

ASSEMBLY BILL NO. 284—ASSEMBLYWOMAN MARTINEZ

MARCH 15, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to statutory liens on motor vehicles. (BDR 9-761)

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 statutory liens; providing a procedure to contest the validity of a lien on a motor vehicle; requiring that certain additional information be provided in a notice of lien on a motor vehicle; providing for the expiration of a lien on a motor vehicle; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a person to contest the validity of a lien on a mobile home or manufactured home. (NRS 108.355) **Section 1** of this bill establishes a similar procedure for a person to contest the validity of a lien on a motor vehicle.

Existing law requires that a notice of lien on a mobile home or manufactured home must include: (1) the amount necessary to satisfy the lien; and (2) a description of the legal proceedings available to contest the lien. (NRS 108.2725) **Section 3** of this bill requires that similar information be included in a notice of lien on a motor vehicle.

Under existing law, a lien on a mobile home or manufactured home expires 1 year after the lien is filed with the Housing Division of the Department of Business and Industry. (NRS 108.2735) **Section 4** of this bill provides that a lien on a motor vehicle expires 6 months after the lien is filed with the Department of Motor Vehicles.

The provisions of this bill do not apply to a lien asserted by the operator of a tow car holding a certificate of public convenience and necessity.



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

Section 1. Chapter 108 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 5, a person contesting the validity of a lien on a motor vehicle may file a notice of opposition to the lien in the justice court in whose jurisdiction the registered owner of the motor vehicle lives. A person may file a notice of opposition at any time after receiving a notice of lien and must include the facts supporting the opposition. The person filing the notice shall serve copies of the notice upon the lien claimant and the Department of Motor Vehicles.

2. Upon the filing of the notice of opposition to the lien, the justice of the peace shall schedule a hearing on the notice, which must be held not later than 14 calendar days after service of the notice but not sooner than 5 calendar days after service of the notice. The justice of the peace shall affix the date of the hearing to the notice and order that a copy be served upon the lien claimant within 5 calendar days after the date of the order.

3. The justice of the peace shall dismiss the objections to the lien claim, declare the lien invalid or declare the amount of the lien if the amount of the lien is different from that described by the lien claimant.

4. After receipt of a notice of opposition to a lien or other notice pursuant to any proceeding to contest the validity of a lien on a motor vehicle, the Department of Motor Vehicles shall not transfer the title to the motor vehicle that is subject to the lien until the matter has been adjudicated.

5. This section does not:

(a) Affect the rights of a secured party pursuant to chapter 104 of NRS.

(b) Apply to a lien asserted by the operator of a tow car holding a certificate of public convenience and necessity issued pursuant to NRS 706.4463.

Sec. 2. NRS 108.265 is hereby amended to read as follows:

108.265 As used in NRS 108.265 to 108.367, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 108.266 to 108.26795, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 108.2725 is hereby amended to read as follows:

108.2725 *1.* In addition to the requirements set forth in NRS 108.272, the notice of a lien on a mobile home or manufactured home must include:

~~(1)~~ *(a)* The amount necessary to satisfy the lien; and



~~(2.)~~ (b) A description of the legal proceeding available to contest the lien pursuant to NRS 108.350 and 108.355.

2. Except as otherwise provided in this subsection, in addition to the requirements set forth in NRS 108.272, the notice of a lien on a motor vehicle must include:

(a) The amount necessary to satisfy the lien; and

(b) A description of the legal proceeding available to contest the lien pursuant to NRS 108.350 and section 1 of this act.

↳ This subsection does not apply to a lien asserted by the operator of a tow car holding a certificate of public convenience and necessity issued pursuant to NRS 706.4463.

Sec. 4. NRS 108.2735 is hereby amended to read as follows:

108.2735 **1.** A lien asserted against a mobile home or manufactured home expires 1 year after ~~the~~ *the lien* is filed with the Housing Division of the Department of Business and Industry.

2. Except as otherwise provided in this subsection, a lien asserted against a motor vehicle expires 6 months after the lien is filed with the Department of Motor Vehicles. This subsection does not apply to a lien asserted by the operator of a tow car holding a certificate of public convenience and necessity issued pursuant to NRS 706.4463.

Sec. 5. This act becomes effective on July 1, 2021.

