

1 HB421
2 157900-3
3 By Representative Brown
4 RFD: Commerce and Small Business
5 First Read: 06-FEB-14

1 "For the purposes of this article, the following
2 words ~~and phrases~~ shall have the ~~respective~~ following meanings
3 ~~ascribed by this section:~~

4 "(1) ACTIVE DUTY. Active military duty pursuant to
5 an executive order of the President, Act of Congress, or order
6 of the Governor.

7 "~~(2) CERTIFIED FIRST CLASS MAIL. First class mail~~
8 ~~that is offered by the United States Postal Service that~~
9 ~~provides evidence of mailing.~~

10 "~~(1) (3) (2)~~ DEFAULT. The failure to perform in a
11 timely manner any obligation or duty set forth in this article
12 or the rental agreement.

13 "~~(4) (3)~~ EMAIL. An electronic message or an
14 executable program or computer file that contains an image of
15 a message that is transmitted between two or more computers or
16 electronic terminals including electronic messages that are
17 transmitted within or between two computer networks.

18 "(4) FIRST CLASS MAIL WITH A CERTIFICATE OF MAILING.
19 First class mail that is offered by the United States Postal
20 Service that provides evidence of mailing.

21 "~~(2) (5)~~ LAST KNOWN ADDRESS. That The street address,
22 post office box, or email address provided by the occupant in
23 the ~~latest~~ most recent rental agreement or the address
24 provided by the occupant in a subsequent written notice of a
25 change of address by hand delivery, certified first class
26 mail, or email accompanied by a receipt.

1 "(6) LATE FEE. A reasonable fee or charge that is
2 assessed by the owner for the failure of the occupant to pay
3 rent when due. A late fee is not interest on a debt or a
4 reasonable expense which the owner may incur in the course of
5 collecting unpaid rent in enforcing the lien rights of the
6 owner.

7 "~~(3)~~(7) LEASED SPACE. The individual storage space
8 at the self-service storage facility which is leased or rented
9 to an occupant pursuant to a rental agreement.

10 "~~(4)~~(8) OCCUPANT. A person or entity, or his or her
11 sublessee, successor, or assign, entitled to the use of a
12 storage space at a self-service storage facility, under a
13 written rental agreement with the owner, to the exclusion of
14 others.

15 "~~(5)~~(9) OWNER. The owner, operator, lessor, or
16 sublessor of a self-service storage facility, his or her
17 agent, or any other person authorized by him or her to manage
18 the facility or to receive rent from an occupant under a
19 rental agreement.

20 "~~(6)~~(10) PERSONAL PROPERTY. Movable property not
21 affixed to land. This term includes, but is not limited to,
22 goods, merchandise, and household items.

23 "~~(7)~~(11) RENTAL AGREEMENT. Any written agreement or
24 lease which establishes or modifies the terms, conditions,
25 rules, or any other provisions concerning the use and
26 occupancy at a self-service storage facility and which
27 contains a notice stating that all articles stored under the

1 terms of such agreement ~~will~~ shall be sold or otherwise
2 disposed of if no payment has been received for a continuous
3 ~~30-day~~ 15-day period. ~~Such~~ The agreement shall contain a
4 provision directing the occupant to disclose any lienholders
5 with an interest in property that is stored or will be stored
6 in ~~such~~ the self-service storage facility.

7 "~~(8)~~ (12) SELF-SERVICE STORAGE FACILITY. Any real
8 property designed and used for the purpose of renting or
9 leasing individual storage space to occupants who are to have
10 access to ~~such~~ the facility for the purpose of storing and
11 removing personal property. No occupant shall use a
12 self-service storage facility for residential purposes. A
13 self-service storage facility is not a public warehouse as
14 ~~used~~ defined in Article 1 of this chapter. If an owner issues
15 any warehouse receipt, bill of lading, or other document of
16 title for the personal property stored, the owner and the
17 occupant are subject to ~~the provisions of~~ Article 7 of the
18 Uniform Commercial Code, and ~~the provisions of~~ this article
19 shall not apply. The commercial landlord and tenant
20 relationship between owner and occupant is not altered by
21 retention by the owner of a key provided by the occupant.

22 "(13) SERVICE MEMBER. A member of the Armed Forces
23 of the United States, a reserve branch of the armed forces, or
24 the National Guard.

25 "§8-15-34.

26 "~~An owner's~~ The lien of an owner as provided for a
27 claim which has become due may be satisfied as follows:

1 "(1) No enforcement action, other than denial of
2 access, shall be taken by the owner until the occupant has
3 been in default continuously for a period of ~~30~~ 15 days.

4 "(2) Prior to taking enforcement action pursuant to
5 this section, the owner shall determine whether a financing
6 statement has been filed in accordance with Title 7 concerning
7 the property to be sold or otherwise disposed of, with the
8 Secretary of State, in the county where the self-service
9 storage facility is located and in the county of the
10 ~~occupant's~~ last known address of the occupant, or if the
11 property includes a motor vehicle, the owner shall determine
12 whether a lien has been filed with the Alabama Department of
13 Revenue.

14 "(3) After the occupant has been in default
15 continuously for a period of ~~30~~ 15 days, the owner may begin
16 enforcement action if the occupant has been notified in
17 writing. ~~Said notice~~ The occupant shall be notified of the
18 intent of the owner to enforce his or her lien by written
19 notice delivered in person, by certified first class mail,
20 first class mail with a certificate of mailing, or by email
21 sent by certified or registered mail to the last known address
22 of the occupant. Any lienholder with an interest in the
23 property to be sold or otherwise disposed of, of whom the
24 owner has knowledge either through the disclosure provision on
25 the rental agreement or through finding a validly filed
26 financing statement in the office of the Secretary of State's
27 office State, or county, or if the property includes a motor

1 vehicle, through a lien filed with the Alabama Department of
2 Revenue, shall be included in the notice process as provided
3 in this section.

4 "(4) The owner ~~shall have the right to~~ may deny the
5 occupant access to the leased space and the owner may enter
6 ~~and/or~~ or remove, or both, the personal property from the
7 leased space to other suitable storage space pending its sale
8 or other disposition.

9 "(5) The notice required by this section shall
10 include all of the following:

11 "a. An itemized statement of the ~~owner's~~ claim of
12 the owner showing the sum due at the time of the notice and
13 the date when the sum became due;.

14 ~~"b. A brief and general description of the personal~~
15 ~~property subject to the lien. Such description shall be~~
16 ~~reasonably adequate to permit the person notified to identify~~
17 ~~such property; except that any container including, but not~~
18 ~~limited to, a trunk, valise, or box that is locked, fastened,~~
19 ~~sealed, or tied in a manner which deters immediate access to~~
20 ~~its contents may be described as such without describing its~~
21 ~~contents;~~

22 ~~"c. A notification of denial of access to the~~
23 ~~personal property, if such denial is permitted under the terms~~
24 ~~of the rental agreement, which notification shall provide the~~
25 ~~name, street address, and telephone number of the owner or his~~
26 ~~designated agent whom the occupant may contact to respond to~~
27 ~~such notification;~~

1 "~~d.~~b. A demand for payment within a specified time,
2 not less than 15 days after delivery of the notice~~7.~~

3 "~~e.~~c. A conspicuous statement that, unless the claim
4 is paid within the time stated in the notice, the personal
5 property ~~will~~ shall be advertised for sale or other
6 disposition and will be sold or otherwise disposed of at a
7 specified time and place.

8 "(6) ~~Any~~ A notice ~~made~~ given pursuant to this
9 section shall be presumed delivered when it is deposited with
10 the United States postal service and properly addressed with
11 postage prepaid or transmitted by email to the last known
12 email address of the occupant. Notice to lienholders evidenced
13 by a filed financing statement or a lien filed with the
14 Alabama Department of Revenue shall be in writing and served
15 upon the lienholder by hand delivery or certified first class
16 mail, accompanied by a delivery receipt.

17 "(7) After the expiration of the time given in the
18 notice, an advertisement of the sale or other disposition
19 shall be published once ~~a week for two consecutive weeks~~ in a
20 newspaper of general circulation in the county where the
21 self-service storage facility is located. The advertisement
22 shall include:

23 "~~a. A brief and general description of the personal~~
24 ~~property reasonably adequate to permit its identification as~~
25 ~~provided in paragraph (5)b. of this section; the~~ The address
26 of the self-service storage facility and the number, if any,

1 of the space where the personal property is located; and the
2 name of the occupant and his or her last known address~~7~~.

3 "b. The time, place, and manner of the sale or other
4 disposition. The sale or other disposition shall take place
5 not sooner than 15 days after the first publication.

6 "(8) If there is no newspaper of general circulation
7 in the county where the self-service storage facility is
8 located, the advertisement shall be posted on the premises in
9 a conspicuous location at least 10 days before the date of the
10 sale or other disposition ~~in not less than six conspicuous~~
11 ~~places in the neighborhood where the self-service storage~~
12 ~~facility is located.~~

13 "(9) Any sale or other disposition of the personal
14 property shall conform to the terms of the notification as
15 provided for in this section.

16 "(10) Any sale or other disposition of the personal
17 property shall be held at the self-service storage facility or
18 at the nearest suitable place where the personal property is
19 held or stored. The property may be sold singly, in lots or as
20 a whole. Bids may be sealed or open.

21 "(11) Before any sale or other disposition of
22 personal property pursuant to this section, the occupant may
23 pay the amount necessary to satisfy the lien and the
24 reasonable expenses incurred under this section and thereby
25 redeem the personal property. Upon receipt of ~~such~~ payment,
26 the owner shall return the personal property, and thereafter

1 the owner shall have no liability to any person with respect
2 to ~~such~~ the personal property.

3 "(12) A purchaser in good faith of the personal
4 property sold to satisfy a lien as provided in this article
5 takes the property free of any rights of persons against whom
6 the lien was valid, despite noncompliance by the owner with
7 the requirements of this section.

8 "(13) In the event of a sale under this section, the
9 owner may satisfy his or her lien from the proceeds of the
10 sale. The lien rights of secured ~~lienholder(s)~~ lienholders are
11 automatically transferred to the remaining proceeds of the
12 sale. If the sale is made in good faith and is conducted in a
13 commercially reasonable manner, the owner ~~shall~~ is not be
14 subject to any liability for a deficiency if the amount
15 realized at sale does not satisfy any secured lien, but shall
16 hold the balance, if any, for delivery to the occupant,
17 lienholder, or other person in interest. If the occupant,
18 lienholder, or other person in interest does not claim the
19 balance of the proceeds within three years of the date of
20 sale, it shall become the property of the owner without
21 further recourse by the occupant, lienholder, or other person
22 in interest.

23 "(14) If the requirements of this article are not
24 satisfied, if the sale of the personal property is not in
25 conformity with the notice of sale, or if there is a willful
26 violation of this article, nothing in this section affects the

1 rights and liabilities of the owner, occupant, or any other
2 person.

3 "(15) If the property is sold by public sale and
4 three or more bidders, who are unrelated to the owner, are in
5 attendance at the sale, the advertisement, sale, and the
6 proceeds from the sale are deemed commercially reasonable.

7 "(16) If the rental agreement contains a limit on
8 the value of the property stored in the storage space of the
9 occupant, the limit is the maximum value of the property
10 stored in the space.

11 "(17) If the property upon which the lien is claimed
12 is a motor vehicle or a vessel, and rent and other charges
13 related to the property remain unpaid or unsatisfied for 60
14 days following the maturity of the obligation to pay rent, the
15 owner may have the property towed in lieu of foreclosing on
16 the lien. If the motor vehicle or vessel is towed, the owner
17 is not liable for any damage to the motor vehicle or vessel
18 once the tower takes possession."

19 Section 2. Sections 8-15-39 and 8-15-40 are added to
20 the Code of Alabama 1975, to read as follows:

21 §8-15-39.

22 (a) An owner may impose a reasonable late fee on an
23 occupant for each month the occupant does not pay rent when
24 due. For purposes of this section, a reasonable late fee may
25 be computed as the greater of twenty dollars (\$20) per month
26 or 20 percent of the amount of monthly rent. Any late fee

1 imposed by an owner pursuant to this section is in addition to
2 any other remedy provided by law or contract.

3 (b) An owner shall provide adequate notice to an
4 occupant before a late fee is imposed. Adequate notice is
5 provided if the late fee is identified in the rental agreement
6 or a notice is sent to the occupant at his or her last known
7 address that notifies the occupant that a late fee may be
8 charged in any month in which the occupant does not pay rent
9 when due.

10 §8-15-40.

11 An occupant who is a service member and who is
12 transferred or deployed overseas on active duty for a period
13 of 180 days or more may notify the owner of the transfer or
14 deployment. The occupant shall provide written evidence of the
15 transfer or deployment with the notice. If an owner receives a
16 notice with supporting evidence from an occupant, the owner
17 may not enforce his or her lien until 90 days after the end of
18 the overseas service of the occupant.

19 Section 3. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Commerce and
Small Business..... 06-FEB-14

Read for the second time and placed
on the calendar 2 amendments 12-FEB-14

Read for the third time and passed
as amended..... 05-MAR-14

Yeas 98, Nays 0, Abstains 0

Jeff Woodard
Clerk