;~~ *;* but no extension ~~shall be~~ *is*  
24 *valid unless in writing and recorded in the county recorder's office*  
25 *in which the notice of lien is recorded and unless the extension*  
26 *agreement is recorded within* ~~such~~ *the* 6-month period. ~~;~~ *and*  
27 ~~such~~ *The* extension agreement, to be recorded, must be  
28 acknowledged as required by law for the acknowledgment of deeds.  
29 An action may be commenced within ~~such~~ *the* extended time only  
30 ~~as to~~ *against* the persons signing the extension agreement and only  
31 *as to* their interests *in the property* are affected, and upon the lapse  
32 of the time specified in the extension agreement, an action may not  
33 thereafter be commenced, nor may a second extension be given.

34 2. For all purposes, a ~~mechanic's lien of record~~ *notice of lien*  
35 shall be deemed to have expired as a lien *against the property* after  
36 the lapse of the 6-month period provided in subsection 1, and ~~such~~  
37 ~~recording shall~~ *the recording of a notice of lien does* not provide  
38 actual or constructive notice after the lapse of ~~such~~ *the* 6-month  
39 period and as a lien on the ~~real~~ property referred to in the  
40 ~~recorded~~ notice of lien, unless, ~~prior to~~ *before* the lapse of ~~such~~  
41 *the* 6-month period ~~the~~ *an* extension agreement has been recorded,  
42 in which event, the lien ~~shall~~ *will only* continue as a lien on the  
43 interests of those persons signing the extension for the period  
44 specified in the extension. ~~and for no longer period.~~ *An extension*



1 *must not be given for a period in excess of 1 year beyond the date*  
2 *on which the notice of lien is recorded.*

3 3. If there are other ~~[claims]~~ *notices of lien* outstanding against  
4 the property, ~~[no extension shall]~~ *an extension must not* be given  
5 upon ~~[the]~~ *a notice* of lien which will tend to delay or postpone the  
6 collection of other ~~[claims]~~ *liens evidenced by a notice of lien* or  
7 encumbrances against the property . ~~[; and no extension shall be~~  
8 ~~given for a period in excess of 1 year beyond the recording of the~~  
9 ~~lien.]~~

10 **Sec. 38.** NRS 108.234 is hereby amended to read as follows:

11 108.234 ~~[Every building or other improvement mentioned in~~  
12 ~~NRS 108.222.]~~

13 *1. Except as otherwise provided in subsection 2, every*  
14 *improvement* constructed, *altered or repaired* upon ~~[any lands with~~  
15 ~~the knowledge of the owner or the person having or claiming any~~  
16 ~~interest therein,]~~ *property* shall be ~~[held]~~ *deemed* to have been  
17 constructed, *altered or repaired* at the instance of ~~[the owner or~~  
18 ~~person]~~ *each owner* having or claiming any interest therein, and the  
19 interest owned or claimed ~~[is]~~ *must be* subject to ~~[any]~~ *each notice*  
20 *of* lien recorded in accordance with the provisions of NRS 108.221  
21 to 108.246, inclusive, ~~[unless the owner or person having or~~  
22 ~~claiming an interest therein shall,]~~ *and sections 2 to 26, inclusive, of*  
23 *this act.*

24 *2. The interest of a disinterested owner in any improvement*  
25 *and the property upon which an improvement is constructed,*  
26 *altered or repaired is not subject to a notice of lien if the*  
27 *disinterested owner,* within 3 days after he ~~[has obtained]~~ *first*  
28 *obtains* knowledge of the construction, alteration or repair, or the  
29 intended construction, alteration or repair, ~~[give]~~ *gives* notice that  
30 will not be responsible for the improvement by recording a notice in  
31 writing to that effect with the county recorder of the county where  
32 the ~~[land or building is situated]~~ *property is located* and, in the  
33 instance of ~~[;~~

34 ~~—1.]~~ *a disinterested owner who is:*

35 (a) A lessor, the notice of ~~[lien]~~ nonresponsibility shall be  
36 deemed timely recorded if the notice is recorded within 3 days  
37 immediately following the ~~[execution]~~ *effective date* of the lease ~~[by~~  
38 ~~all parties as to that construction, alteration or repair, or intended~~  
39 ~~construction, alteration or repair, known to the lessor at]~~ *or by* the  
40 time of the execution of the lease by all parties ~~[;~~

41 ~~—2,]~~ *whichever occurs first; or*

42 (b) An optionor, the notice of ~~[lien]~~ nonresponsibility shall be  
43 deemed timely recorded if the notice is recorded within 3 days  
44 immediately following the ~~[execution of the agreement permitting~~  
45 ~~entry upon the real property by all parties as to that construction,~~





1 ~~alteration, repair, or intended construction, alteration, repair or other~~  
2 ~~work known to the optionor at the time of the execution of the~~  
3 ~~agreement by all parties.] date on which the option is exercised in~~  
4 ~~writing.~~

5 3. Each notice of nonresponsibility recorded pursuant to this  
6 section must identify:

7 (a) The name and address of the disinterested owner;

8 (b) The location of the improvement and the property upon  
9 which the improvement is or will be constructed, altered or  
10 repaired;

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

14 (d) The date on which the disinterested owner first learned of  
15 the construction, alteration or repair of the improvement that is  
16 the subject of the notice of nonresponsibility

17 4. As used in this section, "disinterested owner" means an  
18 owner who did not personally or through his agent or  
19 representative, directly or indirectly, request, require, authorize,  
20 consent to or cause a work of improvement, or any portion  
21 thereof, to be constructed, altered or repaired upon the property of  
22 the owner. The term must not be interpreted to invalidate a notice  
23 of nonresponsibility recorded pursuant to this section or to deny  
24 the rights granted pursuant to this section upon the recording of a  
25 notice of nonresponsibility because:

26 (a) The disinterested owner is a lessor or an optionor under a  
27 lease and does not request, require, authorize or consent to his  
28 lessee causing the work of improvement to be constructed, altered  
29 or repaired upon the property; and

30 (b) The lessee personally or through his agent or  
31 representative enters into a contract and causes the improvements  
32 to be constructed, altered or repaired upon the property.

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

34 108.235 1. ~~[The contractor shall be entitled to recover, upon~~  
35 ~~a lien recorded by him, only such] A prime contractor:~~

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

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



1 2. In all cases where a *prime contractor has been paid for the*  
 2 *work, materials or equipment which are the subject of a notice of*  
 3 *lien [is] recorded under NRS 108.221 to 108.246, inclusive, [for*  
 4 *work done or materials furnished to any contractor, he] and sections*  
 5 *2 to 26, inclusive, of this act, the prime contractor shall defend the*  
 6 *owner in any action brought thereupon at his own expense. [During*  
 7 *the pendency of the action,]*

8 3. *Except as otherwise provided in this subsection, if a lien*  
 9 *claimant records a notice of lien for the work, equipment or*  
 10 *materials furnished to the prime contractor, the owner may*  
 11 *withhold from the prime contractor the amount of money for which*  
 12 *[such] the lien claimant's notice of lien is [filed.] recorded. If the*  
 13 *lien claimant's notice of lien resulted from the owner's failure to*  
 14 *pay the prime contractor for the lien claimant's work, materials or*  
 15 *equipment, the owner shall not withhold the amount set forth in*  
 16 *the notice of lien from the prime contractor if the prime contractor*  
 17 *tenders a release of the lien claimant's lien to the owner. In case of*  
 18 *judgment against the owner or his property [upon] which is the*  
 19 *subject of the lien, the owner [shall be entitled to] may deduct, from*  
 20 *any amount due or to become due by him to the prime contractor,*  
 21 *the amount [of the judgment and costs. If the amount of the*  
 22 *judgment and costs exceeds the amount due by him to the*  
 23 *contractor, or if the owner has settled with the contractor, the owner*  
 24 *shall be entitled to] paid by the owner to the lien claimant for*  
 25 *which the prime contractor was liable and recover back from the*  
 26 *prime contractor any amount so paid by the owner in excess of the*  
 27 *[contract price, and for which the contractor was originally the party*  
 28 *liable.] amount the court has found that the owner owes to the*  
 29 *prime contractor.*

30 **Sec. 40.** NRS 108.236 is hereby amended to read as follows:

31 108.236 1. In every case in which different liens are asserted  
 32 against any property, the court, in the judgment, must declare the  
 33 rank of each lien ~~[.] claimant~~ or class of ~~[liens, which must be] lien~~  
 34 *claimants* in the following order:

35 (a) First: All labor whether performed at the instance or  
 36 direction of the owner, *the* subcontractor or the ~~[original] prime~~  
 37 contractor.

38 (b) Second: Material suppliers ~~[.]~~  
 39 ~~—Third: The subcontractors, architects, land surveyors, geologists~~  
 40 ~~and engineers, if such architects, land surveyors, geologists and~~  
 41 ~~engineers] and lessors of equipment.~~

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



1 ~~—Fourth: The original contractors, architects, land surveyors,~~  
2 ~~geologists and engineers, if such architects, land surveyors,~~  
3 ~~geologists and engineers have not performed their services, in whole~~  
4 ~~or in part, under contract with the general contractor, and all persons~~  
5 ~~other than original contractors, subcontractors, architects, land~~  
6 ~~surveyors, geologists and engineers.] prime contractor or any~~  
7 ~~subcontractor.~~

8 (d) *Fourth: All other lien claimants.*

9 2. The proceeds of the sale of the property must be applied to  
10 each lien ~~[.]~~ *claimant* or class of ~~[liens.]~~ *lien claimants* in the order  
11 of its rank.

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

13 108.237 1. ~~[Any number of persons claiming liens may join~~  
14 ~~in the same action. When separate actions are commenced the court~~  
15 ~~may consolidate them.] The court shall award to a prevailing lien~~  
16 ~~claimant, whether on its lien or on a surety bond, the lienable~~  
17 ~~amount found due to the lien claimant by the court and the cost of~~  
18 ~~preparing and filing the lien claim, including, without limitation,~~  
19 ~~attorney’s fees, if any, and interest. The court shall also award to~~  
20 ~~the prevailing lien claimant, whether on its lien or on a surety~~  
21 ~~bond, the costs of the proceedings, including, without limitation,~~  
22 ~~reasonable attorney’s fees, the costs for representation of the lien~~  
23 ~~claimant in the proceedings, and any other amounts as the court~~  
24 ~~may find to be justly due and owing to the lien claimant.~~

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

27 (a) *The rate of interest agreed upon in the lien claimant’s*  
28 *contract; or*

29 (b) *If a rate of interest is not provided in the lien claimant’s*  
30 *contract, interest at a rate equal to the prime rate at the largest bank*  
31 *in Nevada, as ascertained by the Commissioner of Financial*  
32 *Institutions, on January 1 or July 1, as the case may be, immediately*  
33 *preceding the date of judgment, plus 2 percent, on the amount of the*  
34 *lien found payable. ~~[The interest is payable from the date that the~~*  
35 ~~*payment is found to have been due, and the court may allow, as part*~~  
36 ~~*of the costs, the money paid for recording the lien.]*~~ *The rate of*  
37 *interest must be adjusted accordingly on each January 1 and July 1*  
38 *thereafter until the amount of the lien is paid.*

39 ~~*[3.—The court shall also allow to the prevailing party reasonable*~~  
40 ~~*attorney’s fees for the preparation of the lien and for representation*~~  
41 ~~*of the lien claimant in the action.]*~~

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

44 3. *If the lien claim is not upheld, the court may award costs*  
45 *and reasonable attorney’s fees to the owner or other person*



1 *defending against the lien claim if the court finds that the notice*  
2 *of lien was pursued by the lien claimant without a reasonable*  
3 *basis in law or fact.*

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

5 108.238 ~~{Nothing contained in}~~ *The provisions of* NRS  
6 108.221 to 108.246, inclusive, ~~{shall}~~ *and sections 2 to 26,*  
7 *inclusive, of this act must not* be construed to impair or affect the  
8 right of ~~{any person}~~ *a lien claimant* to whom any debt may be due  
9 for work ~~{done or material}~~ *, materials or equipment* furnished to  
10 maintain a ~~{personal}~~ *civil* action to recover ~~{such}~~ *that* debt against  
11 the person liable therefor ~~{}~~ *or to submit any controversy arising*  
12 *under a contract to arbitration to recover that amount.*

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

14 108.239 1. ~~{Liens}~~ *A notice of lien* may be enforced by an  
15 action in any court of competent jurisdiction, on setting out in the  
16 complaint the particulars of the demand, with a description of the  
17 ~~{premises}~~ *property* to be charged with the lien.

18 2. At the time of filing the complaint and issuing the summons,  
19 the ~~{plaintiff}~~ *lien claimant* shall:

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

22 (b) Cause a notice *of foreclosure* to be published at least once a  
23 week for 3 successive weeks, in one newspaper published in the  
24 county, and if there is no newspaper published in the county, then in  
25 such mode as the court may determine, notifying all persons holding  
26 or claiming ~~{liens}~~ *a notice of lien* pursuant to the provisions of  
27 NRS 108.221 to 108.246, inclusive, *and sections 2 to 26, inclusive,*  
28 *of this act* on the ~~{premises}~~ *property* to file with the clerk and serve  
29 on the ~~{plaintiff}~~ *lien claimant* and also on the defendant, if the  
30 defendant is within the State or is represented by counsel, written  
31 statements of the facts constituting their liens, together with the  
32 dates and amounts thereof. ~~{The statements must be filed}~~

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

40 ~~{3.}~~ 4. If it appears from the records of the county recorder that  
41 there are other *notices of lien* ~~{claims}~~ recorded against the same  
42 ~~{premises}~~ *property* at the time of the commencement of the action,  
43 the ~~{plaintiff}~~ *lien claimant* shall, in addition to and after the initial  
44 publication of the notice *of foreclosure* as provided in paragraph (b)  
45 of subsection 2, mail to those other lien claimants, by registered or



1 certified mail, or deliver in person a copy of the notice *of*  
2 *foreclosure* as published.

3 ~~[4.]~~ 5. At the time of any change in the venue of the action, the  
4 ~~[plaintiff]~~ *lien claimant* shall file a notice of pendency of the action,  
5 in the manner provided in NRS 14.010, and include in the notice the  
6 court and county to which the action is changed.

7 ~~[5.]~~ 6. *When separate actions are commenced by lien*  
8 *claimants to foreclose on their respective notices of lien, the court*  
9 *may consolidate all the actions. The consolidation does not affect*  
10 *or change the priority of lien claims.*

11 7. The court shall enter judgment according to the right of the  
12 parties, and shall, by decree, proceed to hear and determine  
13 the claims in a summary way, or may, if it be the district court, refer  
14 the claims to a *special* master to ascertain and report upon the liens  
15 and the amount justly due thereon. No consequential damages may  
16 be recovered in an action pursuant to this section. All liens not so  
17 exhibited shall be deemed to be waived in favor of those which are  
18 so exhibited.

19 ~~[6.]~~ 8. *Upon petition by a lien claimant for a preferential trial*  
20 *setting:*

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

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

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

28 (a) *The court may, at the request of a party to the arbitration,*  
29 *stay the lien claimant's action to foreclose the lien pending the*  
30 *outcome of the binding arbitration. If the foreclosure on the lien*  
31 *involves the rights of other lien claimants or persons whose claims*  
32 *are not the subject of the binding arbitration, the court may stay*  
33 *the lien claimant's foreclosure proceeding only upon terms which*  
34 *are just and which afford the lien claimant a fair opportunity to*  
35 *protect his lien rights and priorities with respect to other lien*  
36 *claimants and persons.*

37 (b) *Upon the granting of an award by the arbitrator, any party*  
38 *to the arbitration may seek an order from the court in the action to*  
39 *foreclose on the lien confirming or adopting the award and*  
40 *determining the lienable amount of the lien claimant's lien in*  
41 *accordance with the order, if any. Upon determining the lienable*  
42 *amount, the court shall enter a judgment or decree for the lienable*  
43 *amount, plus all amounts that may be awarded by the court to the*  
44 *lien claimant pursuant to NRS 108.237, and the court may include*  
45 *as part of the lien all costs and attorney's fees awarded to the lien*



1 *claimant by the arbitrator and all costs and attorney's fees*  
2 *incurred by the lien claimant pertaining to any application or*  
3 *motion to confirm, adopt, modify or correct the award of the*  
4 *arbitrator. A judgment or decree entered by the court pursuant to*  
5 *this subsection may be enforced against the property as provided*  
6 *in subsections 10, 11 and 12.*

7 **10.** On ascertaining the whole amount of the liens with which  
8 the ~~premises are~~ *property is* justly chargeable, as provided in NRS  
9 108.221 to 108.246, inclusive, *and sections 2 to 26, inclusive, of*  
10 *this act*, the court shall cause the ~~premises~~ *property* to be sold in  
11 satisfaction of ~~the~~ *all* liens and *the* costs ~~[, including costs of suit,]~~  
12 *of sale, including all amounts awarded to all lien claimants*  
13 *pursuant to NRS 108.237*, and any party in whose favor judgment  
14 may be rendered may cause the ~~premises~~ *property* to be sold  
15 within the time and in the manner provided for sales on execution,  
16 issued out of any district court, for the sale of real property.

17 ~~7.] 11.~~ If the proceeds of sale, after ~~the~~ payment of *the* costs  
18 ~~[,]~~ *of sale*, are not sufficient to satisfy ~~the whole amount of the~~ *all*  
19 *liens to be* included in the decree of sale, *including all amounts*  
20 *awarded to all lien claimants pursuant to NRS 108.237*, the  
21 proceeds must be apportioned according to the right of the ~~several~~  
22 ~~parties.] various lien claimants.~~ If the proceeds of the sale amount  
23 to more than the sum of ~~the~~ *all* liens and the cost of sale, the  
24 remainder must be paid over to the owner of the property.

25 ~~8.] 12.~~ Each party whose claim is not satisfied in the manner  
26 provided in this section is entitled to personal judgment for the  
27 residue against the party legally liable for it if that person has been  
28 personally summoned or has appeared in the action.

29 **Sec. 44.** NRS 108.2413 is hereby amended to read as follows:

30 108.2413 A ~~mechanic's lien of record upon real property~~ *lien*  
31 *claimant's lien rights or notice of lien* may be released upon the  
32 posting of a surety bond in the manner provided in NRS 108.2415 to  
33 108.2425, inclusive.

34 **Sec. 45.** NRS 108.2415 is hereby amended to read as follows:

35 108.2415 ~~The debtor of the lien claimant or a party in interest~~  
36 ~~in the premises subject to the lien must obtain a surety bond~~  
37 ~~executed by the debtor of the lien claimant or a party in interest in~~  
38 ~~the premises subject to the lien, as principal, and executed by a~~  
39 ~~corporation authorized to transact surety business in this state, as~~  
40 ~~surety, in substantially]~~

41 **1.** *To obtain the release of a notice of lien, a principal and a*  
42 *surety must execute a surety bond which must be in* the following  
43 form:



1 *(Assessor's Parcel Numbers)*

2

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

4

5 WHEREAS, ..... (name of ~~owner, contractor, or~~  
6 ~~other person disputing lien~~) *principal*, *located at*  
7 ..... (*address of principal*), desires to  
8 give a bond for releasing the following described ~~real~~ property  
9 *owned by* ..... (*name of owners*) from that  
10 certain ~~claim of mechanic's~~ *notice of* lien in the sum of  
11 \$..... recorded ..... (month) ..... (day) ..... (year) in the office of  
12 the recorder in ..... (name of county where the ~~real~~  
13 property is ~~situated~~;) *located*):

14

(Legal Description)

15

16 NOW, THEREFORE, the undersigned principal and surety do  
17 hereby obligate themselves to the *lien* claimant named in the  
18 ~~mechanic's~~ *notice of* lien, ....., (name of *lien*  
19 claimant) under the conditions prescribed by NRS 108.2413 to  
20 108.2425, inclusive, in the sum of \$..... (1 1/2 x ~~claim~~;)   
21 *liable amount*), from which sum they will pay the *lien* claimant  
22 ~~such~~ *that* amount as a court of competent jurisdiction may adjudge  
23 to have been secured by his lien, ~~with interest, costs and attorney's~~  
24 ~~fees~~ *including the total amount awarded pursuant to*  
25 *NRS 108.237.*

26 IN TESTIMONY WHEREOF, the principal and surety have  
27 executed this bond at ....., Nevada, on the ..... day  
28 of the month of ..... of the year .....

29

30

.....  
(Signature of Principal)

31

(Surety Corporation)

32

By.....

33

(Its Attorney in Fact)

34

35 State of Nevada }  
36 } ss.  
37 County of ..... }

38

39 On ..... (month) ..... (day) ..... (year) before me, the undersigned,  
40 a notary public of this county and state, personally appeared  
41 ..... who acknowledged that he executed the

42



1 foregoing instrument as principal for the purposes therein mentioned  
2 and also personally appeared ..... known (or  
3 satisfactorily proved) to me to be the attorney in fact of the  
4 ~~[corporation]~~ surety that executed the foregoing instrument, known  
5 to me to be the person who executed that instrument on behalf of the  
6 ~~[corporation]~~ surety therein named, and he acknowledged to me that  
7 ~~[that corporation]~~ the surety executed the foregoing instrument.  
8  
9

.....

10 (Notary Public in and for  
11 the County and State)

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

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

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

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

28 *4. Failure to serve the surety bond as provided in subsection 3*  
29 *does not affect the validity of the surety bond, but the statute of*  
30 *limitations on any action on the surety bond, including a motion*  
31 *excepting to the sufficiency of the surety pursuant to NRS*  
32 *108.2425, is tolled until notice is given.*

33 *5. Subject to the provisions of NRS 108.2425, the recording*  
34 *and service of the surety bond pursuant to this section releases the*  
35 *property described in the surety bond from the lien and the surety*  
36 *bond shall be deemed to replace the property as security for the*  
37 *lien.*

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

39 108.2421 1. The lien claimant is entitled to ~~[bring]~~ :

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

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

44 the *principal and* surety on the *surety* bond ~~[. A judgment for the~~  
45 ~~claimant on the bond may not be made against the property. The~~





1 ~~rights of the lien claimant include and the court may award to him in~~  
 2 ~~that action:~~  
 3 ~~—(a) The amount found due to the lien claimant by the court;~~  
 4 ~~—(b) The cost of preparing and filing the lien claim, including~~  
 5 ~~attorney’s fees, if any;~~  
 6 ~~—(c) The costs of the proceedings;~~  
 7 ~~—(d) Attorney’s fees for representation of the lien claimant in the~~  
 8 ~~proceedings; and~~  
 9 ~~—(e) Interest at a rate established pursuant to NRS 99.040 from~~  
 10 ~~the date found by the court that the sum was due.~~

11 ~~—2. Proceedings pursuant to subsection 1 are entitled to priority~~  
 12 ~~of hearing second only to criminal hearings. The plaintiff] and the~~  
 13 ~~lien claimant’s debtor.~~

14 *2. At any time after the filing of a joint case conference*  
 15 *report pursuant to Rule 16.1 of the Nevada Rules of Civil*  
 16 *Procedure or, if the case is designated by the court as complex*  
 17 *litigation, after the approval of the initial case management order*  
 18 *by the court, each lien claimant in the action may serve upon the*  
 19 *adverse party a “demand for [30-day setting,” in the proper form,]*  
 20 *preferential trial setting” and file the demand with the clerk of the*  
 21 *court. Upon filing, the clerk of the court shall, before the Friday*  
 22 *after the demand is filed, vacate a case or cases in a department of*  
 23 *the court and set the lien claimant’s case for hearing, on a day or*  
 24 *days certain, to be heard within [30] 60 days after the filing of the*  
 25 *“demand for [30-day] preferential trial setting.” Only one such*  
 26 *preferential trial setting need be given by the court, unless the*  
 27 *hearing date is vacated without stipulation of counsel for the*  
 28 *[plaintiff] lien claimant in writing. If the hearing date is vacated*  
 29 *without that stipulation, upon service and filing, a new preferential*  
 30 *trial setting must be given.*

31 *3. A lien claimant shall, at the time of making his demand for*  
 32 *a preferential trial setting, and each other party to the preferential*  
 33 *trial shall, within 20 days after the lien claimant’s service of the*  
 34 *demand, serve upon all parties to the preferential trial the*  
 35 *following documents and information:*

- 36 *(a) A copy of all documents that the party intends to rely upon*  
 37 *at the time of the trial;*
- 38 *(b) A list of witnesses whom the party intends to call at the*  
 39 *time of the trial, which must include for each witness:*
  - 40 *(1) The name of the witness;*
  - 41 *(2) The company for whom the witness works and title of*  
 42 *the witness; and*
  - 43 *(3) A brief summary of the expected testimony of the*  
 44 *witness;*



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

3 (d) The identity of each person whom the party expects to call  
4 as an expert witness at the trial, together with a statement of the  
5 substance of the facts and opinions to which the expert witness is  
6 expected to testify and a summary of the grounds for each  
7 opinion;

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

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

11 4. Within 20 days after receipt of an opposing party's  
12 identification of an expert witness, a party who desires to call a  
13 rebuttal expert witness at the trial must identify each person whom  
14 the party expects to call as a rebuttal expert witness, and must  
15 provide a statement of the substance of the facts and opinions to  
16 which the rebuttal expert witness is expected to testify and a  
17 summary of the grounds for each opinion.

18 5. A prevailing lien claimant on a claim against a surety bond  
19 must be awarded the lienable amount plus the total amount that  
20 may be awarded by the court pursuant to NRS 108.237. Such a  
21 judgment is immediately enforceable and may be appealed  
22 regardless of whether any other claims asserted or consolidated  
23 actions or suits have been resolved by a final judgment.

24 **Sec. 47.** NRS 108.2423 is hereby amended to read as follows:

25 108.2423 1. By entering into a *surety* bond given pursuant to  
26 NRS 108.2415, the *principal and* surety ~~[submits himself]~~ *submit*  
27 *themselves* to the jurisdiction of the court in which ~~[the bond is filed~~  
28 ~~in the proceeding or release of the lien,]~~ *an action or suit is pending*  
29 *on a notice of lien on the property described in the surety bond,*  
30 and the *principal and* surety irrevocably ~~[appoints]~~ *appoint* the  
31 clerk of that court as ~~[its]~~ *their* agent upon whom any papers  
32 affecting ~~[its]~~ *the* liability on the *surety* bond may be served. ~~[Its]~~  
33 *The liability of the principal may be established by the court in the*  
34 *pending action. The liability of the surety* may be enforced on  
35 motion without necessity of an independent action. The motion and  
36 such notice of motion as the court prescribes may be served on the  
37 clerk of the court, who shall forthwith mail copies to the *principal*  
38 *and* surety if ~~[his address is]~~ *their addresses are* known.

39 2. The motion described in subsection 1 must not be instituted  
40 until ~~[the lapse of]~~ 30 days ~~[following]~~ *after:*

41 (a) *If a notice of appeal from the judgment is not filed,* the  
42 giving of notice of entry of judgment in the action against the lien  
43 claimant's debtor ~~[, if no notice of appeal from the judgment is filed,~~  
44 ~~nor may the motion be instituted until the lapse of 30 days~~  
45 ~~following]~~ *or the giving of notice of entry of judgment in an action*



1 *against the principal or the lien claimant's debtor, as the case may*  
2 *be; or*

3 *(b) If an appeal has been taken from the judgment, the filing*  
4 *of the remittitur from the Supreme Court . ~~[, if an appeal has been~~*  
5 *taken from the judgment.]*

6 **Sec. 48.** NRS 108.2425 is hereby amended to read as follows:  
7 108.2425 1. The lien claimant may, within ~~[2]~~ **15** days after  
8 the service of a copy of the ~~[petition and a copy of the bond attached~~  
9 ~~thereto.]~~ *surety bond pursuant to subsection 3 of NRS 108.2415,*  
10 *file a motion* with the clerk of the court in ~~[the action a notice]~~ *a*  
11 *pending action, or if no action has been commenced, file a petition*  
12 *with the court,* excepting to the sufficiency of the surety ~~[on]~~ *or* the  
13 *surety* bond, and shall, at the same time and together with that  
14 ~~[notice.]~~ *motion or petition,* file an affidavit setting forth the  
15 grounds and basis of the exceptions to the surety ~~[.]~~ *or the surety*  
16 *bond,* and shall serve a copy of the ~~[notice]~~ *motion or petition* and a  
17 copy of the affidavit upon the ~~[attorney or the petitioner on the same~~  
18 ~~date as]~~ *principal at the address set forth in the surety bond within*  
19 *5 business days after* the date of filing. A hearing must be had upon  
20 the justification of the surety ~~[at the same time as that set for the~~  
21 ~~hearing on the petition for the order to release the lien.~~

22 ~~—2.— If the lien claimant fails to file and serve the notice and~~  
23 ~~affidavit within 2 days after the service of the petition for release of~~  
24 ~~the lien, he shall be deemed to have waived all objection to the~~  
25 ~~justification and sufficiency of the surety.]~~ *or the surety bond not*  
26 *less than 10 days and not more than 20 days after the filing of the*  
27 *motion or petition. If the court determines that the surety or surety*  
28 *bond is insufficient, the lien claimant's lien will remain against*  
29 *the property or the court may allow the substitution of a sufficient*  
30 *surety and surety bond.*

31 2. *If, at any time after the recording of a surety bond*  
32 *pursuant to NRS 108.2415, the surety becomes unauthorized to*  
33 *transact surety business in this state pursuant to NRS 679A.030 or*  
34 *is dropped from the United States Department of the Treasury's*  
35 *Listing of Approved Sureties or there exists any other good cause,*  
36 *a lien claimant or other person having an interest in the surety*  
37 *bond may apply to the district court in a pending action, or*  
38 *commence an action if none is pending, for an order to require*  
39 *additional security or to change, substitute or add securities, or to*  
40 *enforce or change any other matter affecting the security provided*  
41 *by the surety bond.*

42 3. *If a court finds that the amount of a surety bond recorded*  
43 *pursuant to NRS 108.2415 is insufficient to pay the total amount*  
44 *that may be awarded by the court pursuant to NRS 108.237, the*  
45 *court shall increase the amount of the surety bond to 1.5 times the*



1 *total amount that may be awarded. Any surety that records or*  
2 *consents to the recording of a surety bond pursuant to NRS*  
3 *108.2415 will:*

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

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

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

9 108.243 1. Any *notice of* lien may be assigned in the same  
10 manner as any other chose in action after it has been perfected by  
11 recording.

12 2. ~~[No]~~ *An* assignment of a lien ~~[prior to recording shall]~~  
13 *before recording will not* be effective until written notice of the  
14 assignment has been given to the owner by the assignee. ~~[Any such~~  
15 ~~notice shall]~~ *The notice will* be sufficient if delivered in person or  
16 mailed by certified mail to the ~~[person named as owner in the~~  
17 ~~building permit.]~~ *owner.* After such notice the assignee may perfect  
18 the lien in his own name.

19 3. ~~[Two]~~ *One* or more lien claimants of ~~[the same]~~ *any* class  
20 may assign their *notices of* lien ~~[claims]~~ by written assignment,  
21 signed by each assignor, to any other person or lien claimant of ~~[the~~  
22 ~~same]~~ *any* class, and the assignee may commence and prosecute the  
23 action upon all of the *notices of* lien ~~[claims]~~ in his own name ~~[ ]~~ *or*  
24 *in the name of the original lien claimant.*

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

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

31 108.2433 1. Except as otherwise provided in subsection 2, a  
32 *notice of* lien ~~[of record upon real]~~ *upon the* property provided for  
33 in NRS 108.221 to 108.246, inclusive, *and sections 2 to 26,*  
34 *inclusive, of this act* may be discharged by an entry on the margin  
35 of the record thereof, signed by the ~~[lienor]~~ *lien claimant* or his  
36 personal representative or assignee in the presence of the recorder or  
37 his deputy, acknowledging the satisfaction of or value received for  
38 the *notice of* lien and the debt secured thereby. The recorder or his  
39 deputy shall subscribe the entry as witness. The entry has the same  
40 effect as a discharge or release of the *notice of* lien acknowledged  
41 and recorded as provided by law. The recorder shall properly index  
42 each marginal discharge.

43 2. If the *notice of* lien has been recorded by a microfilm or  
44 other photographic process, a marginal release may not be used and



1 an acknowledged discharge or release of the *notice of* lien must be  
2 recorded.

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

8 **Sec. 51.** NRS 108.2437 is hereby amended to read as follows:  
9 108.2437 1. As soon as practicable, but not later than 10 days  
10 after a *notice of* lien ~~of record upon real~~ *upon the* property  
11 pursuant to NRS 108.221 to 108.246, inclusive, *and sections 2 to*  
12 *26, inclusive, of this act* is *fully* satisfied or discharged, the ~~lienor~~  
13 *lien claimant* shall cause to be recorded a discharge or release of the  
14 *notice of* lien in substantially the following form:  
15

16 *Assessor's Parcel Numbers*

17  
18 DISCHARGE OR RELEASE OF *NOTICE OF LIEN*

19  
20 NOTICE IS HEREBY GIVEN THAT:

21 The undersigned did, on the ..... day of the month of ..... of  
22 the year ....., record in Book ....., as Document No. ...., in  
23 the office of the county recorder of ..... County, Nevada, its  
24 Notice of Lien, or has otherwise given notice of his intention to hold  
25 ~~and claim~~ a lien upon the following described property ~~or~~ *or*  
26 *improvements*, owned or purportedly owned by ....., ~~situated~~  
27 *located* in the County of ....., State of Nevada, to wit:

28  
29 (Legal Description or Address of the Property ~~or~~ *or Improvements*)

30  
31 NOW, THEREFORE, for valuable consideration the  
32 undersigned does release, satisfy and discharge ~~the claim or~~ *his*  
33 *notice of* lien on the property *or improvements* described above by  
34 reason of ~~such~~ *this* Notice of Lien. ~~or by reason of the work and~~  
35 ~~labor on, or materials furnished for, that property.~~

36 .....  
37 (Signature of ~~lienor~~ *Lien Claimant*)  
38

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



1     **Sec. 52.** NRS 108.244 is hereby amended to read as follows:  
 2     108.244 A lien claimant or assignee of a lien claimant or  
 3 claimants may not file a complaint for foreclosure of his  
 4 ~~[mechanic's] notice of~~ lien or the assigned ~~[mechanic's] notice of~~  
 5 lien or ~~[mechanics' liens] notices of lien~~ until 30 days have expired  
 6 immediately following the filing of his ~~[mechanic's] notice of~~ lien  
 7 or following the filing of the assigned ~~[mechanic's] notice of~~ lien or  
 8 the last of the assigned ~~[mechanics' liens.] notices of lien.~~ This  
 9 provision ~~[shall] does~~ not apply to ~~[nor] or~~ prohibit the filing of any  
 10 statement of *fact constituting a* lien or statements of *fact*  
 11 *constituting a* lien ~~[in an already filed] :~~

12     1. *In an action already filed* for foreclosure of ~~[mechanic's~~  
 13 ~~lien and] a notice of lien; or~~

14     2. *In order* to comply with the provisions of NRS 108.239.

15     **Sec. 53.** NRS 108.245 is hereby amended to read as follows:  
 16     108.245 1. Except as otherwise provided in subsection 5,  
 17 every ~~[person, firm, partnership, corporation or other legal entity,]~~  
 18 *lien claimant*, other than one who performs only labor, who claims  
 19 the benefit of NRS 108.221 to 108.246, inclusive, *and sections 2 to*  
 20 *26, inclusive, of this act* shall, ~~[within 31 days]~~ *at any time* after the  
 21 first delivery of material or performance of work or services under  
 22 his contract, deliver in person or by certified mail to the owner ~~[or~~  
 23 ~~reputed owner of the property or to the person whose name appears~~  
 24 ~~as owner on the building permit, if any, for the improvement]~~ *of the*  
 25 *property* a *preliminary notice of right to lien* in substantially the  
 26 following form:  
 27

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

30 To: .....

31 (Owner's name and address)

32 The undersigned notifies you that he has supplied materials or  
 33 *equipment or* performed work or services as follows:  
 34

35 .....  
 36 (General description of materials, *equipment*, work or services  
 37 ~~[and anticipated total value]~~ )

38 for improvement of ~~[real]~~ property identified as (property  
 39 description or street address) under contract with (general contractor  
 40 or subcontractor). This is not a notice that the undersigned has not  
 41 been or does not expect to be paid, but a notice required by law that  
 42 the undersigned may, at a future date, ~~[claim]~~ *record a notice of* lien  
 43 as provided by law against the property if the undersigned is not  
 44 paid.



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.....  
(Claimant)

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

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

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

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

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

~~6. [As used in this section, "owner" does not include any person, firm or corporation whose only interest in the real property is under a mortgage, deed of trust or other security arrangement.] A lien claimant who is required by this section to give a notice of right to lien to an owner and who gives such a notice has a right to lien for materials or equipment furnished or for work or services performed in the 31 days before the date the notice of right to lien is given and for the materials or equipment furnished or for work or services performed anytime thereafter until the completion of the work of improvement.~~

**Sec. 54.** NRS 108.246 is hereby amended to read as follows:

108.246 1. Each ~~[general]~~ *prime* contractor shall, before execution of a contract for construction, inform the ~~[record]~~ owner with whom he intends to contract of the provisions of NRS 108.245 in substantially the following form:

To:.....  
(Owner's name and address)

~~[Section 108.245 of Nevada Revised Statutes.]~~ *The provisions of NRS 108.245, a part of the mechanics' and materialmen's lien law of the State of Nevada, [requires.] require, for your information and protection from hidden liens, that each person or other legal entity [which] who supplies materials to or performs work [or services] on a construction project, other than one who performs only labor,*



1 ~~{shall}~~ deliver to the owner a notice of the materials *and equipment*  
2 supplied or the work ~~{or services}~~ performed. You may receive  
3 ~~{such}~~ *these* notices in connection with the construction project  
4 which you propose to undertake.

5 2. Each ~~{general}~~ *prime* contractor shall deliver a copy of the  
6 information required by subsection 1 to each subcontractor who  
7 participates in the construction project.

8 3. The failure of a ~~{general contractor so}~~ *prime contractor* to  
9 inform *pursuant to this section* owners and subcontractors with  
10 whom he contracts is a ground for disciplinary proceedings under  
11 chapter 624 of NRS.

12 ~~{4. Each subcontractor who participates in the construction~~  
13 ~~project shall deliver a copy of each notice required by NRS 108.226~~  
14 ~~to the general contractor. The failure of the subcontractor to deliver~~  
15 ~~such notice to the general contractor is a ground for disciplinary~~  
16 ~~proceedings under chapter 624 of NRS.]~~

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

18 116.4111 1. In the case of a sale of a unit where delivery of a  
19 public offering statement is required pursuant to subsection 3 of  
20 NRS 116.4102, a seller:

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

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

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

30 (b) Shall provide a surety bond against the lien as provided for  
31 liens on real estate in NRS 108.2413 to ~~{108.2419,}~~ *108.2425,*  
32 inclusive.

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

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

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

41 **Sec. 56.** NRS 624.3016 is hereby amended to read as follows:

42 624.3016 The following acts or omissions, among others,  
43 constitute cause for disciplinary action under NRS 624.300:

44 1. Any fraudulent or deceitful act committed in the capacity of  
45 a contractor.





- 1     2. A conviction of a violation of NRS 624.730 or a felony or a
- 2 crime involving moral turpitude.
- 3     3. Knowingly making a false statement in or relating to the
- 4 recording of a notice of lien pursuant to the provisions of
- 5 NRS 108.226.
- 6     4. Failure to give a notice required by NRS **108.227**, 108.245
- 7 or 108.246.
- 8     5. Failure to comply with NRS 597.713, 597.716 or 597.719 or
- 9 any regulations of the Board governing contracts for the
- 10 construction of residential pools and spas.
- 11     6. Failure to comply with NRS 624.600.
- 12     7. Misrepresentation or the omission of a material fact, or the
- 13 commission of any other fraudulent or deceitful act, to obtain a
- 14 license.
- 15     8. Failure to pay an assessment required pursuant to
- 16 NRS 624.470.
- 17     **Sec. 57.** NRS 624.620 is hereby amended to read as follows:
- 18     624.620 1. Except as otherwise provided in this section, any
- 19 money remaining unpaid for the construction of a work of
- 20 improvement is payable to the contractor within 30 days after:
- 21     (a) Occupancy or use of the work of improvement by the owner
- 22 or by a person acting with the authority of the owner; or
- 23     (b) The availability of a work of improvement for its intended
- 24 use. The contractor must have given a written notice of availability
- 25 to the owner on or before the day on which he claims that the work
- 26 of improvement became available for use or occupancy.
- 27     2. If the owner has complied with subsection 3, the owner may:
- 28     (a) Withhold payment for the amount of:
- 29         (1) Any work or labor that has not been performed or
- 30 materials or equipment that has not been furnished for which
- 31 payment is sought;
- 32         (2) The costs and expenses reasonably necessary to correct or
- 33 repair any work that is not materially in compliance with the
- 34 contract to the extent that such costs and expenses exceed 50 percent
- 35 of the amount of retention being withheld pursuant to the terms of
- 36 the contract; and
- 37         (3) Money the owner has paid or is required to pay pursuant
- 38 to an official notice from a state agency, or employee benefit trust
- 39 fund, for which the owner is liable for the contractor or his
- 40 subcontractors in accordance with chapter 608, 612, 616A to 616D,
- 41 inclusive, or 617 of NRS.
- 42     (b) Require, as a condition precedent to the payment of any
- 43 unpaid amount under the construction contract, that lien releases be
- 44 furnished by the contractor's subcontractors, suppliers or
- 45 employees. For purposes of this paragraph:



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

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

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

13 (a) Identify the amount that will be withheld from the  
14 contractor;

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

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

21 4. A contractor who receives a notice pursuant to subsection 3  
22 may provide written notice to the owner of the correction of a  
23 condition described in the notice received pursuant to subsection 3.  
24 The notice of correction must be sufficient to identify the scope and  
25 manner of the correction of the condition and be signed by an  
26 authorized representative of the contractor. If an owner receives a  
27 written notice from the contractor of the correction of a condition  
28 described in an owner's notice of withholding pursuant to  
29 subsection 3, the owner must, within 10 days after receipt of such  
30 notice:

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

32 (b) Object to the scope and manner of the correction of the  
33 condition in a written statement that sets forth the reason for  
34 the objection and complies with subsection 3. If the owner objects to  
35 the scope and manner of the correction of a condition, he shall  
36 nevertheless pay to the contractor, along with payment made  
37 pursuant to the contractor's next payment request, the amount  
38 withheld for the correction of conditions to which the owner no  
39 longer objects.

40 5. The partial occupancy or availability of a building requires  
41 payment in direct proportion to the value of the part of the building  
42 which is partially occupied or partially available. For projects which  
43 involve more than one building, each building must be considered  
44 separately in determining the amount of money which is payable to  
45 the contractor.



1 6. Unless otherwise provided in the construction contract, any  
2 money which is payable to a contractor pursuant to this section  
3 accrues interest at a rate equal to the lowest daily prime rate at the  
4 largest bank in this state, as determined by the Commissioner of  
5 Financial Institutions on January 1 or July 1, as the case may be,  
6 immediately preceding:  
7 (a) The time the contract was signed; or  
8 (b) If the contract was oral, the time the terms of the contract  
9 were agreed to by the parties,  
10 plus 2 percent.  
11 7. This section does not apply to:  
12 (a) Any residential building; or  
13 (b) Public works.  
14 8. As used in this section, unless the context otherwise  
15 requires, "work of improvement" has the meaning ascribed to it in  
16 ~~NRS 108.221.~~ *section 24 of this act.*  
17 **Sec. 58.** NRS 108.223, 108.2231, 108.224, 108.2417 and  
18 108.2419 are hereby repealed.  
19 **Sec. 59.** Sections 25 and 26 of this act apply only to  
20 agreements entered into on or after October 1, 2003.

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**LEADLINES OF REPEALED SECTIONS**

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**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.**

