

ASSEMBLY BILL NO. 59—COMMITTEE ON JUDICIARY

(ON BEHALF OF CLARK COUNTY)

PREFILED FEBRUARY 2, 2007

Referred to Committee on Judiciary

SUMMARY—Revises the provisions governing the extinguishment of liens held by hospitals. (BDR 9-353)

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 provisions governing the extinguishment of liens held by hospitals; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits, under certain circumstances, a county or district hospital from foreclosing a lien upon the real property of a person for any charges that the person owes and has not paid. However, if the county or district hospital does not sue to foreclose a lien within 2 years after the date that the lien is recorded, the lien is extinguished. (NRS 108.665) **Section 1** of this bill removes the provision extinguishing a lien if the hospital does not sue to foreclose the lien within 2 years after the date that the lien is recorded.

Under existing law, an owner of property who disputes the amount or validity of charges owed to a hospital or the validity of the lien on his property may provide the hospital with written notice of the dispute and demand that the hospital sue to foreclose the lien within 90 days. If the hospital does not sue to foreclose the lien within that period, the lien is extinguished. (NRS 108.668) **Section 2** of this bill removes these provisions.



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

Section 1. NRS 108.665 is hereby amended to read as follows:

108.665 1. A lien for charges owed to a hospital may be foreclosed by a suit in the district court in the same manner as an action for foreclosure of any other lien.

2. The lien may not be foreclosed during the:

(a) Lifetime of the owner of the property, his spouse, his dependent adult child if that child is mentally or physically disabled or a joint tenant if he was a joint tenant at the time of the patient's discharge; or

(b) Minority of any child of the owner,

→ if the owner or joint tenant resides on the property, or his spouse, dependent or minor child resides on the property and has acquired title thereto.

~~{3. If the hospital does not file a suit to foreclose the lien within 2 years after the date the notice of lien is recorded by the hospital, the lien is extinguished.}~~

Sec. 2. NRS 108.668 is hereby amended to read as follows:

108.668 1. A county or district hospital shall release its lien upon payment of the charges.

~~2. If the amount or the validity of the charges owed or the validity of the lien is disputed by the owner of the property, the owner may give the county or district hospital written notice of the dispute and demand that the hospital file a suit to foreclose the lien within 90 days. If the county or district hospital does not file suit within the 90-day period, the lien is extinguished. The county or district hospital shall release its lien upon the expiration of the 90-day period.~~

~~—3.}~~ Any county or district hospital that fails to release a lien pursuant to ~~{subsection 1 or 2 when required}~~ **this section** is liable in a civil action for treble damages ~~{}~~ if the plaintiff in the action gives the county or district hospital at least 15 days' written notice of its failure to release the lien and the release has not been recorded.

Sec. 3. The amendatory provisions of this act do not apply to a lien that attaches before July 1, 2007.

Sec. 4. This act becomes effective on July 1, 2007.

