

Amendment No. 971

Assembly Amendment to Senate Bill No. 395 Second Reprint (BDR 10-288)

Proposed by: Assemblywoman Marzola

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 395 R2 (§ 1).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



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:

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

Section 1 also requires the creation and maintenance of a registry of corporations, limited-liability companies and any affiliates of such entities that purchase or own residential real property in this State by the Securities Division of the Office of the Secretary of State. ~~As~~

Section 1 requires, with certain exceptions, a corporation, limited-liability company or any affiliate of such an entity ~~is required~~ to register with the Securities Division before purchasing any residential real property in this State. **Section 1:** (1) authorizes the Secretary of State to charge a fee to each such corporation, limited-liability company or any affiliate of such an entity; and (2) requires the Secretary of State to adopt regulations necessary to carry out the provisions of **section 1**. For the purposes of **section 1**, the term “corporation” does not include a family trust company or a housing authority.

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

26 to **section 1**; and (2) clearly sets forth that the residential real property is not the primary
 27 residence of the owner.

28 **Section 3** of this bill makes an appropriation to the Office of the Secretary of State for
 29 personnel, travel, operating, equipment, information services and contractor costs to carry out
 30 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 thereto a new
 2 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 property in this*
 5 *State that may be purchased in any 1 calendar year by corporations, limited-*
 6 *liability companies and affiliates of such entities must not exceed 1,000 units.*

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

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

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

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

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

20 *4. ~~1.4~~ Except as otherwise provided in this subsection, a corporation,*
 21 *limited-liability company or affiliate of such an entity must register with the*
 22 *Securities Division of the Office of the Secretary of State before purchasing any*
 23 *unit of residential real property in this State. The registration requirement does*
 24 *not apply to a corporation, limited-liability company or affiliate of such an entity*
 25 *that owns less than 10 units of residential real property in this State.*

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

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

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

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

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

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

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

38 *(b) "Limited-liability company" has the meaning ascribed to it in NRS*
 39 *86.061.*

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

41 111.312 1. The county recorder shall not record with respect to real
 42 property, a notice of completion, a declaration of homestead, a declaration of
 43 removal of discriminatory restriction, a lien or notice of lien, an affidavit of death, a

1 mortgage or deed of trust, any conveyance of real property or instrument in writing
2 setting forth an agreement to convey real property or a notice pursuant to NRS
3 111.3655 unless the document being recorded contains:

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

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

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

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

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

17 (b) Quitclaim deed;

18 (c) Warranty deed; or

19 (d) Trustee's deed upon sale,

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

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

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

29 6. If a document including the same legal description described in subsection
30 5 previously has been recorded, the document must include all information
31 necessary to identify and locate the previous recording, but the name and mailing
32 address of the person who prepared the legal description is not required for the
33 document to be recorded. The county recorder is not required to verify the accuracy
34 of the information concerning the previous recording.

35 **7. ~~FFF~~ Except as otherwise provided in subsection 8, if a corporation,**
36 **limited-liability company or affiliate of such an entity purchases residential real**
37 **property:**

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

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

42 (2) *The corporation, limited-liability company or affiliate of such an*
43 *entity submits to the county recorder a copy of the certificate of registration*
44 *issued by the Secretary of State pursuant to section 1 of this act and the name of*
45 *the corporation, limited-liability company or affiliate of such an entity on the*
46 *deed matches the name on the certificate of registration accompanying the deed;*
47 *and*

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

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

1 9. *As used in this section, the terms “corporation” and “limited-liability*
2 *company” have the meanings ascribed to them in section 1 of this act.*

3 **Sec. 3.** 1. There is hereby appropriated from the State General Fund to the
4 Office of the Secretary of State for personnel, travel, operating, equipment,
5 information services and contractor costs to carry out the provisions of section 1 of
6 this act the following sums:

7 For the Fiscal Year 2023-2024..... \$476,004

8 For the Fiscal Year 2024-2025..... \$81,705

9 2. Any balance of the sums appropriated by subsection 1 remaining at the end
10 of the respective fiscal years must not be committed for expenditure after June 30
11 of the respective fiscal years by the entity to which the appropriation is made or any
12 entity to which money from the appropriation is granted or otherwise transferred in
13 any manner, and any portion of the appropriated money remaining must not be
14 spent for any purpose after September 20, 2024, and September 19, 2025,
15 respectively, by either the entity to which the money was appropriated or the entity
16 to which the money was subsequently granted or transferred, and must be reverted
17 to the State General Fund on or before September 20, 2024, and September 19,
18 2025, respectively.

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

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

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