

1 HB343  
2 205080-1  
3 By Representative Stringer  
4 RFD: State Government  
5 First Read: 27-FEB-20

SYNOPSIS: Under existing law, the Self-Service Storage Act governs the responsibilities and duties of owners, occupants, and creditors relating to personal property contained in leased space of a self-service storage facility in the event of default of a rental agreement.

This bill would repeal and replace the Self-Service Storage Act with the Self-Service Storage Facilities Act, and would specify the responsibilities and duties of operators, occupants, and creditors in the event of default.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to self-service storage facilities; to add Article 2A, commencing with Section 8-15-40, to Chapter 15, Title 8, Code of Alabama 1975, creating the Self-Service Storage Facilities Act; to provide definitions; to authorize

1 operator's liens; to provide for the responsibilities and  
2 duties of operators, occupants, and creditors in the event of  
3 default of a rental agreement; and to repeal Article 2,  
4 commencing with Section 8-15-30, Chapter 15, Title 8, Code of  
5 Alabama 1975, the Self-Service Storage Act.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Article 2A is added to Chapter 15, Title  
8 8, Code of Alabama 1975, to read as follows:

9 §8-15-40.

10 This article shall be known and may be cited as the  
11 Self-Service Storage Facilities Act.

12 §8-15-41.

13 For the purposes of this article, the following  
14 terms shall have the following meanings:

15 (1) COMMERCIALY REASONABLE SALE. A sale, conducted  
16 pursuant to this article, at the self-service storage  
17 facility, another suitable location selected by the operator,  
18 or on a publicly accessible website that conducts lien sales  
19 or personal property sales.

20 (2) DEFAULT. The failure by the occupant to perform  
21 on time any obligation or duty set forth in a rental agreement  
22 or in this article.

23 (3) ELECTRONIC MAIL. An electronic message or an  
24 executable program or computer file that contains an image of  
25 a message that is transmitted between two or more computers or  
26 electronic terminals and includes electronic messages that are  
27 transmitted within or between computer networks.

1           (4) EMERGENCY. Any occurrence or circumstance at or  
2 near a self-service storage facility that requires immediate  
3 action to avoid injury to persons or damage to property at or  
4 near the self-service storage facility including, but not  
5 limited to, a fire.

6           (5) LAST KNOWN ADDRESS. The postal address or  
7 electronic mail address provided by an occupant in a rental  
8 agreement or the postal address or electronic mail address  
9 provided by the occupant in a subsequent written notice of a  
10 change of address.

11           (6) LATE FEE. Any fee or charge assessed for the  
12 failure of an occupant to pay rent when due. The term does not  
13 include interest on a debt; expenses incurred in the  
14 collection of unpaid rent; expenses incurred for the  
15 preservation, sale, or disposition of personal property  
16 pursuant to this article; or costs associated with the  
17 enforcement of any other remedy provided by law or contract.

18           (7) LEASED SPACE. The individual storage space at a  
19 self-service storage facility which is rented to an occupant  
20 pursuant to a rental agreement.

21           (8) OCCUPANT. A person entitled to the use of leased  
22 space at a self-service storage facility under a rental  
23 agreement, or his or her successors or assigns.

24           (9) OPERATOR. The owner, operator, lessor, or  
25 sublessor of a self-service storage facility, or an agent of  
26 any of the foregoing, or any other person authorized to manage  
27 the facility or to receive rent from an occupant under a

1 rental agreement. The term does not include a warehouseman if  
2 the warehouseman issues a warehouse receipt, bill of lading,  
3 or other document of title for the personal property stored.

4 (10) PERSONAL PROPERTY. Movable property not affixed  
5 to land. The term includes, but is not limited to, goods,  
6 wares, merchandise, motor vehicles, watercraft, household  
7 items, and furnishings.

8 (11) PROPERTY WHICH HAS NO COMMERCIAL VALUE.  
9 Property offered for sale in a commercially reasonable sale  
10 that receives no bid or offer.

11 (12) RENTAL AGREEMENT. Any written agreement or  
12 lease that establishes or modifies the terms, conditions, or  
13 rules concerning the use and occupancy of leased space at a  
14 self-service storage facility.

15 (13) SELF-SERVICE STORAGE FACILITY. Any real  
16 property used for renting or leasing individual storage spaces  
17 in which the occupants customarily store and remove their own  
18 personal property on a self-service basis.

19 (14) VERIFIED MAIL. Any method of mailing offered by  
20 the United States Postal Service or private delivery service  
21 that provides evidence of the mailing.

22 §8-15-42.

23 (a) An operator shall not knowingly permit a leased  
24 space at a self-service storage facility to be used for  
25 residential purposes.

26 (b) An occupant shall not use a leased space for  
27 residential purposes.

1 §8-15-43.

2 An occupant, upon reasonable request from the  
3 operator, shall allow the operator to enter a leased space for  
4 the purpose of inspection or repair. If an emergency occurs,  
5 an operator may enter a leased space for inspection or repair  
6 without notice to or consent from the occupant.

7 §8-15-44.

8 (a) The operator of a self-service storage facility  
9 and the heirs, executors, administrators, successors, and  
10 assigns of the operator shall have a lien upon all of the  
11 personal property of an occupant located at the self-service  
12 storage facility for delinquent rent, late fees, labor, or  
13 other charges incurred pursuant to a rental agreement and for  
14 expenses incurred for preservation, sale, or disposition of  
15 the personal property. The lien provided for in this section  
16 is superior to any other lien or security interest, except for  
17 a tax lien as otherwise provided by law.

18 (b) The lien described in subsection (a) attaches on  
19 the date on which personal property is placed in a leased  
20 space.

21 (c) The rental agreement shall contain a statement,  
22 in bold type, advising the occupant of all of the following:

23 (1) The existence of the lien.

24 (2) That personal property stored in the leased  
25 space may be sold to satisfy the lien if the occupant is in  
26 default.

1           (3) That the occupant must disclose any lienholders  
2 with an interest in property that is stored or will be stored  
3 in the leased space.

4           (d) If the rental agreement specifies a limit on the  
5 value of personal property that the occupant may store in the  
6 leased space, the limit shall be deemed to be the maximum  
7 value of the personal property in the leased space of the  
8 occupant.

9           (e) The rental agreement may provide for a  
10 reasonable late fee when the occupant is in default. A monthly  
11 late fee of twenty dollars (\$20) or 20 percent of the monthly  
12 rental amount, whichever is greater, shall be considered  
13 reasonable and is not a penalty.

14           §8-15-45.

15           If the occupant is in default, the operator may deny  
16 the occupant access to the leased space at the self-service  
17 storage facility. The operator may enter and remove the  
18 personal property from the leased space to other suitable  
19 storage space pending its sale or other disposition.

20           §8-15-46.

21           (a) If an occupant is in default for a period of  
22 more than 30 days, the operator may enforce the lien granted  
23 in Section 8-15-44 by selling the stored personal property of  
24 the occupant. Sale of the personal property of an occupant may  
25 be by public or private proceedings. The personal property may  
26 be sold as a unit or in parcels, by way of one or more  
27 contracts, at any time or place, with bids or offers sealed or

1 open, and on any terms as long as the sale is a commercially  
2 reasonable sale. The operator may otherwise dispose of any  
3 property which has no commercial value.

4 (b) Before conducting a sale under this section, the  
5 operator shall do all of the following:

6 (1) At least 20 days before the sale, send notice of  
7 default to the occupant and any lienholder identified by the  
8 occupant in the rental agreement by verified mail or  
9 electronic mail pursuant to subsection (h). The notice of  
10 default shall include:

11 a. A statement that the contents of the leased space  
12 are subject to the operator's lien.

13 b. A statement of the operator's claim, indicating  
14 the charges due on the date of the notice, the amount of any  
15 additional charges which shall become due before the date of  
16 sale, and the date the additional charges shall become due.

17 c. A demand for payment of the charges due within a  
18 specified time, which shall not be less than 10 days after the  
19 date of the notice.

20 d. A statement that unless the claim is paid within  
21 the time stated, the contents of the leased space will be sold  
22 or otherwise disposed of after a specified time.

23 e. The name, street address, and telephone number of  
24 the operator or a designated agent whom the occupant may  
25 contact to respond to the notice.

26 (2) At least seven days before the sale, an  
27 advertisement containing the time, place, and terms of the

1 sale shall be published once in a newspaper of general  
2 circulation in the county where the self-service storage  
3 facility is located. A single advertisement listing multiple  
4 sales in a newspaper of general circulation in the county  
5 shall suffice. If no newspaper of general circulation is  
6 located in the county, or if the operator determines, based on  
7 the previous experience of the operator, that the contents of  
8 the leased space have a value of five hundred dollars (\$500)  
9 or less, then an advertisement in any commercially reasonable  
10 manner shall suffice. The manner of advertisement is deemed  
11 commercially reasonable if it is likely to attract at least  
12 three independent bidders to attend or view the sale in person  
13 or online at the time and place advertised.

14 (c) The operator may buy the personal property of  
15 the occupant at any public sale held pursuant to this section.

16 (d) If the personal property subject to the  
17 operator's lien is a vehicle, watercraft, or trailer and rent  
18 and other charges remain unpaid for 60 days, the operator may  
19 have the vehicle, watercraft, or trailer towed from the  
20 self-service storage facility. The operator shall not be  
21 liable for any damages to the vehicle, watercraft, or trailer  
22 once the tower takes possession of the property. Removal of  
23 any vehicle, watercraft, or trailer from the self-service  
24 storage facility shall not release the operator's lien. The  
25 sale of a watercraft shall comply with Section 33-5A-4. Any  
26 provision of this article to the contrary notwithstanding,  
27 unclaimed motor vehicles shall be reported in accordance with

1 Section 32-8-84 and abandoned motor vehicles shall be sold in  
2 accordance with Chapter 13 of Title 32.

3 (e) At any time before a sale is held under this  
4 section or before a vehicle, watercraft, or trailer is towed  
5 under this section, the occupant may pay the amount necessary  
6 to satisfy the lien and redeem the personal property. The  
7 operator shall have no liability to any person with respect to  
8 personal property redeemed pursuant to this subsection.

9 (f) In the event of a sale, the operator may satisfy  
10 the lien from the proceeds of the sale. The lien rights of  
11 secured lienholders are automatically transferred to the  
12 remaining proceeds of the sale, if any. If the sale is a  
13 commercially reasonable sale, the operator shall not be  
14 subject to any liability for a deficiency if the amount  
15 realized at the sale does not satisfy any secured lien, but  
16 shall hold the balance, if any, for delivery to the occupant  
17 or any secured lienholder, upon demand. If the occupant or  
18 secured lienholder, if any, does not claim the balance of the  
19 proceeds within one year after the date of sale, the balance  
20 shall become the property of the operator without further  
21 recourse by the occupant or secured lienholder.

22 (g) A purchaser in good faith of any personal  
23 property sold pursuant to this section to satisfy the lien  
24 granted in Section 8-15-44 takes the property free and clear  
25 of any rights of persons against whom the lien was valid,  
26 despite noncompliance by the operator with the requirements of  
27 this section.

1 (h) Notices to the occupant under subdivision (1) of  
2 subsection (b) shall be sent to the last known address of the  
3 occupant by verified mail or electronic mail. Notices sent by  
4 verified mail shall be deemed delivered when deposited with  
5 the United States Postal Service or private delivery service  
6 if they are properly addressed with postage prepaid. Notices  
7 sent by electronic mail shall be deemed delivered when an  
8 electronic message is sent to the last known address provided  
9 by the occupant. If the operator sends notice by electronic  
10 mail and receives an automated message stating that the  
11 electronic mail cannot be delivered, the operator shall send  
12 notice by verified mail to the last known address of the  
13 occupant with postage prepaid.

14 (i) If the operator complies with the requirements  
15 of this section, the liability of the operator:

16 (1) To the occupant, shall be limited to the net  
17 proceeds received from the sale of the personal property of  
18 the occupant less any proceeds paid to the holders of any lien  
19 or security interest of record on the personal property being  
20 sold.

21 (2) To the holders of any lien or security interest  
22 of record on the personal property being sold, shall be  
23 limited to the net proceeds received from the sale of any  
24 personal property covered by the lien or security interest of  
25 the holder.

26 §8-15-47.

1           Unless the rental agreement specifically provides  
2 otherwise and until a lien sale is conducted under Section  
3 8-15-46, the exclusive care, custody, and control of all  
4 personal property stored in a leased space remains vested in  
5 the occupant, and the occupant shall bear all risks of loss or  
6 damage to that personal property.

7           §8-15-48.

8           This article does not impair the power of the  
9 parties to a rental agreement to create rights, duties, or  
10 obligations in the rental agreement. The rights provided to an  
11 operator by this article are in addition to all other rights  
12 provided by law to a creditor against a debtor or to a  
13 landlord against a tenant.

14          §8-15-49.

15          This article shall apply to all rental agreements  
16 entered into, extended, or renewed after October 1, 2020.

17          Section 2. Article 2, commencing with Section  
18 8-15-30, of Chapter 15, Title 8, Code of Alabama 1975, the  
19 Self-Service Storage Act, is repealed.

20          Section 3. This act shall become effective on  
21 October 1, 2020, following its passage and approval by the  
22 Governor, or its otherwise becoming law.