Assembly Bill No. 215–Assemblymen Sibley, Seale, Buckley, Kirkpatrick, Ohrenschall, Allen, Anderson, Angle, Atkinson, Carpenter, Christensen, Conklin, Gansert, Goicoechea, Grady, Hardy, Hettrick, Mabey, Manendo, Marvel, Mortenson, Munford, Oceguera and Sherer

Joint Sponsors: Senators Amodei and Heck

CHAPTER..........

AN ACT relating to real property; providing an exception to the requirement that a seller complete and serve a disclosure form on a purchaser of residential property for certain actions for foreclosure; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires, with certain exceptions, a seller to complete and serve a disclosure form on a purchaser of certain residential property at least 10 days before the property is conveyed to the purchaser to disclose the condition of the residential property offered for sale. (NRS 113.120, 113.130)

This bill provides an additional exception to that requirement for transactions by foreclosure pursuant to provisions governing deeds of trust. This bill further provides that for such transactions by foreclosure the trustee and the beneficiary of the deed of trust are required to provide written notice to the purchaser of the residential property of any defects in the property of which the trustee or beneficiary is aware. This notice must be provided to the purchaser not later than at the time of the conveyance of the property to the purchaser.

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

Section 1. NRS 113.130 is hereby amended to read as follows:

113.130 1. Except as otherwise provided in subsections 2 and 3:

(a) At least 10 days before residential property is conveyed to a purchaser:

(1) The seller shall complete a disclosure form regarding the residential property; and

(2) The seller or his agent shall serve the purchaser or his agent with the completed disclosure form.

(b) If, after service of the completed disclosure form but before conveyance of the property to the purchaser, a seller or his agent discovers a new defect in the residential property that was not identified on the completed disclosure form or discovers that a defect identified on the completed disclosure form has become worse than was indicated on the form, the seller or his agent shall inform the purchaser or his agent of that fact, in writing, as soon as practicable after the discovery of that fact but in no event later than the conveyance of the property to the purchaser. If the seller does not agree to repair or replace the defect, the purchaser may:

(1) Rescind the agreement to purchase the property; or

(2) Close escrow and accept the property with the defect as revealed by the seller or his agent without further recourse.

2. Subsection 1 does not apply to a sale or intended sale of residential property:

(a) ***By foreclosure pursuant to chapter 107 of NRS.***

(b) Between any co-owners of the property, spouses or persons related within the third degree of consanguinity.

[~~(b)~~**]** ***(c)*** Which is the first sale of a residence that was constructed by a licensed contractor.

[~~(c)~~**]** ***(d)*** By a person who takes temporary possession or control of or title to the property solely to facilitate the sale of the property on behalf of a person who relocates to another county, state or country before title to the property is transferred to a purchaser.

3. A purchaser of residential property may waive any of the requirements of subsection 1. Any such waiver is effective only if it is made in a written document that is signed by the purchaser and notarized.

4. If a sale or intended sale of residential property is exempted from the requirements of subsection 1 pursuant to paragraph (a) of subsection 2, the trustee and the beneficiary of the deed of trust shall, not later than at the time of the conveyance of the property to the purchaser of the residential property, provide written notice to the purchaser of any defects in the property of which the trustee or beneficiary, respectively, is aware.