

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

MARCH 16, 2005

JOINT SPONSORS: SENATORS AMODEI AND HECK

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to disclosure of certain information to purchaser of residential property. (BDR 10-1004)

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 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:

1 Existing law requires, with certain exceptions, a seller to complete and serve a
2 disclosure form on a purchaser of certain residential property at least 10 days before
3 the property is conveyed to the purchaser to disclose the condition of the residential
4 property offered for sale. (NRS 113.120, 113.130)
5 This bill provides an additional exception to that requirement for transactions
6 by foreclosure pursuant to provisions governing deeds of trust. This bill further
7 provides that for such transactions by foreclosure the trustee and the beneficiary of
8 the deed of trust are required to provide written notice to the purchaser of the
9 residential property of any defects in the property of which the trustee or
10 beneficiary is aware. This notice must be provided to the purchaser not later than at
11 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:

1 **Section 1.** NRS 113.130 is hereby amended to read as follows:
2 113.130 1. Except as otherwise provided in subsections 2
3 and 3:

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

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

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

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

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

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

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

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

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

28 ~~(b)(1)~~ (c) Which is the first sale of a residence that was
29 constructed by a licensed contractor.

30 ~~(b)(2)~~ (d) By a person who takes temporary possession or control
31 of or title to the property solely to facilitate the sale of the property
32 on behalf of a person who relocates to another county, state or
33 country before title to the property is transferred to a purchaser.

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

38 4. *If a sale or intended sale of residential property is*
39 *exempted from the requirements of subsection 1 pursuant to*
40 *paragraph (a) of subsection 2, the trustee and the beneficiary of*
41 *the deed of trust shall, not later than at the time of the conveyance*
42 *of the property to the purchaser of the residential property, provide*



- 1 *written notice to the purchaser of any defects in the property of*
- 2 *which the trustee or beneficiary, respectively, is aware.*



