

SENATE BILL NO. 395—SENATOR NEAL

MARCH 27, 2023

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to real property. (BDR 10-288)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

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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; limiting, with certain exceptions, the total aggregate number of units of residential real property in this State that may be purchased in any 1 calendar year by certain corporate investors; requiring the registration of certain corporate investors in residential property in this State with the Securities Division of the Office of the Secretary of State; requiring that certain deeds relating to residential real property include certain information about corporate investors; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 1** of this bill provides, with certain exceptions, that: (1) the total
2 aggregate number of units of residential real property in this State that may be
3 purchased in any 1 calendar year by corporations, limited-liability companies and
4 any affiliates of such entities must not exceed 1,000 units; and (2) a corporation,
5 limited-liability company or affiliate of such an entity is prohibited from purchasing
6 any unit of residential real property in this State if, as a result of the purchase,
7 the total aggregate number of units of residential real property purchased in this State
8 during the current calendar year by corporations, limited-liability companies or any
9 affiliates of such entities would exceed 1,000 units.

10 **Section 1** also requires the creation and maintenance of a registry of
11 corporations, limited-liability companies and any affiliates of such entities that
12 purchase or own residential real property in this State by the Securities Division of
13 the Office of the Secretary of State. **Section 1** requires, with certain exceptions, a
14 corporation, limited-liability company or any affiliate of such an entity to register
15 with the Securities Division before purchasing any residential real property in this
16 State. **Section 1:** (1) authorizes the Secretary of State to charge a fee to each such
17 corporation, limited-liability company or any affiliate of such an entity; and (2)



18 requires the Secretary of State to adopt regulations necessary to carry out the
19 provisions of **section 1**. For the purposes of **section 1**, the term “corporation” does
20 not include a family trust company or a housing authority.

21 **Section 2** of this bill provides, with certain exceptions, that if a corporation,
22 limited-liability company or any affiliate of such an entity purchases residential real
23 property, the deed must: (1) be accompanied by a copy of the certificate of
24 registration issued by the Secretary of State; and (2) clearly set forth that the
25 residential real property is not the primary residence of the owner. **Section 2** also
26 prohibits the county recorder from recording the deed unless the deed: (1) contains
27 information about the ownership of the corporation, limited-liability company or
28 any affiliate of such an entity, as set forth in the registry created pursuant to **section**
29 **1**; and (2) clearly sets forth that the residential real property is not the primary
30 residence of the owner.

31 **Section 3** of this bill makes an appropriation to the Office of the Secretary of
32 State for personnel, travel, operating, equipment, information services and
33 contractor costs to carry out the provisions of **section 1**.

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

1 **Section 1.** Chapter 111 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Except as otherwise provided in subsection 2:*

4 *(a) The total aggregate number of units of residential real*
5 *property in this State that may be purchased in any 1 calendar*
6 *year by corporations, limited-liability companies and affiliates of*
7 *such entities must not exceed 1,000 units.*

8 *(b) A corporation, limited-liability company or affiliate of such*
9 *an entity shall not purchase any unit of residential real property in*
10 *this State if, as a result of the purchase, the total aggregate*
11 *number of units of residential real property purchased in this State*
12 *during the current calendar year by corporations, limited-liability*
13 *companies or affiliates of such entities would exceed 1,000 units.*

14 *2. The provisions of subsection 1 do not apply to:*

15 *(a) The intracorporate sale or transfer of units of residential*
16 *property; or*

17 *(b) The sale of newly constructed units of residential property.*

18 *3. The Securities Division of the Office of the Secretary of*
19 *State shall create and maintain a registry of corporations, limited-*
20 *liability companies and affiliates of such entities that purchase or*
21 *own residential real property in this State. The Securities Division*
22 *shall make such registry available on the Internet website of the*
23 *Office of the Secretary of State.*

24 *4. Except as otherwise provided in this subsection, a*
25 *corporation, limited-liability company or affiliate of such an entity*
26 *must register with the Securities Division of the Office of the*
27 *Secretary of State before purchasing any unit of residential real*



1 *property in this State. The registration requirement does not apply*
2 *to a corporation, limited-liability company or affiliate of such an*
3 *entity that owns less than 10 units of residential real property in*
4 *this State.*

5 *5. The Secretary of State shall issue a certificate of*
6 *registration to each corporation, limited liability company or*
7 *affiliate of such an entity that registers pursuant to this section.*

8 *6. The Secretary of State may charge a fee to each*
9 *corporation, limited-liability company or affiliate of such an entity*
10 *that registers with the Securities Division pursuant to subsection 4.*

11 *7. The Secretary of State shall adopt any regulations*
12 *necessary to carry out the provisions of this section.*

13 *8. As used in this section, the term:*

14 *(a) "Corporation" does not include:*

15 *(1) A family trust company, as defined in NRS 669.042.*

16 *(2) A housing authority, as defined in NRS 315.021.*

17 *(b) "Limited-liability company" has the meaning ascribed to it*
18 *in NRS 86.061.*

19 **Sec. 2.** NRS 111.312 is hereby amended to read as follows:

20 111.312 1. The county recorder shall not record with respect
21 to real property, a notice of completion, a declaration of homestead,
22 a declaration of removal of discriminatory restriction, a lien or
23 notice of lien, an affidavit of death, a mortgage or deed of trust, any
24 conveyance of real property or instrument in writing setting forth an
25 agreement to convey real property or a notice pursuant to NRS
26 111.3655 unless the document being recorded contains:

27 (a) The mailing address of the grantee or, if there is no grantee,
28 the mailing address of the person who is requesting the recording of
29 the document; and

30 (b) Except as otherwise provided in subsection 2, the assessor's
31 parcel number of the property at the top left corner of the first page
32 of the document, if the county assessor has assigned a parcel
33 number to the property. The parcel number must comply with the
34 current system for numbering parcels used by the county assessor's
35 office. The county recorder is not required to verify that the
36 assessor's parcel number is correct.

37 2. Any document relating exclusively to the transfer of water
38 rights may be recorded without containing the assessor's parcel
39 number of the property.

40 3. The county recorder shall not record with respect to real
41 property any deed, including, without limitation:

42 (a) A grant, bargain and sale deed;

43 (b) Quitclaim deed;

44 (c) Warranty deed; or

45 (d) Trustee's deed upon sale,



1 ↪ unless the document being recorded contains the name and
2 address of the person to whom a statement of the taxes assessed on
3 the real property is to be mailed.

4 4. The assessor's parcel number shall not be deemed to be a
5 complete legal description of the real property conveyed.

6 5. Except as otherwise provided in subsection 6, if a document
7 that is being recorded includes a legal description of real property
8 that is provided in metes and bounds, the document must include the
9 name and mailing address of the person who prepared the legal
10 description. The county recorder is not required to verify the
11 accuracy of the name and mailing address of such a person.

12 6. If a document including the same legal description described
13 in subsection 5 previously has been recorded, the document must
14 include all information necessary to identify and locate the previous
15 recording, but the name and mailing address of the person who
16 prepared the legal description is not required for the document to be
17 recorded. The county recorder is not required to verify the accuracy
18 of the information concerning the previous recording.

19 *7. Except as otherwise provided in subsection 8, if a*
20 *corporation, limited-liability company or affiliate of such an entity*
21 *purchases residential real property:*

22 *(a) The county recorder shall not record the deed unless:*

23 *(1) The deed contains the information about the ownership*
24 *of the corporation, limited-liability company or affiliate of such an*
25 *entity set forth in the registry created pursuant to section 1 of this*
26 *act; and*

27 *(2) The corporation, limited-liability company or affiliate of*
28 *such an entity submits to the county recorder a copy of the*
29 *certificate of registration issued by the Secretary of State pursuant*
30 *to section 1 of this act and the name of the corporation, limited-*
31 *liability company or affiliate of such an entity on the deed matches*
32 *the name on the certificate of registration accompanying the deed;*
33 *and*

34 *(b) The deed must clearly set forth that the residential real*
35 *property is not the primary residence of the owner.*

36 8. *The provisions of subsection 7 do not apply to a*
37 *corporation, limited-liability company or affiliate of such an entity*
38 *that owns less than 10 units of residential real property in this*
39 *State.*

40 9. *As used in this section, the terms "corporation" and*
41 *"limited-liability company" have the meanings ascribed to them in*
42 *section 1 of this act.*

43 **Sec. 3.** 1. There is hereby appropriated from the State
44 General Fund to the Office of the Secretary of State for personnel,
45 travel, operating, equipment, information services and contractor



1 costs to carry out the provisions of section 1 of this act the following
2 sums:

3	For the Fiscal Year 2023-2024	\$476,004
4	For the Fiscal Year 2024-2025	\$81,705

5 2. Any balance of the sums appropriated by subsection 1
6 remaining at the end of the respective fiscal years must not be
7 committed for expenditure after June 30 of the respective fiscal
8 years by the entity to which the appropriation is made or any entity
9 to which money from the appropriation is granted or otherwise
10 transferred in any manner, and any portion of the appropriated
11 money remaining must not be spent for any purpose after
12 September 20, 2024, and September 19, 2025, respectively, by
13 either the entity to which the money was appropriated or the entity
14 to which the money was subsequently granted or transferred, and
15 must be reverted to the State General Fund on or before
16 September 20, 2024, and September 19, 2025, respectively.

17 **Sec. 4.** 1. This section becomes effective upon passage and
18 approval.

19 2. Section 3 of this act becomes effective on July 1, 2023.

20 3. Sections 1 and 2 of this act become effective on October 1,
21 2023.

