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SELF-SERVICE STORAGE FACILITY ACT; LIMIT OWNER LIABILITY

House Bill 5237

Sponsor: Rep. David Mead

Committee: Family and Civil Law

Complete to 4-25-00

A SUMMARY OF HOUSE BILL 5237 AS INTRODUCED 1-26-00

The bill would amend the Self-Service Storage Facility Act to limit the liability of storage facility owners. Under current law, an owner of a facility has a lien against the property stored in the facility that attaches as of the date the property arrives at the storage facility. The bill would provide that the lien would attach either when the property arrived or as of the date that the rental agreement for the storage space was signed by the occupant (the person whose property is stored in the storage space), whichever was earlier. Furthermore, the bill, would require a person who signed a rental agreement for storage space to disclose in writing the identity of the occupant, if it was someone other than the person who signed the agreement. The bill would also require an occupant to notify the owner of the facility *in writing* of a change of his or her mailing address.

The act's provisions regarding the enforcement of a facility owner's lien would also be amended. Under the bill, if an occupant was not less than 2 weeks delinquent in making a rental payment, the owner could install a manager's lock on the storage unit. Any owner who did this would have to send a delinquent payment notice to the occupant's last known address by personal delivery or first-class and certified mail. The notice would have to include the amount due, the date the amount was due and a demand for payment.

Under current law, in order to enforce an owner's lien, an owner is required to notify the occupant, and the person that the occupant had designated, if any, by personal delivery or by first-class and certified mail, of the proposed public sale of the occupant's property to satisfy the lien claim. The notice must include an itemized statement of the facility owner's claim showing the amount due and the date that the amount came due; a demand for payment within a period of 30 days after the notice's delivery; and a conspicuous statement, printed in not less than 10-point type, that unless the occupant vacates the storage space within 15 days or pays the amount due within 30 days, the property will be advertised for sale and sold at a specified time and place.

The bill would remove the provision allowing an occupant to vacate the storage space within 15 days after receiving notice of delinquency without paying, and would delete the requirement that the notice include such information. The bill would also provide that after the expiration of the 30 days, the owner could do one or more of the following: deny the occupant access to the storage space; inventory the property; and/or move the property from the storage space to another storage space pending its disposition. Furthermore, if an occupant paid the amount owed in accordance with the act and the owner returned the property to the occupant in substantially the same condition, the bill would provide that the owner would have no further liability to any person with respect to the property.

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After the 30 day period has passed, the act allows an owner to advertise and sell the property from the storage space. The act includes specifics as to how the advertisement must be run and the information the advertisement must contain. In addition to the act's existing requirements, the bill would require that the advertisement include a statement that the owner has denied the occupant access to the storage space or that the owner has removed the occupant's property from the rented storage space to another storage space (if the owner has taken either of these actions).

Furthermore, before the stored property is sold, the act requires an owner to complete an inventory of the property. The bill would specify that the inventory could include the contents of a closed trunk, valise, box, or other container. In order to make such an inventory, the owner could open any closed container that was locked, fastened, or sealed, or tied in a manner that deterred immediate access to the contents for inventory. Furthermore, the owner would not be liable for any incidental damage to the container that occurred as a result.

MCL 570.523 et al.

Analyst: W. Flory

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