

1 SB328  
2 200383-4  
3 By Senator Melson  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 25-APR-19

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 Relating to self-service storage facilities; to add  
12 Article 2A, commencing with Section 8-15-40, to Chapter 15,  
13 Title 8, Code of Alabama 1975, creating the Self-Service  
14 Storage Facilities Act; to provide definitions; to authorize  
15 operator's liens; to provide for the responsibilities and  
16 duties of operators, occupants, and creditors in the event of  
17 default of a rental agreement; and to repeal Article 2,  
18 commencing with Section 8-15-30, Chapter 15, Title 8, Code of  
19 Alabama 1975, the Self-Service Storage Act.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Article 2A is added to Chapter 15, Title  
22 8, Code of Alabama 1975, to read as follows:

23 §8-15-40.

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

26 §8-15-41.

1           For the purposes of this article, the following  
2 terms shall have the following meanings:

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

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

11           (3) ELECTRONIC MAIL. An electronic message or an  
12 executable program or computer file that contains an image of  
13 a message that is transmitted between two or more computers or  
14 electronic terminals and includes electronic messages that are  
15 transmitted within or between computer networks.

16           (4) EMERGENCY. Any occurrence or circumstance at or  
17 near a self-service storage facility that requires immediate  
18 action to avoid injury to persons or damage to property at or  
19 near the self-service storage facility including, but not  
20 limited to, a fire.

21           (5) LAST KNOWN ADDRESS. The postal address or  
22 electronic mail address provided by an occupant in a rental  
23 agreement or the postal address or electronic mail address  
24 provided by the occupant in a subsequent written notice of a  
25 change of address.

26           (6) LATE FEE. Any fee or charge assessed for the  
27 failure of an occupant to pay rent when due. The term does not

1 include interest on a debt; expenses incurred in the  
2 collection of unpaid rent; expenses incurred for the  
3 preservation, sale, or disposition of personal property  
4 pursuant to this article; or costs associated with the  
5 enforcement of any other remedy provided by law or contract.

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

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

12 (9) OPERATOR. The owner, operator, lessor, or  
13 sublessor of a self-service storage facility, or an agent of  
14 any of the foregoing, or any other person authorized to manage  
15 the facility or to receive rent from an occupant under a  
16 rental agreement. The term does not include a warehouseman if  
17 the warehouseman issues a warehouse receipt, bill of lading,  
18 or other document of title for the personal property stored.

19 (10) PERSONAL PROPERTY. Movable property not affixed  
20 to land. The term includes, but is not limited to, goods,  
21 wares, merchandise, motor vehicles, watercraft, household  
22 items, and furnishings.

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

26 (12) RENTAL AGREEMENT. Any written agreement or  
27 lease that establishes or modifies the terms, conditions, or

1 rules concerning the use and occupancy of leased space at a  
2 self-service storage facility.

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

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

10 §8-15-42.

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

14 (b) An occupant shall not use a leased space for  
15 residential purposes.

16 §8-15-43.

17 An occupant, upon reasonable request from the  
18 operator, shall allow the operator to enter a leased space for  
19 the purpose of inspection or repair. If an emergency occurs,  
20 an operator may enter a leased space for inspection or repair  
21 without notice to or consent from the occupant.

22 §8-15-44.

23 (a) The operator of a self-service storage facility  
24 and the heirs, executors, administrators, successors, and  
25 assigns of the operator shall have a lien upon all of the  
26 personal property of an occupant located at the self-service  
27 storage facility for delinquent rent, late fees, labor, or

1 other charges incurred pursuant to a rental agreement and for  
2 expenses incurred for preservation, sale, or disposition of  
3 the personal property. The lien provided for in this section  
4 is superior to any other lien or security interest, except for  
5 a tax lien as otherwise provided by law.

6 (b) The lien described in subsection (a) attaches on  
7 the date on which personal property is placed in a leased  
8 space.

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

11 (1) The existence of the lien.

12 (2) That personal property stored in the leased  
13 space may be sold to satisfy the lien if the occupant is in  
14 default.

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

18 (d) If the rental agreement specifies a limit on the  
19 value of personal property that the occupant may store in the  
20 leased space, the limit shall be deemed to be the maximum  
21 value of the personal property in the leased space of the  
22 occupant.

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

1 §8-15-45.

2 If the occupant is in default, the operator may deny  
3 the occupant access to the leased space at the self-service  
4 storage facility. The operator may enter and remove the  
5 personal property from the leased space to other suitable  
6 storage space pending its sale or other disposition.

7 §8-15-46.

8 (a) If an occupant is in default for a period of  
9 more than 30 days, the operator may enforce the lien granted  
10 in Section 8-15-44 by selling the stored personal property of  
11 the occupant. Sale of the personal property of an occupant may  
12 be by public or private proceedings. The personal property may  
13 be sold as a unit or in parcels, by way of one or more  
14 contracts, at any time or place, with bids or offers sealed or  
15 open, and on any terms as long as the sale is a commercially  
16 reasonable sale. The operator may otherwise dispose of any  
17 property which has no commercial value.

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

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

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

1           b. A statement of the operator's claim, indicating  
2 the charges due on the date of the notice, the amount of any  
3 additional charges which shall become due before the date of  
4 sale, and the date the additional charges shall become due.

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

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

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

14           (2) At least seven days before the sale, an  
15 advertisement containing the time, place, and terms of the  
16 sale shall be published once in a newspaper of general  
17 circulation in the county where the self-service storage  
18 facility is located. A single advertisement listing multiple  
19 sales in a newspaper of general circulation in the county  
20 shall suffice. If no newspaper of general circulation is  
21 located in the county, or if the operator determines, based on  
22 the previous experience of the operator, that the contents of  
23 the leased space have a value of five hundred dollars (\$500)  
24 or less, then an advertisement in any commercially reasonable  
25 manner shall suffice. The manner of advertisement is deemed  
26 commercially reasonable if it is likely to attract at least



1 three independent bidders to attend or view the sale in person  
2 or online at the time and place advertised.

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

5 (d) If the personal property subject to the  
6 operator's lien is a vehicle, watercraft, or trailer and rent  
7 and other charges remain unpaid for 60 days, the operator may  
8 have the vehicle, watercraft, or trailer towed from the  
9 self-service storage facility. The operator shall not be  
10 liable for any damages to the vehicle, watercraft, or trailer  
11 once the tower takes possession of the property. Removal of  
12 any vehicle, watercraft, or trailer from the self-service  
13 storage facility shall not release the operator's lien. The  
14 sale of a watercraft shall comply with Section 33-5A-4. Any  
15 provision of this article to the contrary notwithstanding,  
16 unclaimed motor vehicles shall be reported in accordance with  
17 Section 32-8-84 and abandoned motor vehicles shall be sold in  
18 accordance with Chapter 13 of Title 32.

19 (e) At any time before a sale is held under this  
20 section or before a vehicle, watercraft, or trailer is towed  
21 under this section, the occupant may pay the amount necessary  
22 to satisfy the lien and redeem the personal property. The  
23 operator shall have no liability to any person with respect to  
24 personal property redeemed pursuant to this subsection.

25 (f) In the event of a sale, the operator may satisfy  
26 the lien from the proceeds of the sale. The lien rights of  
27 secured lienholders are automatically transferred to the

1 remaining proceeds of the sale, if any. If the sale is a  
2 commercially reasonable sale, the operator shall not be  
3 subject to any liability for a deficiency if the amount  
4 realized at the sale does not satisfy any secured lien, but  
5 shall hold the balance, if any, for delivery to the occupant  
6 or any secured lienholder, upon demand. If the occupant or  
7 secured lienholder, if any, does not claim the balance of the  
8 proceeds within one year after the date of sale, the balance  
9 shall become the property of the operator without further  
10 recourse by the occupant or secured lienholder.

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

17 (h) Notices to the occupant under subdivision (1) of  
18 subsection (b) shall be sent to the last known address of the  
19 occupant by verified mail or electronic mail. Notices sent by  
20 verified mail shall be deemed delivered when deposited with  
21 the United States Postal Service or private delivery service  
22 if they are properly addressed with postage prepaid. Notices  
23 sent by electronic mail shall be deemed delivered when an  
24 electronic message is sent to the last known address provided  
25 by the occupant. If the operator sends notice by electronic  
26 mail and receives an automated message stating that the  
27 electronic mail cannot be delivered, the operator shall send

1 notice by verified mail to the last known address of the  
2 occupant with postage prepaid.

3 (i) If the operator complies with the requirements  
4 of this section, the liability of the operator:

5 (1) To the occupant, shall be limited to the net  
6 proceeds received from the sale of the personal property of  
7 the occupant less any proceeds paid to the holders of any lien  
8 or security interest of record on the personal property being  
9 sold.

10 (2) To the holders of any lien or security interest  
11 of record on the personal property being sold, shall be  
12 limited to the net proceeds received from the sale of any  
13 personal property covered by the lien or security interest of  
14 the holder.

15 §8-15-47.

16 Unless the rental agreement specifically provides  
17 otherwise and until a lien sale is conducted under Section  
18 8-15-46, the exclusive care, custody, and control of all  
19 personal property stored in a leased space remains vested in  
20 the occupant, and the occupant shall bear all risks of loss or  
21 damage to that personal property.

22 §8-15-48.

23 This article does not impair the power of the  
24 parties to a rental agreement to create rights, duties, or  
25 obligations in the rental agreement. The rights provided to an  
26 operator by this article are in addition to all other rights

1 provided by law to a creditor against a debtor or to a  
2 landlord against a tenant.

3 §8-15-49.

4 This article shall apply to all rental agreements  
5 entered into, extended, or renewed after October 1, 2019.

6 Section 2. Article 2, commencing with Section  
7 8-15-30, of Chapter 15, Title 8, Code of Alabama 1975, the  
8 Self-Service Storage Act, is repealed.

9 Section 3. This act shall become effective on  
10 October 1, 2019, following its passage and approval by the  
11 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate  
committee on Fiscal Responsibility and Economic  
Development..... 25-APR-19

Read for the second time and placed on the calen-  
dar with 1 substitute and..... 07-MAY-19

Read for the third time and passed as amended .... 21-MAY-19

Yeas 26  
Nays 0

Patrick Harris,  
Secretary.