

SENATE BILL NO. 266—SENATOR SCHNEIDER

MARCH 22, 2005

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing statutes of repose and statutes of limitation in actions relating to deficiencies in construction of improvements to real property. (BDR 2-732)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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

AN ACT relating to limitation of actions; clarifying that a change in the ownership, occupancy or use of real property does not constitute an improvement to real property unless the change in ownership, occupancy or use is accompanied by the construction of an improvement to the real property; and providing other matters properly relating thereto.

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

Section 1. Chapter 11 of NRS is hereby amended by adding thereto a new section to read as follows:

For the purposes of NRS 11.202 to 11.206, inclusive, and this section, a change in the ownership, occupancy or use of real property is not an improvement to real property, and the date on which the change in ownership, occupancy or use of such real property occurs shall not be deemed the date of substantial completion of an improvement to real property, unless such change in ownership, occupancy or use is accompanied by the construction of an improvement to the real property.

Sec. 2. NRS 11.2055 is hereby amended to read as follows:

11.2055 1. Except as otherwise provided in subsection 2 **[** **and section 1 of this act**, for the purposes of NRS 11.202 to 11.206,



inclusive, ***and section 1 of this act***, the date of substantial completion of an improvement to real property shall be deemed to be the date on which:

(a) The final building inspection of the improvement is conducted;

(b) A notice of completion is issued for the improvement; or

(c) A certificate of occupancy is issued for the improvement, whichever occurs later.

2. If none of the events described in subsection 1 occurs, ***and except as otherwise provided in section 1 of this act***, the date of substantial completion of an improvement to real property must be determined by the rules of the common law.

Sec. 3. NRS 113.135 is hereby amended to read as follows:

113.135 1. Upon signing a sales agreement with the initial purchaser of residential property that was not occupied by the purchaser for more than 120 days after substantial completion of the construction of the residential property, the seller shall:

(a) Provide to the initial purchaser a copy of NRS 11.202 to 11.206, inclusive, ***and section 1 of this act***, and 40.600 to 40.695, inclusive;

(b) Notify the initial purchaser of any soil report prepared for the residential property or for the subdivision in which the residential property is located; and

(c) If requested in writing by the initial purchaser not later than 5 days after signing the sales agreement, provide to the purchaser without cost each report described in paragraph (b) not later than 5 days after the seller receives the written request.

2. Not later than 20 days after receipt of all reports pursuant to paragraph (c) of subsection 1, the initial purchaser may rescind the sales agreement.

3. The initial purchaser may waive his right to rescind the sales agreement pursuant to subsection 2. Such a waiver is effective only if it is made in a written document that is signed by the purchaser.

