Mechanic's Lien Workflow Checklist (NV)

JOEL E. TASCA AND HOLLY PRIEST, BALLARD SPAHR LLP, WITH PRACTICAL LAW REAL ESTATE

Search the Resource ID numbers in blue on Westlaw for more.

A Checklist outlining the steps for creating, perfecting, and enforcing a mechanic's lien for work performed or material furnished to improve privately owned commercial and residential real property in Nevada. This Checklist outlines pre-lien notice requirements for owners and contractors, and includes the requirements for filing a lien claim and the steps to perfect and enforce a mechanics' lien after filing the lien claim.

PRE-LIEN MATTERS

SERVE THE NOTICE OF RIGHT TO LIEN (CLAIMANT)

- Prepare a notice of right to lien using the form prescribed by the Nevada Revised Statutes, if required (NRS 108.245(1), (5)).
- Serve the notice of right to lien any time after the claimant first provided materials, work, or services to the job site:
 - on the property owner and original contractor (if the claimant does not have a direct contract with the owner); and
 - by either personal delivery or certified mail.
- Note that the claimant is only entitled to a lien on materials, work, or services provided to the job site:
 - in the 31 days before the claimant delivered the notice of right to lien; and
 - after the claimant delivered the notice of right to lien (NRS 108.245(6)).

For more information on serving the notice of right to lien, including the form of notice and exceptions to the notice requirement, see Practice Note, Mechanic's Liens in Practice (NV): Notice of Right to Lien (W-016-1120).

SERVE A NOTICE OF INTENT TO LIEN (RESIDENTIAL ONLY)

- Unless exempt, prepare a notice of intent to lien in the statutory form if the claimant provides work, equipment, materials, or services under a contract for the improvement of single-family or multi-family residences (including apartment houses) (NRS 108.226).
- Serve the notice of intent to lien on the property owner at least 15 days before recording a notice of lien by either:
 - personal delivery; or
 - certified mail.

For more information on preparing and serving the notice of intent to lien, see Practice Note, Mechanic's Liens in Practice (NV): Notice of Intent to Lien (Residential Only) (W-016-1120).

CREATING AND PERFECTING A MECHANIC'S LIEN

SERVE AND RECORD A NOTICE OF LIEN (NO NOTICE OF COMPLETION)

- Prepare a notice of lien using the statutory form (NRS 108.226(5)).
- Unless the property owner records a notice of cancellation, record the notice of lien within 90 days following:
 - the completion of the work;
 - the last date the claimant delivered material or furnished equipment for the improvement; or
 - the last date the claimant performed work for the improvement.
- (NRS 108.226(a) and 108.228.)
- Serve a duplicate copy of the notice of lien on the property owner within 30 days following recording by:
 - certified mail, return receipt requested to the owner's residence, usual place of business, or registered agent's address if the claimant can determine the appropriate address (NRS 108.227(1)(a-b)); or
 - posting and mailing ("nail and mail" service) if the claimant cannot determine the appropriate address (NRS 108.227(1)(c)).



 Deliver a copy of the notice of lien to the prime contractor if the claimant is a subcontractor, equipment supplier, or materialman (NRS 108.227(3)).

For more information on perfecting a notice of lien, including the required contents of the lien claim, see Practice Note, Mechanic's Liens in Practice (NV): Notice of Lien (W-016-1120).

SERVE AND RECORD A NOTICE OF LIEN (PROPERTY OWNER RECORDS NOTICE OF COMPLETION)

- Record and serve the notice of lien within 40 days if the property owner records a notice of completion (NRS 108.226(1)(a-b)).
- Satisfy all other service requirements within the same 40-day period.

ENFORCING THE MECHANIC'S LIEN

DETERMINE LIEN PRIORITY

- Review the record title to the property to determine the priority of the mechanic's lien.
- Conduct a search of the bankruptcy court records to determine if the property owner filed for bankruptcy.
- Review the terms of any subordination agreement between the lien claimant and the lender providing construction financing for the project (if applicable).

For more information relating to the priority of a lien on real property, see Practice Note, Mechanic's Liens in Practice (NV): Priority of Mechanic's Liens in a Foreclosure (W-016-1120).

For additional guidance on determining the priority of mechanic's liens in Nevada, see State Q&A, Real Estate Finance: Nevada: Questions 6, 7, and 8 (<u>W-002-2608</u>).

COMMENCE AN ACTION TO ENFORCE THE LIEN CLAIM

- File a complaint to foreclose the lien:
 - at least 30 days after recording the notice of lien; and
 - not more than six months after recording the notice of lien.

- (NRS 108.233(1) and 108.244.)
- Record a notice of pendency of action (also known as a lis pendens) with the county recorder for the county where the real property is located (NRS 14.010 and 108.239(2)(b)).
- Publish a notice of foreclosure once a week for three consecutive weeks in a newspaper of general circulation in the county where the real property is located (NRS 108.239(2)(b)).
- Deliver the notice of foreclosure personally or by certified mail, return receipt requested, to all other parties with a recorded interest in the real property.

For more information on filing an action to enforce a lien on real property, including proper parties to name as defendants and minimum required allegations, see Practice Note, Mechanic's Liens in Practice (NV): Enforcing the Mechanic's Lien (W-016-1120).

For information on commencing an action in Nevada generally, see State Q&A, Commencing an Action: Nevada (W-000-3272).

OBTAIN JUDGMENT AND EXECUTE ON THE LIEN CLAIM

- Obtain a final judgment in the lien enforcement action:
 - determining the principal amount of the lien, including interest and attorneys' fees; and
 - directing the sale of the real property.
- Execute on the judgment by selling the improved real property to pay the lien.

For more information on judicial foreclosures, see Practice Notes, Residential Foreclosures (Judicial) (NV) (W-019-0178) and Commercial Foreclosures (Judicial) (NV) (W-019-0955).

ABOUT PRACTICAL LAW

Practical Law provides legal know-how that gives lawyers a better starting point. Our expert team of attorney editors creates and maintains thousands of up-to-date, practical resources across all major practice areas. We go beyond primary law and traditional legal research to give you the resources needed to practice more efficiently, improve client service and add more value.

If you are not currently a subscriber, we invite you to take a trial of our online services at **legalsolutions.com/practical-law**. For more information or to schedule training, call **1-800-733-2889** or e-mail **referenceattorneys@tr.com**.

03-