

CHAPTER.....

AN ACT relating to statutory liens; providing a procedure to contest the validity of certain liens 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 certain liens 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, except when tolled by a pending civil action or administrative proceeding relating to the lien on the motor vehicle or an underlying repair to the motor vehicle.

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.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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 7, a person contesting the validity of a lien on a motor vehicle may file, in addition to any other civil action authorized by law, a notice of opposition to the lien in the justice court in the jurisdiction where the motor vehicle is located. A person may file a notice of opposition within 7 calendar days 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:

(a) Dismiss the objections to the lien claim;

(b) Declare the lien invalid and issue a writ of possession; or

(c) Declare the amount of the lien if the amount of the lien is different from that described by the lien claimant.

↳ A lien is invalid if a body shop or garage operator fails to comply with the provisions of subsection 1 of NRS 487.567, NRS 487.6875 or 487.6877.

4. If a writ of possession is issued pursuant to paragraph (b) of subsection 3, the writ must:

(a) Be directed to the sheriff within whose jurisdiction the motor vehicle is located;

(b) Describe the motor vehicle to be seized and specify the location where, as determined by the justice of the peace from all the evidence, there is probable cause to believe the motor vehicle will be found; and

(c) Direct the levying office to seize the motor vehicle if it is found and return the motor vehicle to the registered owner.

5. The scope of a notice of opposition to a lien filed pursuant to this section is limited to judicial review of the procedures set forth in subsection 1 of NRS 487.567, NRS 487.6875 and 487.6877, the reasonableness of storage costs and compliance with the notice provisions of this section and NRS 108.265 to 108.367, inclusive.

6. 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.

7. 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.

8. As used in this section:



(a) "Body shop" has the meaning ascribed to it in NRS 487.532.

(b) "Garage operator" has the meaning ascribed to it in NRS 487.545.

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 proceedings 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.*

3. *The expiration of the lien provided in subsection 2 is tolled during any period in which there is a pending civil action or administrative proceeding conducted by the Department of Motor Vehicles relating to the amount or validity of the lien on the motor vehicle or an underlying repair to the motor vehicle.*

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



