



# HOUSE BILL No. 1385

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 26-3-8.

**Synopsis:** Self-service storage facilities. Amends the statute concerning self-storage facilities to allow a facility owner (owner) to impose and collect a late fee not greater than: (1) \$20; or (2) 20% of the amount owed; for each 30 day period a renter is in default under the rental agreement. Allows an owner to send a notice of default by verified mail or electronic mail. Provides that if: (1) the renter's stored property is a motor vehicle or watercraft; and (2) the renter does not pay an amount in default within 30 days after the owner's notice of the default; as an alternative to conducting a sale of the property, the owner may cause the renter's property to be towed or removed from the facility. Provides that in conducting a sale to enforce a lien under the statute, the owner, as an alternative to advertising the sale by publication in a newspaper, may advertise the sale in another commercially reasonable manner that is likely to attract at least three independent bidders to the sale. Provides that a sale to enforce a lien under the statute may be conducted through a publicly accessible Internet web site. Provides that: (1) a rental agreement may specify a limit on the value of personal property that may be stored in a rented space; and (2) if a rental agreement specifies such a limit, the limit specified is considered the maximum value of the renter's stored property.

**Effective:** July 1, 2014.

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## Speedy

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January 15, 2014, read first time and referred to Committee on Commerce, Small Business and Economic Development.

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Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1385

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 26-3-8-0.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2014]: **Sec. 0.5. As used in this chapter, "electronic mail" means**  
4 **the transmission, by use of a computer or through other electronic**  
5 **means, of information or a communication that is:**  
6 (1) **sent to a person identified by a unique address; and**  
7 (2) **received by that person.**  
8 SECTION 2. IC 26-3-8-3 IS AMENDED TO READ AS FOLLOWS  
9 [EFFECTIVE JULY 1, 2014]: Sec. 3. As used in this chapter, "last  
10 known address" means the **postal address or electronic mail address**  
11 provided to the owner by the renter:  
12 (1) for the purposes of the latest rental agreement; or  
13 (2) in a written notice of a change of **postal address or electronic**  
14 **mail address** after the latest rental agreement.  
15 SECTION 3. IC 26-3-8-7 IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2014]: Sec. 7. As used in this chapter, "personal



1 property" means movable property not affixed to land. The term  
 2 includes goods, wares, merchandise, ~~and~~ household items, **motor**  
 3 **vehicles, and watercraft.**

4 SECTION 4. IC 26-3-8-9.5 IS ADDED TO THE INDIANA CODE  
 5 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 6 1, 2014]: **Sec. 9.5. As used in this chapter, "verified mail" means**  
 7 **any method of mailing that:**

8 **(1) is offered by the United States Postal Service or a private**  
 9 **delivery service; and**

10 **(2) provides evidence of mailing.**

11 SECTION 5. IC 26-3-8-11.5 IS ADDED TO THE INDIANA CODE  
 12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 13 1, 2014]: **Sec. 11.5. For each thirty (30) day period a renter is in**  
 14 **default under the rental agreement, an owner may impose and**  
 15 **collect a late fee that does not exceed the greater of the following:**

16 **(1) Twenty dollars (\$20).**

17 **(2) Twenty percent (20%) of the amount owed.**

18 SECTION 6. IC 26-3-8-12 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 12. (a) After a renter**  
 20 **has been in default continuously for at least thirty (30) days, an owner**  
 21 **may begin enforcement of the owner's lien under this chapter.**

22 **(b) An owner enforcing the owner's lien under this chapter may:**

23 **(1) deny the renter access to the rented space; and**

24 **(2) move the renter's personal property from the rented space to**  
 25 **another storage space pending its the redemption, sale, or other**  
 26 **disposition of the personal property under this chapter.**

27 **(c) An owner enforcing the owner's lien shall send the renter, by**  
 28 **registered or certified electronic mail or verified mail (return receipt**  
 29 **requested) and addressed to the last known address of the renter, a**  
 30 **written notice that includes:**

31 **(1) an itemized statement of the owner's claim showing the**  
 32 **amount due, including any late fees permitted under section**  
 33 **11.5 of this chapter, at the time of the notice and the date when**  
 34 **the amount became due;**

35 **(2) a demand for payment of the amount due before a specified**  
 36 **time at least thirty (30) days after the date of the mailing of the**  
 37 **notice;**

38 **(3) a statement that the contents of the renter's rented space are**  
 39 **subject to the owner's lien;**

40 **(4) a statement advising the renter that the owner has denied the**  
 41 **renter access to the rented space, if the owner has done this under**  
 42 **subsection (b);**



- 1 (5) a statement advising the renter that the owner has removed the  
 2 renter's personal property from the rented space to another  
 3 suitable storage space, if the owner has done this under subsection  
 4 (b);  
 5 (6) the name, street address, and telephone number of the owner  
 6 or of any other person the renter may contact to respond to the  
 7 notice; and  
 8 (7) a conspicuous statement that unless the owner's claim is paid  
 9 within the time stated under subdivision (2), the personal  
 10 property:  
 11 (A) will be advertised: ~~for sale~~  
 12 **(i) to be sold in a manner permitted under section 15 of**  
 13 **this chapter; or**  
 14 **(ii) will to be otherwise disposed of;**  
 15 at a specified place **(if applicable)** and time, which must be at  
 16 least ninety (90) days after the renter's default; **or**  
 17 **(B) will be disposed of in the manner described in**  
 18 **subsection (d), if:**  
 19 **(i) the renter's personal property stored in the rented**  
 20 **space is a motor vehicle or watercraft; and**  
 21 **(ii) the owner chooses to dispose of the renter's motor**  
 22 **vehicle or watercraft in the manner permitted under**  
 23 **subsection (d).**  
 24 **(d) If:**  
 25 **(1) the renter's personal property stored in the rented space**  
 26 **is a motor vehicle or watercraft; and**  
 27 **(2) the renter does not pay the owner's claim within the time**  
 28 **specified in subsection (c)(2);**  
 29 **as an alternative to conducting a sale under section 15 of this**  
 30 **chapter, the owner may cause the renter's motor vehicle or**  
 31 **watercraft to be towed or removed from the self-service storage**  
 32 **facility.**  
 33 ~~(e)~~ **(e) Any sale or other disposition of the personal property**  
 34 **undertaken by the owner to enforce the owner's lien must conform to**  
 35 **be conducted in the same manner, and at the same place (if**  
 36 **applicable) and time, specified by the owner in the notice given**  
 37 **under subsection (c)(7).**  
 38 SECTION 7. IC 26-3-8-14 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) After the  
 40 expiration of the time stated in the owner's notice under section  
 41 12(c)(2) of this chapter, if the personal property has not been otherwise  
 42 disposed of ~~under in a notice provided under~~ **manner described in**



1 section ~~12(c)(7)~~ **12(c)(7)(A)(ii) or 12(c)(7)(B)** of this chapter, an  
 2 owner enforcing the owner's lien shall prepare for a sale of the personal  
 3 property under this section.

4 **(b) Except as otherwise permitted under subsection (c),** the  
 5 owner shall cause an advertisement of sale to be published one (1) time  
 6 before the date of the sale in a newspaper of general circulation in the  
 7 county in which the self-service storage facility is located. The  
 8 advertisement must include:

9 (1) a statement that the personal property stored in the renter's  
 10 rented space will be sold to satisfy the owner's lien;

11 (2) the address of the self-service storage facility, the number or  
 12 other designation (if any) of the space where the personal property  
 13 is located, and the name of the renter; ~~and~~

14 (3) the ~~time, place, and~~ manner of the sale; ~~and~~

15 **(4) the time and place of the sale, as applicable.**

16 **(c) As an alternative to the publication described in subsection**  
 17 **(b), the owner may advertise the sale in any other commercially**  
 18 **reasonable manner that is likely to attract at least three (3)**  
 19 **independent bidders to the sale. An advertisement by an**  
 20 **alternative method permitted under this section must include the**  
 21 **information required under subsection (b)(1) through (b)(4).**

22 ~~(c)~~ **(d)** The sale must be held at least ten (10) days after:

23 **(1) the publication under subsection (b); or**

24 **(2) the first publication, transmission, or communication of an**  
 25 **advertisement under subsection (c);**

26 **as applicable.** If, after the publication, **transmission, or other**  
 27 **communication** of notice under this section, the sale of the personal  
 28 property is not consummated, the owner shall notify the renter in  
 29 writing at the renter's last known address of the other disposition the  
 30 owner intends for the property.

31 SECTION 8. IC 26-3-8-15 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Any sale of the  
 33 personal property under this chapter shall be held:

34 **(1) at the self-service storage facility or, if that facility is not a**  
 35 **suitable place for a sale, at the suitable place nearest to where the**  
 36 **property is held or stored; or**

37 **(2) through a publicly accessible Internet web site.**

38 (b) The owner may buy the personal property at any sale under this  
 39 chapter.

40 (c) An owner may satisfy the owner's lien from the proceeds of a  
 41 sale under this chapter. If the proceeds of a sale under this chapter  
 42 exceed the amount of the owner's lien, the owner shall hold the balance



1 for delivery, upon demand, to the renter. If the renter does not claim the  
2 balance of the proceeds within one (1) year after the sale, the balance  
3 shall be treated as unclaimed property under IC 32-34-1.

4 SECTION 9. IC 26-3-8-16 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) This chapter  
6 does not impair the power of the parties to a rental agreement to create  
7 rights, duties, or obligations that do not arise from this chapter. The  
8 rights provided to an owner by this chapter are in addition to all other  
9 rights provided by law to a creditor against a debtor.

10 (b) **A rental agreement may specify a limit on the value of**  
11 **personal property that may be stored in a renter's rented space. If**  
12 **a rental agreement specifies a limit on the value of stored personal**  
13 **property under this subsection, the limit specified in the rental**  
14 **agreement is considered the maximum value of the renter's**  
15 **personal property stored in the renter's rented space.**

