

Senate Bill No. 301–Senator Smith

CHAPTER.....

AN ACT relating to taxation; requiring a county treasurer to assign a tax lien against a parcel of real property located within the county if an assignment is authorized by an agreement between the owner of the property and the assignee; requiring the county treasurer to issue a certificate of assignment for each tax lien assigned; authorizing the assignee of a tax lien to commence an action against the property owner for the collection of the delinquent taxes, penalties, interest, fees and costs or to pursue any other remedy authorized by the agreement with the owner; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes a county treasurer to sell a tax lien against a parcel of real property upon which taxes have become delinquent. The consent of the owner of the property is not a prerequisite to such a sale. (NRS 361.731-361.733) This bill amends those provisions to delete references to the sale of a tax lien and to require that the county treasurer assign a tax lien if the property owner and the assignee enter into a written agreement that so provides and the assignee pays to the county treasurer an amount equal to the delinquent taxes and accrued penalties, interest, fees and costs. **Section 4** of this bill sets forth the mandatory and permissible terms of such an agreement. **Sections 5-10** of this bill revise various provisions relating to delinquent taxes and the collection of such taxes to add references to the assignee of a tax lien, and to provide for an action by the assignee against the owner to recover delinquent taxes, penalties, interest, fees and costs. **Sections 11-19** of this bill amend existing provisions governing the sale of a tax lien to provide for the assignment of the lien and the respective rights and duties of the county treasurer, the owner of the property and the assignee. **Section 21** of this bill authorizes an assignee to bring an action against the owner for the recovery of delinquent taxes, penalties, interest, fees and costs, or to pursue any other remedy authorized by the assignee’s agreement with the owner.

Existing law imposes certain limitations on the enforcement of any right secured by a mortgage or other lien upon real estate. (NRS 40.430) **Section 22** of this bill provides that these limitations are not applicable to any action, described above, brought by an assignee against an owner to recover delinquent taxes or brought pursuant to an agreement between the assignee and the owner.



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

Section 1. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *As used in this section and NRS 361.731 to 361.733, inclusive, and sections 3 and 4 of this act, unless the context otherwise requires, the words and terms defined in NRS 361.731 and section 3 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Assignee” means a person:*

1. To whom an assignment of a tax lien is authorized pursuant to this section and NRS 361.731 to 361.733, inclusive, and sections 2 and 4 of this act; or

2. Who is the holder of a certificate of assignment issued pursuant to NRS 361.7318.

Sec. 4. *1. If any taxes assessed against a parcel of real property pursuant to this chapter are delinquent and the requirements of NRS 361.7316 are otherwise satisfied, an owner of the property may authorize the county treasurer of the county in which the property is located to assign to an assignee the tax lien on the property. Any such authorization must be in writing and acknowledged by the owner before a notary public.*

2. An authorization given pursuant to this section must be made pursuant to a separate written agreement between the owner and the assignee. The agreement:

(a) Must provide that:

(1) The owner may redeem the tax lien by paying to the assignee the amounts required by the agreement, in the manner provided by the agreement; and

(2) The assignee is required to issue a release of the tax lien to the owner within 20 business days after the owner pays in full the amounts required by the agreement and otherwise fully performs the owner’s obligations under the agreement.

(b) May provide for payment by the owner to the assignee of:

(1) The amount paid by the assignee to the county treasurer pursuant to NRS 361.7312 as consideration for the assignment;

(2) Fees for recording and other expenses incurred by the assignee in connection with the authorization and assignment, the total of which must not exceed \$600 if the property is a single-family residence occupied by the owner;



(3) Interest on the foregoing amounts, until paid as provided by the agreement, at a rate not to exceed 15 percent per annum; and

(4) Any costs reasonably and necessarily incurred by the assignee to enforce the agreement or the tax lien, including, without limitation, attorney's fees and costs of suit, if the owner does not redeem the lien or otherwise does not perform in accordance with the agreement.

(c) May provide for either or both of the following remedies if the owner fails to redeem the tax lien or otherwise fails to perform in accordance with the agreement:

(1) An action by the assignee for collection of the amounts due pursuant to the agreement, as provided by law for the enforcement of contracts in writing; and

(2) An action by the assignee for collection of the taxes, penalties, interest, fees and costs relating to the tax lien, in the manner provided by NRS 361.625 to 361.730, inclusive, except insofar as any provision of those sections applies only to the district attorney of the county or an action commenced by the district attorney.

3. The assignee shall cause the agreement described in subsection 2, with the certificate of assignment of the tax lien issued pursuant to NRS 361.7318, to be recorded in the office of the county recorder of the county in which the property is located.

Sec. 5. NRS 361.5648 is hereby amended to read as follows:

361.5648 1. Within 30 days after the first Monday in March of each year, with respect to each property on which the tax is delinquent, the tax receiver of the county shall mail notice of the delinquency by first-class mail to:

(a) The owner or owners of the property;

(b) The person or persons listed as the taxpayer or taxpayers on the tax rolls, at their last known addresses, if the names and addresses are known; ~~and~~

(c) Each holder of a recorded security interest if the holder has made a request in writing to the tax receiver for the notice, which identifies the secured property by the parcel number assigned to it in accordance with the provisions of NRS 361.189 ~~H~~; *and*

(d) Each assignee of a tax lien on the property, if the assignee has made a request in writing to the tax receiver for the notice described in paragraph (c).

2. The notice of delinquency must state:

(a) The name of the owner of the property, if known.

(b) The description of the property on which the taxes are a lien.



(c) The amount of the taxes due on the property and the penalties and costs as provided by law.

(d) That if the amount is not paid by *or on behalf of* the taxpayer or his or her successor in interest ~~†~~

~~(1) The~~, *the* tax receiver will, at 5 p.m. on the first Monday in June of the current year, issue to the county treasurer, as trustee for the State and county, a certificate authorizing the county treasurer to hold the property, subject to redemption within 2 years after the date of the issuance of the certificate, by payment of the taxes and accruing taxes, penalties and costs, together with interest on the taxes at the rate of 10 percent per annum, assessed monthly, from the date due until paid as provided by law, except as otherwise provided in NRS 360.232 and 360.320, and that redemption may be made in accordance with the provisions of chapter 21 of NRS in regard to real property sold under execution.

~~†(2) A tax lien may be sold against the parcel pursuant to the provisions of NRS 361.731 to 361.733, inclusive.†~~

3. Within 30 days after mailing the original notice of delinquency, the tax receiver shall issue his or her personal affidavit to the board of county commissioners affirming that due notice has been mailed with respect to each parcel. The affidavit must recite the number of letters mailed, the number of letters returned and the number of letters finally determined to be undeliverable. Until the period of redemption has expired, the tax receiver shall maintain detailed records which contain such information as the Department may prescribe in support of the affidavit.

4. A second copy of the notice of delinquency must be sent by certified mail, not less than 60 days before the expiration of the period of redemption as stated in the notice.

5. The cost of each mailing must be charged to the delinquent taxpayer.

6. A county and its officers and employees are not liable for any damages resulting from failure to provide actual notice pursuant to this section if the county, officer or employee, in determining the names and addresses of persons with an interest in the property, relies upon a preliminary title search from a company authorized to provide title insurance in this State.

Sec. 6. NRS 361.570 is hereby amended to read as follows:

361.570 1. Pursuant to the notice given as provided in NRS 361.5648 and 361.565 and at the time stated in the notice, the tax receiver shall make out a certificate that describes each property on which delinquent taxes, penalties, interest and costs have not been paid. The certificate authorizes the county treasurer, as trustee for



the State and county, to hold each property described in the certificate for the period of 2 years after the first Monday in June of the year the certificate is dated, unless sooner redeemed.

2. The certificate must specify:

(a) The amount of delinquency on each property, including the amount and year of assessment;

(b) The taxes, and the penalties and costs added thereto, on each property, and that, except as otherwise provided in NRS 360.232 and 360.320, interest on the taxes will be added at the rate of 10 percent per annum, assessed monthly, from the date due until paid; and

(c) The name of the owner or taxpayer of each property, if known.

3. The certificate must state:

(a) That each property described in the certificate may be redeemed within 2 years after the date of the certificate;

(b) That the title to each property not redeemed vests in the county for the benefit of the State and county; and

(c) That a tax lien may be ~~isold~~ *assigned* against the parcel pursuant to the provisions of NRS 361.731 to 361.733, inclusive ~~H~~, *and sections 2, 3 and 4 of this act.*

4. Until the expiration of the period of redemption, each property held pursuant to the certificate must be assessed annually to the county treasurer as trustee. Before the owner or his or her successor redeems the property, he or she must also pay the county treasurer holding the certificate any additional taxes, penalties and costs assessed and accrued against the property after the date of the certificate, together with interest on the taxes at the rate of 10 percent per annum, assessed monthly, from the date due until paid, unless otherwise provided in NRS 360.232 and 360.320.

5. A county treasurer shall take a certificate issued to him or her pursuant to this section. The county treasurer may cause the certificate to be recorded in the office of the county recorder against each property described in the certificate to provide constructive notice of the amount of delinquent taxes on each property respectively. The certificate reflects the amount of delinquent taxes, penalties, interest and costs due on the properties described in the certificate on the date on which the certificate was recorded, and the certificate need not be amended subsequently to indicate additional taxes, penalties, interest and costs assessed and accrued or the repayment of any of those delinquent amounts. The recording of the certificate does not affect the statutory lien for taxes provided in NRS 361.450.



Sec. 7. NRS 361.645 is hereby amended to read as follows:

361.645 1. The delinquent list or a copy thereof certified by the county treasurer showing unpaid taxes against any person or property is prima facie evidence in any court in an action commenced by the district attorney pursuant to the provisions of this chapter to prove:

- (a) The assessment.
- (b) The property assessed.
- (c) The delinquency.
- (d) The amount of taxes due and unpaid.
- (e) That all the forms of law in relation to the assessment and levy of those taxes have been complied with.

2. A certificate of ~~purchase~~ *assignment* of a tax lien issued pursuant to NRS 361.731 to 361.733, inclusive, *and sections 2, 3 and 4 of this act* or a copy thereof which is certified by the county treasurer and which indicates the ~~sale~~ *assignment* of a tax lien to collect unpaid taxes on a parcel of real property is prima facie evidence in any court in an action commenced by the ~~holder of the certificate of purchase~~ *assignee* to prove:

- (a) The assessment.
- (b) The property assessed.
- (c) The delinquency.
- (d) ~~The amount of taxes, penalties, interest and costs due and unpaid.~~
- ~~(e)~~ That all the forms of law in relation to the assessment and levy of those taxes and the ~~sale~~ *assignment* of the tax lien have been complied with.

Sec. 8. NRS 361.650 is hereby amended to read as follows:

361.650 1. Actions authorized by NRS 361.635 must be commenced in the name of the State of Nevada against the person or persons so delinquent, and against all owners, known or unknown.

2. An action authorized by NRS 361.733 must be commenced in the name of the ~~holder of the certificate of purchase~~ *assignee* of the tax lien against the person or persons delinquent in the payment of the taxes on the parcel of real property which is the subject of the tax lien and against all owners, known or unknown, of that parcel.

3. Any action described in subsection 1 or 2 may be commenced in the county where the assessment is made, before any court in the county having jurisdiction of the amount thereof. The jurisdiction must be determined solely by the amount of delinquent taxes, exclusive of penalties and costs sued for, without regard to the location of the lands or other property as to townships, cities or



districts, and without regard to the residence of the person or persons, or owner or owners, known or unknown.

Sec. 9. NRS 361.685 is hereby amended to read as follows:

361.685 1. The district attorney or the ~~holder of a certificate of purchase~~ *assignee* of a tax lien ~~issued~~ *assigned* pursuant to NRS 361.731 to 361.733, inclusive, *and sections 2, 3 and 4 of this act* shall file in the office of the county recorder a copy of each notice published or posted, with the affidavit of the publisher or foreman in the office, setting forth the date of each publication of the notice in the newspaper in which the notice was published.

2. The officers shall file a copy of the notices posted, with an affidavit of the time and place of posting.

3. Copies so filed or certified copies thereof are prima facie evidence of all the facts contained in the notice or affidavit, in all courts in the State.

4. The publishers are entitled to not more than the legal rate for each case for publishing a notice, including the making of the affidavit.

5. The county recorder is entitled to 50 cents for filing each notice of publication, including the affidavit.

6. The sums allowed must be taxed and collected as other costs in the case from the defendant, and in no case may they be charged against or collected from the county or State.

Sec. 10. NRS 361.695 is hereby amended to read as follows:

361.695 The defendant may answer by a verified pleading:

1. That the taxes, penalties, interest and costs have been paid before suit.

2. That the taxes, penalties, interest and costs have been paid since suit, or that the property is exempt from taxation under the provisions of this chapter.

3. Denying all claim, title or interest in the property assessed at the time of the assessment.

4. That the land is ~~situate~~ *situated* in, and has been assessed in, another county, and the taxes thereon paid.

5. Alleging fraud in the assessment, or that the assessment is out of proportion to and above the taxable value of the property assessed. If the defense is based upon the ground that the assessment is above the taxable value of the property, the defense is only valid as to the proportion of the tax based upon the excess of valuation, but in no such case may an entire assessment be declared void.

6. If the action is brought by the ~~holder of a certificate of purchase~~ *assignee* of a tax lien ~~issued~~ *assigned* pursuant to NRS 361.731 to 361.733, inclusive, *and sections 2, 3 and 4 of this act*,



that the ~~defendant is the owner of a parcel of real property against which a tax lien was sold in a manner that~~ **assignment** did not comply with the provisions of NRS 361.731 to 361.733, inclusive ~~†~~ **, and sections 2, 3 and 4 of this act.**

7. If the action is brought by the ~~holder of a certificate of purchase~~ **assignee** of a tax lien ~~issued~~ **assigned** pursuant to NRS 361.731 to 361.733, inclusive, **and sections 2, 3 and 4 of this act**, that the defendant has redeemed the tax lien pursuant to NRS 361.7326. ~~†The defendant shall file the certificate of redemption issued pursuant to NRS 361.7326 with his or her answer.†~~

Sec. 11. NRS 361.731 is hereby amended to read as follows:

361.731 ~~†As used in NRS 361.731 to 361.733, inclusive, unless the context otherwise requires, “tax”~~ **“Tax** lien” means a perpetual lien which remains against a parcel of real property until the taxes assessed against that parcel and any penalties, interest, **fees** and costs which may accrue thereon are paid ~~†~~ **:**

- 1. To the county treasurer; or**
- 2. If the lien is assigned pursuant to NRS 361.731 to 361.733, inclusive, and sections 2, 3 and 4 of this act, to the assignee or any successor in interest of the assignee.**

Sec. 12. NRS 361.7312 is hereby amended to read as follows:

361.7312 1. Except as otherwise provided in ~~†this section,†~~ **subsection 2**, a county ~~†may,†~~ **treasurer shall** ~~†in lieu of the remedies for the collection of delinquent taxes set forth in NRS 361.5648 to 361.730, inclusive, sell,†~~ **assign** a tax lien against a parcel of real property upon which the taxes are delinquent ~~†pursuant to the provisions of NRS 361.731 to 361.733, inclusive.†~~ **if the assignee:**

(a) Presents the county treasurer with:

(1) Written authorization for the assignment, duly executed by the owner of the property in accordance with section 4 of this act; and

(2) Evidence that the assignee has posted and maintains the bond required by NRS 361.7314 in the penal sum required by that section, or an affidavit showing that the assignee is exempt from the requirement pursuant to subsection 4 of that section; and

(b) Tenders to the county treasurer the full amount of the delinquent taxes assessed against the property and any applicable penalties, interest, fees and costs. Payment must be made in cash or by certified check, money order or wire transfer.

2. ~~†Except as otherwise provided in this section, a county may sell a tax lien to any purchaser.†~~ A county **treasurer** may not ~~†sell,†~~ **assign** a tax lien to a government, governmental agency or political



subdivision of a government . ~~}; or to any insurer other than an insurer that:~~

~~—(a) Is entitled to receive the credit set forth in NRS 680B.050 because it owns and substantially occupies and uses a building in this State as its home office or as a regional home office; or~~

~~—(b) Issues in this State a policy of insurance for medical malpractice.}]~~

3. ~~{For the purposes of this section:~~

~~—(a) “Insurer” has the meaning ascribed to it in NRS 679A.100.~~

~~—(b) “Policy of insurance for medical malpractice” has the meaning ascribed to it in NRS 679B.144.}] *An assignment of a tax lien pursuant to this section does not affect the priority of the tax lien.*~~

Sec. 13. NRS 361.7314 is hereby amended to read as follows:

361.7314 1. ~~{Before a county may offer for sale tax liens against parcels of real property located within the county, the board of county commissioners of that county must adopt by resolution a procedure for the sale and transfer of tax liens by the county treasurer.~~

~~—2. The procedure must include, but is not limited to:~~

~~—(a) The requirements for notice of the sale of the tax lien. The notice must include:~~

~~—(1) The date, time and location of the sale; and~~

~~—(2) An indication of all other tax liens against the property that have been previously sold.~~

~~—(b) The manner in which:~~

~~—(1) A tax lien is selected for sale;~~

~~—(2) The price to purchase a tax lien is determined; and~~

~~—(3) The holder of a certificate of purchase issued pursuant to NRS 361.7318 may collect the delinquent taxes, interest, penalties and costs on the parcel of real property which is the subject of the tax lien.}] *Except as otherwise provided in subsection 4, an assignee shall post a cash bond or surety bond:*~~

~~(a) *In the penal sum of \$500,000; and*~~

~~(b) *Conditioned to provide indemnification to any owner of real property in this State with respect to which a tax lien is assigned to the assignee if the owner is determined to have suffered damage as a result of the assignee’s wrongful failure or refusal to perform the obligations of the assignee under an agreement entered into pursuant to section 4 of this act.*~~

~~2. *No part of the bond required by this section may be withdrawn while any agreement entered into pursuant to section 4*~~



of this act, to which the assignee is a party, remains in effect with respect to real property in this State.

3. Except as otherwise provided in subsection 4, each assignee shall annually submit to the Secretary of State a written statement, made under penalty of perjury:

(a) That the assignee has posted the bond required by this section; and

(b) Stating the name and business address of the surety or person with whom the bond has been posted.

↳ Any assignee or other person who knowingly makes or causes to be made a false statement to the Secretary of State pursuant to this subsection is guilty of a misdemeanor.

4. The provisions of this section do not apply to any assignee who is related within the third degree of consanguinity to the owner of the real property that is the subject of the assignment.

Sec. 14. NRS 361.7316 is hereby amended to read as follows:

361.7316 1. A county treasurer may ~~sell~~ **assign** a tax lien against a parcel of real property **at any time** after the ~~first Monday in June after the~~ taxes on that parcel become delinquent **and before judgment in favor of the county is entered pursuant to NRS 361.700** if:

(a) The parcel is on the secured roll; **and**

(b) The taxes on the parcel are delinquent pursuant to the provisions of NRS 361.483. ~~‡~~

~~—(c) The tax receiver has given notice of the delinquency pursuant to NRS 361.5648; and~~

~~—(d) The price for the tax lien established by the county treasurer is at least equal to the amount of the taxes which are delinquent for the parcel and any penalties, interest and costs which may accrue thereon.~~

~~—2. The county treasurer may sell a tax lien separately or in combination with other tax liens in accordance with the procedure adopted by the board of county commissioners pursuant to NRS 361.7314.~~

~~—3. Each tax lien must relate to the taxes assessed against the parcel for at least 1 year, and any penalties, interest and costs which may accrue thereon.~~

~~—4. The county treasurer may sell a tax lien which relates to the taxes assessed against the parcel for any year of assessment and any penalties, interest and costs accrued thereon if those taxes are delinquent pursuant to the provisions of NRS 361.483.~~

~~—5.‡~~ **2.** If two or more parcels are assessed as a single parcel, one tax lien may be ~~sold~~ **assigned** for that single parcel.



~~6. — A tax lien must be purchased in cash or by certified check, money order or wire transfer of money.~~

~~7. — If a tax lien offered for sale is not sold at the sale conducted by the county treasurer, the county may collect the delinquent taxes pursuant to the remedies for the collection of delinquent taxes set forth in NRS 361.5648 to 361.730, inclusive.]~~

Sec. 15. NRS 361.7318 is hereby amended to read as follows:

361.7318 1. The county treasurer shall issue a certificate of ~~purchase]~~ **assignment** to each ~~purchaser]~~ **assignee** of a tax lien.

2. ~~[The holder of a certificate of purchase is entitled to receive:~~

~~—(a) The amount of the taxes which are delinquent for the year those taxes are assessed against the parcel of real property which is the subject of the tax lien and any penalties, interest and costs imposed pursuant to the provisions of this chapter; and~~

~~—(b) Interest on the amount described in paragraph (a) which accrues at a rate established by the board of county commissioners. The interest must be calculated annually from the date on which the certificate of purchase is issued. The rate of interest established by the board may not be less than 10 percent per annum or more than 20 percent per annum.~~

~~3.]~~ Each certificate of ~~purchase]~~ **assignment** must include:

(a) ~~[A]~~ **The legal description and parcel number** of the ~~parcel of]~~ real property which is the subject of the tax lien;

(b) **The year or years for which the delinquent taxes** ~~[which are delinquent]~~ were assessed on the parcel;

(c) **The name of the owner of the property, if known;**

(d) The amount the county treasurer received for the tax lien ~~;~~

~~—(d) The amount of the delinquent taxes owed on the parcel and any penalties, interest and costs imposed pursuant to the provisions of this chapter;]~~ **pursuant to NRS 361.7312;** and

(e) A statement that the amount indicated on the certificate ~~[pursuant to paragraph (d)]~~ bears interest at the rate established by the ~~[board of county commissioners, from the date on which the certificate of purchase is issued.~~

~~4. — The holder of a certificate of purchase may transfer the certificate to another person by signing the certificate before a notary public. A certificate of purchase may not be transferred to a government, governmental agency or political subdivision of a government. The transferee must submit the certificate to the county treasurer for entry of the transfer in the record of sales tax liens maintained by the county treasurer pursuant to NRS 361.7322.~~

~~5.]~~ **agreement entered into pursuant to section 4 of this act.**



3. Notwithstanding the provisions of NRS 104.9109, a security interest in a certificate of ~~purchase~~ **assignment** may be created and perfected in the manner provided for general intangibles set forth in NRS 104.9101 to 104.9709, inclusive.

Sec. 16. NRS 361.732 is hereby amended to read as follows:

361.732 If ~~the holder of a certificate of purchase~~ **an assignee** requests the county treasurer to issue a duplicate certificate ~~of assignment~~, the ~~holder~~ **assignee** must submit to the county treasurer a notarized affidavit which attests that the **original** certificate was lost or destroyed. The county treasurer shall, upon receipt of the affidavit, issue to the ~~holder~~ **assignee** an exact duplicate of the certificate of ~~purchase~~ **assignment**.

Sec. 17. NRS 361.7322 is hereby amended to read as follows:

361.7322 The county treasurer shall ~~prepare and maintain a record of each tax lien~~ **make a notation in his or her records whenever** he or she ~~sells~~ **assigns a tax lien** pursuant to the provisions of NRS 361.731 to 361.733, inclusive ~~of this act~~, **and sections 2, 3 and 4 of this act**. ~~The record must include:~~

- ~~1. The date of the sale of the tax lien;~~
- ~~2. A description of the parcel of real property which is the subject of the tax lien;~~
- ~~3. The year the taxes which are delinquent were assessed on the parcel;~~
- ~~4. The name of the owner of the parcel, if known;~~
- ~~5. The name and address of the original purchaser of the tax lien;~~
- ~~6. The amount of the delinquent taxes owed on the parcel and any penalties, interest and costs imposed pursuant to the provisions of this chapter on the date the county treasurer sells the tax lien;~~
- ~~7. The name and address of any person to whom the certificate of purchase is transferred and the date of the transfer;~~
- ~~8. The name of the person who redeems the tax lien, the date of that redemption and the amount paid to redeem the tax lien; and~~
- ~~9. The date of any judgment entered pursuant to NRS 361.700.~~

Sec. 18. (Deleted by amendment.)

Sec. 19. NRS 361.7326 is hereby amended to read as follows:

361.7326 1. ~~In addition to the persons authorized to redeem a tax lien pursuant to NRS 361.7324, any~~ **An owner of property may redeem a** tax lien ~~sold~~ **assigned** pursuant to the provisions of NRS 361.731 to 361.733, inclusive, **and sections 2, 3 and 4 of this act** ~~may be redeemed by any of the following persons, as their~~



interests in the parcel of real property which is the subject of the tax lien may appear of record:

- (a) The owner of the parcel of real property.
- (b) The beneficiary under a deed of trust.
- (c) The mortgagee under a mortgage.
- (d) The person to whom the property was assessed.
- (e) The person who holds a contract to purchase the property before its conveyance to the county treasurer.
- (f) The successor in interest of any person specified in this subsection.

—2. A person who redeems a tax lien must pay to the county treasurer the amount stated on the certificate of purchase of the tax lien, including interest at the rate stated on the certificate and any fees paid by the holder of the certificate of purchase to the county treasurer. *without a prepayment penalty at any time after the assignment by paying the amounts owed to the assignee under the agreement entered into pursuant to section 4 of this act.*

2. If ~~the person~~ *an owner* who redeems the tax lien has been served with a summons pursuant to NRS 361.670, the ~~person~~ *owner* must pay the costs incurred by the ~~holder of the certificate of purchase~~ *assignee* to commence the action.

~~4. The county treasurer~~

3. *Within 20 business days after the redemption of the tax lien, the assignee* shall issue a ~~certificate of redemption to each person who redeems a tax lien pursuant to this section.~~

~~5. release of the lien to the owner.~~

4. A ~~certificate of redemption~~ *release* issued pursuant to subsection ~~4~~ *3* must include:

- (a) ~~A~~ *The legal* description *and parcel number* of the ~~parcel of real~~ property which is the subject of the tax lien;
- (b) *The year or years for which the taxes related to the lien were assessed on the parcel;*

(c) The recording information for the documents recorded pursuant to subsection 3 of section 4 of this act; and

(d) The date the tax lien is redeemed. ‡

~~(e) The name and address of the person who redeems the tax lien; and~~

~~(d) The amount paid to redeem the tax lien.~~

~~6. The county treasurer shall record the information set forth in subsection 5 in the record he or she maintains pursuant to NRS 361.7322.~~

~~7. A certificate of redemption may be recorded in the office of the county recorder.~~



5. The assignee shall:

(a) Cause the release to be recorded in the office of the county recorder of the county in which the property is located; and

(b) Cause a copy of the release to be sent to the county treasurer of that county.

Sec. 20. (Deleted by amendment.)

Sec. 21. NRS 361.733 is hereby amended to read as follows:

361.733 ~~HH~~

1. Except as otherwise provided in this section, if a tax lien is not redeemed pursuant to NRS 361.7326 , ~~[within the time allowed for the collection of the delinquent taxes set forth in NRS 361.5648 to 361.620, inclusive,]~~ the ~~[holder of the certificate of purchase]~~ assignee may commence an action pursuant to NRS 361.625 to 361.730, inclusive, for the collection of the delinquent taxes, penalties, interest , fees and costs ~~HH~~ owed pursuant to the certificate of assignment and the agreement entered into pursuant to section 4 of this act. An assignee may not commence such an action before the earliest date on which an action could be commenced by the district attorney of the county pursuant to NRS 361.635.

2. Not later than 60 days before commencing such an action, the assignee shall cause written notice of the intended action and the assignee's claim, stating the amount owed to the assignee, to be mailed by certified mail to:

(a) The owner of the property at the owner's last known address; and

(b) Each of the following persons, as their interest in the property appears of record:

(1) The beneficiary under any deed of trust; and

(2) The mortgagee under any mortgage.

3. At any time after notice is given pursuant to subsection 2 and before the commencement of an action by the assignee, any person related to the owner of the property within the third degree of consanguinity or any beneficiary or mortgagee described in subsection 2 may obtain an assignment of the tax lien from the assignee by paying the assignee the amount then owed to the assignee.

Sec. 22. NRS 40.430 is hereby amended to read as follows:

40.430 1. Except in cases where a person proceeds under subsection 2 of NRS 40.495 or subsection 1 of NRS 40.512, and except as otherwise provided in NRS 118C.220, there may be but one action for the recovery of any debt, or for the enforcement of any right secured by a mortgage or other lien upon real estate. That



action must be in accordance with the provisions of NRS 40.430 to 40.459, inclusive. In that action, the judgment must be rendered for the amount found due the plaintiff, and the court, by its decree or judgment, may direct a sale of the encumbered property, or such part thereof as is necessary, and apply the proceeds of the sale as provided in NRS 40.462.

2. This section must be construed to permit a secured creditor to realize upon the collateral for a debt or other obligation agreed upon by the debtor and creditor when the debt or other obligation was incurred.

3. At any time not later than 5 business days before the date of sale directed by the court, if the deficiency resulting in the action for the recovery of the debt has arisen by failure to make a payment required by the mortgage or other lien, the deficiency may be made good by payment of the deficient sum and by payment of any costs, fees and expenses incident to making the deficiency good. If a deficiency is made good pursuant to this subsection, the sale may not occur.

4. A sale directed by the court pursuant to subsection 1 must be conducted in the same manner as the sale of real property upon execution, by the sheriff of the county in which the encumbered land is situated, and if the encumbered land is situated in two or more counties, the court shall direct the sheriff of one of the counties to conduct the sale with like proceedings and effect as if the whole of the encumbered land were situated in that county.

5. Within 30 days after a sale of property is conducted pursuant to this section, the sheriff who conducted the sale shall record the sale of the property in the office of the county recorder of the county in which the property is located.

6. As used in this section, an "action" does not include any act or proceeding:

(a) To appoint a receiver for, or obtain possession of, any real or personal collateral for the debt or as provided in NRS 32.015.

(b) To enforce a security interest in, or the assignment of, any rents, issues, profits or other income of any real or personal property.

(c) To enforce a mortgage or other lien upon any real or personal collateral located outside of the State which does not, except as required under the laws of that jurisdiction, result in a personal judgment against the debtor.

(d) For the recovery of damages arising from the commission of a tort, including a recovery under NRS 40.750, or the recovery of any declaratory or equitable relief.



(e) For the exercise of a power of sale pursuant to NRS 107.080.
(f) For the exercise of any right or remedy authorized by chapter 104 of NRS or by the Uniform Commercial Code as enacted in any other state.

(g) For the exercise of any right to set off, or to enforce a pledge in, a deposit account pursuant to a written agreement or pledge.

(h) To draw under a letter of credit.

(i) To enforce an agreement with a surety or guarantor if enforcement of the mortgage or other lien has been automatically stayed pursuant to 11 U.S.C. § 362 or pursuant to an order of a federal bankruptcy court under any other provision of the United States Bankruptcy Code for not less than 120 days following the mailing of notice to the surety or guarantor pursuant to subsection 1 of NRS 107.095.

(j) To collect any debt, or enforce any right, secured by a mortgage or other lien on real property if the property has been sold to a person other than the creditor to satisfy, in whole or in part, a debt or other right secured by a senior mortgage or other senior lien on the property.

(k) Relating to any proceeding in bankruptcy, including the filing of a proof of claim, seeking relief from an automatic stay and any other action to determine the amount or validity of a debt.

(l) For filing a claim pursuant to chapter 147 of NRS or to enforce such a claim which has been disallowed.

(m) Which does not include the collection of the debt or realization of the collateral securing the debt.

(n) Pursuant to NRS 40.507 or 40.508.

(o) *Pursuant to an agreement entered into pursuant to section 4 of this act between an owner of the property and the assignee of a tax lien against the property, or an action which is authorized by NRS 361.733.*

(p) Which is exempted from the provisions of this section by specific statute.

~~(q)~~ (q) To recover costs of suit, costs and expenses of sale, attorneys' fees and other incidental relief in connection with any action authorized by this subsection.

Sec. 22.5. NRS 361.7324 and 361.7328 are hereby repealed.

Sec. 23. This act becomes effective on July 1, 2013.

