

SENATE BILL NO. 204—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE CITY OF NORTH LAS VEGAS)

FEBRUARY 25, 2003

Referred to Committee on Judiciary

SUMMARY—Revises certain provisions governing disclosure of certain information to purchasers, lessees and tenants of real property. (BDR 3-562)

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 real property; providing that the fact that real property has been the site for the manufacture of methamphetamine is not immaterial for the purposes of making disclosures to a purchaser, lessee or tenant of the property under certain circumstances; removing the exemption from the requirement of completing and providing a disclosure form to a purchaser of residential property that is provided to the seller of the property in certain types of transactions; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 40.770 is hereby amended to read as follows:
2 40.770 1. ~~It is~~ *Except as otherwise provided in subsection 5,*
3 *in* any sale *, lease or rental* of real property, the fact that the
4 property is or has been:
5 (a) The site of a homicide, suicide or death by any other cause,
6 except a death that results from a condition of the property ~~[-or~~
7 ~~the]~~;
8 **(b) The** site of any crime punishable as a felony ~~[-or~~



* S B 2 0 4 R 1 *

1 ~~(b)~~ *other than a crime that involves the manufacturing of any*
2 *material, compound, mixture or preparation which contains any*
3 *quantity of methamphetamine; or*

4 (c) Occupied by a person exposed to the human
5 immunodeficiency virus or suffering from acquired immune
6 deficiency syndrome or any other disease that is not known to be
7 transmitted through occupancy of the property,
8 is not material to the transaction.

9 2. In any sale, *lease or rental* of real property, the fact that a
10 sex offender, as defined in NRS 179D.400, resides or is expected to
11 reside in the community is not material to the transaction, and the
12 seller, *lessor or landlord* or any agent of the seller, *lessor or*
13 *landlord* does not have a duty to disclose such a fact to a buyer,
14 *lessee or tenant* or any agent of a buyer ~~(f)~~, *lessee or tenant*.

15 3. A seller, *lessor or landlord* or any agent of the seller,
16 *lessor or landlord* is not liable to the buyer, *lessee or tenant* in any
17 action at law or in equity because of the failure to disclose any fact
18 described in subsection 1 or 2 that is not material to the transaction
19 ~~(f)~~ *or of which the seller, lessor or landlord or agent of the seller,*
20 *lessor or landlord had no actual knowledge.*

21 4. Except as otherwise provided in an agreement between a
22 buyer, *lessee or tenant* and his agent, an agent of the buyer, *lessee*
23 *or tenant* is not liable to the buyer, *lessee or tenant* in any action at
24 law or in equity because of the failure to disclose any fact described
25 in subsection 1 or 2 that is not material to the transaction ~~(f)~~ *or of*
26 *which the agent of the buyer, lessee or tenant had no actual*
27 *knowledge.*

28 5. *For purposes of this section, the fact that the property is or*
29 *has been the site of a crime that involves the manufacturing of any*
30 *material, compound, mixture or preparation which contains any*
31 *quantity of methamphetamine is not material to the transaction if:*

32 (a) *All materials and substances involving methamphetamine*
33 *have been removed from or remediated on the property by an*
34 *entity certified or licensed to do so; or*

35 (b) *The property has been deemed safe for habitation by a*
36 *governmental entity.*

37 **Sec. 2.** NRS 113.130 is hereby amended to read as follows:

38 113.130 1. Except as otherwise provided in subsections 2
39 and 3:

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

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

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



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

- 11 (1) Rescind the agreement to purchase the property; or
- 12 (2) Close escrow and accept the property with the defect as
13 revealed by the seller or his agent without further recourse.

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

16 (a) ~~By a government or governmental agency.~~
17 ~~—(b) Pursuant to a court order or by foreclosure or deed in lieu of~~
18 ~~foreclosure.~~

19 ~~—(c)~~ Between any co-owners of the property, spouses or persons
20 related within the third degree of consanguinity.

21 ~~[(d)]~~ (b) Which is the first sale of a residence that was
22 constructed by a licensed contractor . ~~[and not occupied by the~~
23 ~~purchaser for more than 120 days.~~

24 ~~—(e) By any bank, thrift company, credit union, trust company,~~
25 ~~savings and loan association or mortgage or farm loan association,~~
26 ~~licensed as such under the laws of this state or of the United States,~~
27 ~~if it has acquired the property for development, for the convenient~~
28 ~~transaction of its business, or as a result of foreclosure of the~~
29 ~~property encumbered in good faith as security for a loan or other~~
30 ~~obligation it has originated or holds.~~

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

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

