

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 real 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; 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 and limited-liability companies  
4 must not exceed 1,000 units; and (2) a corporation or limited-liability company is  
5 prohibited from purchasing any unit of residential real property in this State if, as a  
6 result of the purchase, the total aggregate number of units of residential real  
7 property purchased in this State during the current calendar year by corporations  
8 and limited-liability companies would exceed 1,000 units.

9     **Section 1** also requires the creation and maintenance of a registry of  
10 corporations and limited-liability companies that purchase or own residential real  
11 property in this State by the Securities Division of the Office of the Secretary of  
12 State. A corporation or limited-liability company is required to register with the  
13 Securities Division before purchasing any residential real property in this State.

14 **Section 1:** (1) authorizes the Secretary of State to charge a fee to each such  
15 corporation or limited-liability company and requires the Secretary of State to adopt  
16 regulations necessary to carry out **section 1**. For the purposes of **section 1**, the term  
17 “corporation” does not include a family trust company or a housing authority.



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

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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 and limited-liability companies must not*  
7 *exceed 1,000 units.*

8       (b) *A corporation or limited-liability company shall not*  
9 *purchase any unit of residential real property in this State if, as a*  
10 *result of the purchase, the total aggregate number of units of*  
11 *residential real property purchased in this State during the current*  
12 *calendar year by corporations or limited- liability companies*  
13 *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 and*  
20 *limited-liability companies that purchase or own residential real*  
21 *property in this State. The Securities Division shall make such*  
22 *registry available on the Internet website of the Office of the*  
23 *Secretary of State.*

24       4. *A corporation or limited-liability company must register*  
25 *with the Securities Division of the Office of the Secretary of State*  
26 *before purchasing any unit of residential real property in this*  
27 *State.*

28       5. *The Secretary of State shall issue a certificate of*  
29 *registration to each corporation or limited liability company that*  
30 *registers pursuant to this section.*

31       6. *The Secretary of State may charge a fee to each*  
32 *corporation or limited-liability company that registers with the*  
33 *Securities Division pursuant to subsection 3.*



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

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

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

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

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

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

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

10 111.312 1. The county recorder shall not record with respect  
11 to real property, a notice of completion, a declaration of homestead,  
12 a declaration of removal of discriminatory restriction, a lien or  
13 notice of lien, an affidavit of death, a mortgage or deed of trust, any  
14 conveyance of real property or instrument in writing setting forth an  
15 agreement to convey real property or a notice pursuant to NRS  
16 111.3655 unless the document being recorded contains:

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

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

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

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

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

33 (b) Quitclaim deed;

34 (c) Warranty deed; or

35 (d) Trustee's deed upon sale,

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

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

41 5. Except as otherwise provided in subsection 6, if a document  
42 that is being recorded includes a legal description of real property  
43 that is provided in metes and bounds, the document must include the  
44 name and mailing address of the person who prepared the legal



1 description. The county recorder is not required to verify the  
2 accuracy of the name and mailing address of such a person.

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

10 ***7. If a corporation or limited-liability company purchases  
11 residential real property:***

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

13 ***(1) The deed contains the information about the ownership  
14 of the corporation or limited-liability company set forth in the  
15 registry created pursuant to section 1 of this act; and***

16 ***(2) The corporation or limited-liability company submits to  
17 the county recorder a copy of the certificate of registration issued  
18 by the Secretary of State pursuant to section 1 of this act and the  
19 name of the corporation or limited-liability company on the deed  
20 matches the name on the certificate of registration accompanying  
21 the deed; and***

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

24 ***8. As used in this section, the terms "corporation" and  
25 "limited-liability company" have the meanings ascribed to them in  
26 section 1 of this act.***

