



STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
POSITION STATEMENT

Subject: <b>Implementation of SB 106 (2009 Legislative Session) regarding Seller Disclosure of Open Range and Certain Rights-of-Way</b>	Position No. 2010-01	1 of 2 pages
	Issued By:	Real Estate Division
	Amends/Supersedes	N/A
Reference(s): NRS 113.065		Effective Date: July 1, 2010

Before Senate Bill 106 (2009 Legislative Session), existing law in NRS 113 required the seller of a home or improved lot that is adjacent to open range to make certain disclosures to the purchaser concerning livestock that may enter the property from adjacent open range (NRS 116.065).

### **What Senate Bill 106 Amended**

NRS 116.065 was amended to: (1) require the seller of a home or improved lot that is adjacent to open range to disclose to the purchaser that the lot may be subject certain rights-of way reserved for public use which are not recorded, documented or surveyed; (2) require the seller to provide the purchaser of a copy of the disclosure document that is signed and acknowledged by the purchaser; (3) require the seller to record a copy of the disclosure document in the office of the county recorder where the property is located; and (4) provide an affirmative defense to the seller in an action brought by the purchaser against the seller for damages allegedly suffered as a result of the presence of the rights-of-way included in the disclosure.

### **Executing the Open Range Disclosure**

1. Before a purchaser signs a sales agreement, the **seller must provide the mandated disclosure document** to a potential purchaser.
2. Upon being provided the disclosure document by the seller, the **purchaser must sign the disclosure document** that has been provided by the seller, and
3. Upon signing, the **purchaser must acknowledge on the document the date he has received the disclosure.**
4. If the purchaser does not sign (refuses to sign) and return the “original” disclosure form, the seller cannot execute the sales agreement.
5. The **seller gives the potential purchaser a copy** of the disclosure document, which has so far only been signed and dated by the purchaser acknowledging it has been received.
6. The **seller maintains the “original” disclosure document.**

7. At or before closing, the **seller's signature is notarized on the "original" disclosure document.**
8. At or after closing, the **seller records the original disclosure document in the office of the county recorder where the property is located.**

The recordation is to comply with the law and is for the seller's protection as an affirmative defense in any action brought against the seller by the purchaser based upon damages allegedly suffered as a result of the presence of the rights-of-way described in the disclosure or of livestock entering the property.

Since there are reasons why a sale may not close, it is advised that the seller not notarize and record the document until the transaction closes.