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**SUMMARY OF REVISIONS TO NEVADA'S MECHANIC'S LIEN STATUTE  
(NRS 108.221 to 108.246)**

**Purpose.** The following changes are intended to prohibit the prospective waiver of a lien claimant's rights and to confirm, clarify, standardize and thereby expedite: (1) the procedures and forms required for a waiver and release upon payment; (2) the procedures for recording a notice of lien and a surety bond to release a lien; and, (3) the proceedings to adjudicate a lien.

Section 2-24, pages 1-5: Consolidate, clarify and add important definitions and terms. Note: The definitions for agent of the owner, commencement of construction, completion of work of improvement, improvement, lien claimant, owner, property and work of improvement were already set forth elsewhere in NRS 108.221 to 108.246, inclusive.

Section 25, pages 5-6: Voids conditions, stipulations or provisions of a contract that: (1) require a lien claimant to waive lien rights, except as provided in statute; (2) make the contract subject to the laws of another state; (3) require any litigation or arbitration to occur in another state; or (4) require a lien claimant to waive delay damages which were not contemplated. Note: 36 states prohibit the prospective waiver of lien rights either by statute or case law.

Section 26, pages 6-11: Allows the waiver and release of lien rights upon payment and provides standard waiver and release forms to be used to receive progress and final payments.

Section 27, page 11: Deletes the definitions for "work of improvement" and "improvement" which are now included in Sections 2-24. (Re: NRS 108.221)

Section 28, page 11-12: Confirms that any work, material or equipment furnished at the request of the owner or his agent whether in writing or verbally is lienable. Note: Whether the request was made will be a matter of proof. Also deletes language that is now incorporated into the definitions set forth in Sections 2-24. (Re: NRS 108.222)

Section 29, pages 12-13: Clarifies the priority of liens and deletes language that is now incorporated into the definitions set forth in Sections 2-24. (Re: NRS 108.225)

Section 30, pages 14-16: Makes certain that the time for recording liens does not begin to run for 90 days until after the work of improvement is complete, or for 40 days until after a notice of completion is timely recorded and served. Also: (1) establishes a standard form to be used to record a lien, (2) allows liens to be served by certified mail; and, (3) deletes language that is now incorporated into the definitions set forth in Sections 2-24. Finally, requires that the lien claimant provide the owner with a 15-day notice of intent to lien if the work of improvement is a multiple or single family residence or residences. (Re: NRS 108.226)

Section 31, pages 17-18: Allows liens to be served by certified mail and deletes language that is now incorporated into the definitions set forth in Sections 2-24. (Re: NRS 108.227)

Section 32, pages 18-19: Clarifies the requirements for a hearing on a frivolous or excessive lien. (Re: NRS 108.2275)

Section 33, pages 19-20: Clarifies the content and delivery requirements for a notice of completion and invalidates a notice of completion for failure to deliver. (Re: NRS 108.228)

Section 34, pages 20-21: Confirms that lien claimants may amend their liens at any time prior to trial and requires the lien claimant to serve the owner with any amended lien. (Re: NRS 108.229)

Section 35, pages 21-22: Clarifies how a lien against two or more pieces of property will be apportioned. (Re: NRS 108.231)

Section 36, page 22: Confirms that a notice of lien must be recorded in the county in which the property that is subject to the lien is located. (Re: NRS 108.232)

Section 37, pages 22-23: Confirms that a lien may not bind the subject property longer than six months unless an extension is granted by the court and that an extension may not be granted for more than one year. (Re: NRS 108.233)

Section 38, pages 23-25: Establishes the content to be included in a notice of non-responsibility. (Re: NRS 108.234)

Section 39, pages 25-26: Clarifies the lienable amount that may be recovered by a prime contractor and the prime contractor's obligation to only defend the owner after receipt of payment. (Re: NRS 108.235)

Section 40, page 26: Clarifies the rank of lien claimants and the distribution of proceeds from a judgment. Also deletes language that is now incorporated in the definitions set forth in Sections 2-24. (Re: NRS 108.236)

Section 41, pages 26-27: Confirms that a prevailing lien claimant shall be awarded attorney's fees, court costs, and interest and that a prevailing owner or owner's agent may be awarded court costs and reasonable attorney's fees. (Re: NRS 108.237)

Section 42, page 27: Confirms that filing a notice of lien does not preclude a lien claimant from pursuing other remedies. (Re: NRS 108.238)

Section 43, pages 27-29: Establishes the time period for filing a statement of facts in an on-going foreclosure action and establishes the procedures to be followed in a complex foreclosure action involving numerous lien claimants. (Re: NRS 108.239)

Section 44, page 30: Clarifies by conforming language allowing for the release of a lien upon the posting of a surety bond. (Re: NRS 108.2413)

Section 45, pages 30-32: Requires a debtor to a lien claimant to record a surety bond, if any, in the office of the county recorder in which the notice of lien was recorded. Also requires the debtor to mail a copy of the surety bond to the lien claimant. (Re: NRS 108.2415)

Section 46, pages 32-33: Extends the time period for the court to conduct preferential trials and establishes the procedures for such trials. (Re: NRS 108.2421)

Section 47, pages 33-34: Subjects the principal and surety to the jurisdiction of the court in which any action or suit is pending on a notice of lien on the property described in the surety bond. (Re: NRS 108.2423)

Section 48, pages 34-35: Addresses the sufficiency of a surety bond by: (1) allowing the filing of a petition excepting to the sufficiency at anytime after the recording of a surety bond; (2) requiring the surety to remain on the U.S. Treasury's list of approved sureties; (3) allowing any party to petition the court for good cause to require additional security, or to change, substitute or add securities; (4) requires the court to increase the surety bond if it finds it insufficient to pay the total amount that may be awarded by the court; and, (5) requires the surety to remain fully liable on the surety bond once recorded regardless of the payment or nonpayment of any surety bond premium. (Re: NRS 108.2425)

Section 49, page 35: Clarifies by conforming language on assignment of liens. No significant changes. (Re: NRS 108.243)

Section 50, pages 35-36: Clarifies by conforming language on the discharge of liens. No significant changes. (Re: NRS 108.2433)

Section 51, pages 36-37: Clarifies by conforming language on the discharge of liens. No significant changes. (Re: NRS 108.2437)

Section 52, page 37: Clarifies by conforming language regarding the time limit for filing a foreclosure action. No significant changes. (Re: NRS 108.244)

Section 53, pages 37-38: Clarifies by conforming language regarding the Notice of Right to Lien; allows the Notice of Right to Lien to be filed at anytime after the commencement of work and, provides that the right to lien upon delivery of a Notice of Right to Lien is for the thirty-one days prior to delivery and anytime after delivery until the completion of the work of improvement. Also deletes language that is now incorporated into the definitions set forth in Sections 2-24. (Re: NRS 108.245)

Section 54, pages 38-39: Clarifies by conforming language regarding the prime contractor's notice to the owner and subcontractors regarding the Notice Right to Lien. No significant changes.

Section 55, pages 39-40: Conforms NRS 116.4111. (Re: NRS 116.4111)

Section 56, page 40: Conforms NRS 624.3016. (Re: NRS 624.3016)

Section 57, pages 40-42: Conforms NRS 624.620. (Re: NRS 624.620)

Section 58, page 42: Repeals NRS 108.223, 108.2231, 108.224, 108.2417 and 108.2419 which are now incorporated into the definitions set forth in sections 2-24. (Re: NRS 108.223, 108.2231, 108.224, 108.2417 and 108.2419)

Section 59, page 42: Provides that this act will apply only to agreements entered into on or after October 1, 2003.