

HOUSE BILL No. 1194

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-3-8.

Synopsis: Delinquent self-storage facility rents. Amends the statute concerning self-storage facilities to allow a facility owner (owner) to impose and collect from a renter a late fee that does not exceed the greater of: (1) \$20; or (2) 20% of the monthly rent; for each month the renter is in default under the rental agreement. Authorizes an owner to recover from a renter all reasonable costs and expenses of: (1) rent collection; and (2) lien enforcement; incurred by the owner as a result of the renter's default. Specifies that an owner's lien under the statute includes a lien on the renter's personal property for the authorized: (1) late fees; and (2) rent collection or lien enforcement costs or expenses.

Effective: July 1, 2018.

Speedy

January 9, 2018, read first time and referred to Committee on Judiciary.



Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

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A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 26-3-8-11 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 11. (a) The owner of a
3 self-service storage facility has a lien upon all personal property
4 present in the self-service storage facility for:
5 (1) rent, labor, or other charges that accrue in connection with the
6 personal property under the rental agreement, **including any:**
7 **(A) late fee imposed under section 11.5(a) of this chapter;**
8 **and**
9 **(B) rent collection costs or expenses described in section**
10 **11.5(b)(1) of this chapter;**
11 (2) expenses necessary for the preservation of the personal
12 property; and
13 (3) expenses reasonably incurred in the sale or other disposition
14 of the personal property under this chapter, **including any lien**
15 **enforcement costs or expenses described in section 11.5(b)(2)**
16 **of this chapter.**
17 (b) The lien described in subsection (a) is superior to any other lien



- 1 or security interest, except for:
- 2 (1) a lien or security interest perfected before any sale or other
- 3 disposition of the personal property; and
- 4 (2) any tax lien, as provided by law.
- 5 (c) The lien described in subsection (a) attaches on the date on
- 6 which personal property is placed in a rented space. Every rental
- 7 agreement must contain a statement in bold type notifying the renter of
- 8 the existence of the lien and of the method by which the owner may
- 9 enforce the lien under this chapter.
- 10 SECTION 2. IC 26-3-8-11.5 IS ADDED TO THE INDIANA CODE
- 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 12 1, 2018]: **Sec. 11.5. (a) For each month a renter is in default under**
- 13 **the rental agreement, an owner may impose and collect a late fee**
- 14 **that does not exceed the greater of the following:**
- 15 (1) Twenty dollars (\$20).
- 16 (2) Twenty percent (20%) of the monthly rent.
- 17 (b) **In addition to a late fee authorized under subsection (a), an**
- 18 **owner may recover from a renter all reasonable costs and expenses**
- 19 **of:**
- 20 (1) **rent collection; and**
- 21 (2) **lien enforcement;**
- 22 **incurred by the owner as a result of the renter's default.**

