

SENATE BILL NO. 41—SENATOR WASHINGTON

FEBRUARY 8, 2005

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing priority of certain liens. (BDR 9-133)

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; revising the threshold for establishing a first and second lien in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides the criteria for establishing a first and second lien when property that is the subject of a lien is also the subject of a secured transaction. A lien on property which is established in such a case to collect rent or rent and utilities for a recreational vehicle, manufactured home or mobile home is always a first lien. The priority for all other debts are determined based on the amount of the lien. If the amount of the lien does not exceed \$1,000, it is a first lien. If the amount of the lien exceeds \$1,000, it is a second lien. (NRS 108.290)

This bill changes that monetary threshold for establishing a first and second lien to \$2,500.

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

Section 1. NRS 108.290 is hereby amended to read as follows:
108.290 1. If property that is the subject of a lien which is acquired as provided in NRS 108.270 to 108.360, inclusive, is the subject of a secured transaction in accordance with the laws of this State, the lien:

(a) In the case of a lien acquired pursuant to NRS 108.315, is a first lien; and

(b) In all other cases, if the amount of the lien:

(1) Does not exceed ~~[\$1,000,] \$2,500~~, is a first lien.



- 1 (2) Exceeds ~~[\$1,000,]~~ \$2,500, is a second lien.
2 2. The lien of a landlord may not exceed \$2,000 or the total
3 amount due and unpaid for rentals and utilities, whichever is the
4 lesser.
5 **Sec. 2.** The amendatory provisions of this act do not apply to a
6 lien that attaches before October 1, 2005.

