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DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

www.red.nv.gov

January 4, 2017

Senator Donald G. Gustavson
Nevada Legislative Committee on Public Land
401 S. Carson Street
Carson City, Nevada 89701

Re: Follow up to letter sent to Committee dated October 12, 2016 regarding the Open Range Disclosure Form

Dear Senator Gustavson,

The Real Estate Commission ("Commission") held a public meeting on December 5-7, 2016 in which there was an agenda item to discuss the Open Range Disclosure form pursuant to NRS 113.120. The Commission was given a summary of the testimony submitted to the Legislative Committee on Public Land and the Committee's request for the Commission to take appropriate action.

Since the format and content of the Open Range Disclosure form is regulated by the Real Estate Division ("Division") and the contents of the form adequately addressed the NRS requirements, the Commission discussed ways to increase the awareness among Relators and those involved in the Real Estate business on the Open Range Disclosure form, its relevance and use.

As a result of the Commission discussion, the Division on December 22, 2016 issued Information Bulletin #32 regarding open range disclosures which is included in this correspondence. Information Bulletin #32 can also be found on the Division's website by clicking the following link:
http://red.nv.gov/uploadedFiles/rednv.gov/Content/Publications/Bulletins/IB32_OPENRANGE122216.pdf.

In addition, the Open Range Disclosure is a topic in the Nevada Real Estate Division Residential Disclosure Guide which is distributed to licensees pursuant to NAC 645.075. The disclosure guide can be found on the Division's website by clicking the following link:
<http://red.nv.gov/Content/Publications/RDG/>

Please do not hesitate to contact me or Teralyn Thompson, Administration Section Manager at (702) 486-4036 or tlthompson@red.nv.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharath Chandra".

Sharath Chandra
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OPEN RANGE DISCLOSURE

Open Range Disclosure – Form 551

The Open Range disclosure informs the buyer of property adjacent to open land that livestock grazing on the adjacent land may be permitted to enter the property. The disclosure also informs the buyer that the property may be subject to county or State rights of way. NRS 113.065.

When Is the Open Range Disclosure Required?

When improved or unimproved property for sale is adjacent to:

- a) public lands;
- b) pre-existing R.S. 2477 rights of ways;
- c) existing easements that may be unrecorded, undocumented or unsurveyed.

Who must provide the Disclosure?

The seller of the property adjacent to open range must provide the disclosure to the prospective buyer of the property.

NRS 113.065 requires the seller to:

- Disclose to the purchaser information regarding grazing on open range;
- Retain a copy of the disclosure document signed by the purchaser acknowledging the date of receipt by the purchaser of the original document;
- Provide a copy of the signed disclosure document to the purchaser; and
- Record, in the office of the county recorder in the county where the property is located, the original disclosure document that has been signed by the purchaser.

When must the Disclosure be provided?

The prospective buyer must receive and sign the disclosure form acknowledging the original date of receipt of the disclosure **before the sales agreement is signed**.

What should the licensee do?

The listing agent of a property that has open range or unimproved land adjacent to the listed property should be alerted to investigate county or State records for information about the

adjoining land, or advise the seller to do so.

If records do not reveal any easements or rights of way, the licensee should counsel the seller to exercise caution by disclosing the possibility that roaming livestock, rights of way or easements could exist that would affect the prospective buyer's use and enjoyment of the property. The Open Range disclosure is recommended regardless of whether the adjoining land is fenced off or unfenced.

12/22/16

IB#32 : Open Range Disclosure

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