

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

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8 SYNOPSIS: Under existing law, the Self-Service Storage  
9 Act regulates the rental of individual storage  
10 spaces for personal property in the state.

11 This bill would provide further for the  
12 definitions of last known address and self-service  
13 storage facility and to define active duty,  
14 certified first class mail, email, late fee, and  
15 service member.

16 This bill would decrease the time required  
17 for default and denial of access from 30 to 15 days  
18 and would authorize an owner to notify an occupant  
19 of default and the intent of the owner to enforce a  
20 lien by certified first class mail or email.

21 This bill would delete the requirement that  
22 the notice include a description of the property  
23 and a denial of access to the property.

24 This bill would permit posting the notice of  
25 sale or other disposition of the property on a  
26 publicly available website.

1                   This bill would specify what constitutes a  
2                   commercially reasonable sale and proceeds,  
3                   determining the maximum value of stored property,  
4                   and the transfer of liability for a towed motor  
5                   vehicle or vessel.

6                   This bill would also provide for the  
7                   imposition of a late fee and for additional time  
8                   before an owner's lien may be enforced against a  
9                   defaulting occupant who is a member of the armed  
10                  forces.

11  
12   A BILL  
13   TO BE ENTITLED  
14   AN ACT

15  
16                   To amend Sections 8-15-31 and 8-15-34, Code of  
17                   Alabama 1975, and to add Sections 8-15-39 and 8-15-40 to the  
18                   Code of Alabama 1975, relating to the Self-Service Storage  
19                   Act; to provide further for definitions; to decrease the time  
20                   required for default and denial of access from 30 to 15 days;  
21                   to authorize an owner to notify an occupant of default and the  
22                   intent to enforce a lien by certified first class mail or  
23                   email; to delete the requirement that notice include a  
24                   property description and a denial of access to the property;  
25                   to permit posting the notice of sale or other disposition on a  
26                   publicly available website; to specify what constitutes a  
27                   commercially reasonable sale and proceeds, determines the

1 maximum value of stored property, and the transfer of  
2 liability for a towed motor vehicle or vessel; to provide for  
3 the imposition of a late fee; and to require additional time  
4 before an owner's lien may be enforced against a defaulting  
5 occupant who is a member of the armed forces.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Sections 8-15-31 and 8-15-34 of the Code  
8 of Alabama 1975, are amended to read as follows:

9 "§8-15-31.

10 "For the purposes of this article, the following  
11 words ~~and phrases~~ shall have the ~~respective~~ following meanings  
12 ~~ascribed by this section~~:

13 "(1) ACTIVE DUTY. Active military duty pursuant to  
14 an executive order of the President, Act of Congress, or order  
15 of the Governor.

16 "(2) CERTIFIED FIRST CLASS MAIL. First class mail  
17 that is offered by the United States Postal Service that  
18 provides evidence of mailing.

19 "~~(1)~~ (3) DEFAULT. The failure to perform in a timely  
20 manner any obligation or duty set forth in this article or the  
21 rental agreement.

22 "(4) EMAIL. An electronic message or an executable  
23 program or computer file that contains an image of a message  
24 that is transmitted between two or more computers or  
25 electronic terminals including electronic messages that are  
26 transmitted within or between two computer networks.

1           "~~(2)~~(5) LAST KNOWN ADDRESS. ~~That~~ The street address,  
2 post office box, or email address provided by the occupant in  
3 the ~~latest~~ most recent rental agreement or the address  
4 provided by the occupant in a subsequent written notice of a  
5 change of address by hand delivery, certified first class  
6 mail, or email accompanied by a receipt.

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

13           "~~(3)~~(7) LEASED SPACE. The individual storage space  
14 at the self-service storage facility which is leased or rented  
15 to an occupant pursuant to a rental agreement.

16           "~~(4)~~(8) OCCUPANT. A person or entity, or his or her  
17 sublessee, successor, or assign, entitled to the use of a  
18 storage space at a self-service storage facility, under a  
19 written rental agreement with the owner, to the exclusion of  
20 others.

21           "~~(5)~~(9) OWNER. The owner, operator, lessor, or  
22 sublessor of a self-service storage facility, his or her  
23 agent, or any other person authorized by him or her to manage  
24 the facility or to receive rent from an occupant under a  
25 rental agreement.

1           "~~(6)~~ (10) PERSONAL PROPERTY. Movable property not  
2 affixed to land. This term includes, but is not limited to,  
3 goods, merchandise, and household items.

4           "~~(7)~~ (11) RENTAL AGREEMENT. Any written agreement or  
5 lease which establishes or modifies the terms, conditions,  
6 rules, or any other provisions concerning the use and  
7 occupancy at a self-service storage facility and which  
8 contains a notice stating that all articles stored under the  
9 terms of such agreement ~~will~~ shall be sold or otherwise  
10 disposed of if no payment has been received for a continuous  
11 30-day period. ~~Such~~ The agreement shall contain a provision  
12 directing the occupant to disclose any lienholders with an  
13 interest in property that is stored or will be stored in ~~such~~  
14 the self-service storage facility.

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

1 relationship between owner and occupant is not altered by  
2 retention by the owner of a key provided by the occupant.

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

6 "§8-15-34.

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

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

12 "(2) Prior to taking enforcement action pursuant to  
13 this section, the owner shall determine whether a financing  
14 statement has been filed in accordance with Title 7 concerning  
15 the property to be sold or otherwise disposed of, with the  
16 Secretary of State, in the county where the self-service  
17 storage facility is located and in the county of the  
18 ~~occupant's~~ last known address of the occupant.

19 "(3) After the occupant has been in default  
20 continuously for a period of ~~30~~ 15 days, the owner may begin  
21 enforcement action if the occupant has been notified in  
22 writing. ~~Said notice~~ The occupant shall be notified of the  
23 intent of the owner to enforce his or her lien by written  
24 notice delivered in person, by certified first class mail, or  
25 by email sent ~~by certified or registered mail~~ to the last  
26 known address of the occupant. Any lienholder with an interest  
27 in the property to be sold or otherwise disposed of, of whom

1 the owner has knowledge either through the disclosure  
2 provision on the rental agreement or through finding a validly  
3 filed financing statement in the office of the Secretary of  
4 ~~State's office~~ State, shall be included in the notice process  
5 as provided in this section.

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

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

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

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

24 "~~c. A notification of denial of access to the~~  
25 ~~personal property, if such denial is permitted under the terms~~  
26 ~~of the rental agreement, which notification shall provide the~~  
27 ~~name, street address, and telephone number of the owner or his~~



1 ~~designated agent whom the occupant may contact to respond to~~  
2 ~~such notification;~~

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

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

10 "(6) ~~Any~~ A notice ~~made~~ given pursuant to this  
11 section shall be presumed delivered when it is deposited with  
12 the United States postal service and properly addressed with  
13 postage prepaid or transmitted by email to the last known  
14 email address of the occupant.

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

21 "a. ~~A brief and general description of the personal~~  
22 ~~property reasonably adequate to permit its identification as~~  
23 ~~provided in paragraph (5)b. of this section; the~~ The address  
24 of the self-service storage facility and the number, if any,  
25 of the space where the personal property is located; and the  
26 name of the occupant and his or her last known address~~;~~.

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

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

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

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

19            "(11) Before any sale or other disposition of  
20 personal property pursuant to this section, the occupant may  
21 pay the amount necessary to satisfy the lien and the  
22 reasonable expenses incurred under this section and thereby  
23 redeem the personal property. Upon receipt of ~~such~~ payment,  
24 the owner shall return the personal property, and thereafter  
25 the owner shall have no liability to any person with respect  
26 to ~~such~~ the personal property.

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

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

21           "(14) If the requirements of this article are not  
22 satisfied, if the sale of the personal property is not in  
23 conformity with the notice of sale, or if there is a willful  
24 violation of this article, nothing in this section affects the  
25 rights and liabilities of the owner, occupant, or any other  
26 person.

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

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

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

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

19           §8-15-39.

20           (a) An owner may impose a reasonable late fee on an  
21 occupant for each month the occupant does not pay rent when  
22 due. For purposes of this section, a reasonable late fee may  
23 be computed as the greater of twenty dollars (\$20) per month  
24 or 20 percent of the amount of monthly rent. Any late fee  
25 imposed by an owner pursuant to this section is in addition to  
26 any other remedy provided by law or contract.

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

8           §8-15-40.

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

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