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BILL ANALYSIS

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House Bill 5237 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative David Mead

House Committee: Family and Civil Law

Senate Committee: Judiciary

## **CONTENT**

The bill would amend the Self-Service Storage Facility Act to include self-contained storage units in the Act; revise provisions relating to a storage facility owner's lien on property stored in the facility; limit the owner's liability with respect to property subject to that lien; allow the owner to deny the tenant access to the storage space and move the property under certain circumstances; and require a tenant who signed a rental agreement to disclose in writing the name, address, and telephone number of the occupant if the occupant were not the tenant who signed the agreement.

Upon a tenant's failure to pay rent when it became due, an owner could, without notice and within five days after the due date, deny the tenant access to the stored property.

The Act requires notification of the sale of personal property to satisfy an owner's claim. The notice must indicate that unless the occupant vacates the storage space within 15 days or the claim is paid within the time stated in the notice, the property will be sold. Under the bill, the notice would have to indicate that unless the claim was paid within a specified time, the property would be sold. The bill would delete a provision that an occupant who vacates the facility within 15 days may do so despite any rental charge due. The notice also must include a demand for payment within 30 days; under the bill, the owner could demand payment within a specified time of not less than 14 days.

After the period specified in the notice, an advertisement of the proposed sale must be published or posted. Under the bill, after the specified period expired, the property could be moved to another storage space pending its sale. Under the Act, a sale may take place no sooner than 30 days after the first publication or posting. Under the bill, the sale could take place no sooner than 15 days after the first advertisement.

Before a sale, the occupant may satisfy the lien and redeem the property. Upon receiving payment, the owner must return the property to the occupant. The bill specifies that, after returning the property, the owner would have no liability with respect to the personal property.

The bill specifies that the Act would not impair or affect the rights of parties to create liens by special contract or agreement or affect any other lien not provided for under the Act. The bill also states that, except for actions permitted under the Act or a rental agreement, an owner would not have care, custody, or control of a tenant's property.

MCL 570.523 et al.

Legislative Analyst: P. Affholter

## **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 12-11-00

Fiscal Analyst: B. Bowerman