

SUBSTITUTE FOR
HOUSE BILL NO. 5237

A bill to amend 1985 PA 148, entitled
"Self-service storage facility act,"
by amending the title and sections 3, 4, and 5 (MCL 570.523,
570.524, and 570.525).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to provide for a lien on personal property stored at
3 a self-service storage facility in favor of the owner of the
4 facility; TO LIMIT THE LIABILITY OF SELF-SERVICE STORAGE FACILITY
5 OWNERS; and to provide for enforcement.

6 Sec. 3. The owner of a self-service storage facility and
7 the heirs, personal representatives, successors, and assignees of
8 the owner have a lien upon all personal property located at the
9 facility for rent or other lawful charges incurred relative to
10 the storage of the personal property, including expenses

1 necessary for its preservation, or reasonably incurred in its
2 sale pursuant to this act. The lien attaches as of the date the
3 personal property arrives at the self-service storage facility OR
4 THE DATE A RENTAL AGREEMENT FOR THE STORAGE SPACE IS SIGNED BY
5 THE OCCUPANT, WHICHEVER IS EARLIER.

6 Sec. 4. (1) At the commencement of a rental agreement for
7 storage space at a self-service storage facility, the owner shall
8 provide the occupant with the following written notice:

9 "NOTICE: If you fail to make your required pay-
10 ments, you will have to vacate the unit or your
11 property may later be sold at a public sale.
12 Before the sale, you will be notified by
13 first-class mail and by certified mail of the
14 amount due. The notice will be mailed to your
15 last known address. In order to preserve your
16 right to be notified, it is important that you
17 notify us IN WRITING of any change in your mail-
18 ing address. Also, you should supply us with
19 the name and address of another person who can
20 reach you if you are not at your mailing
21 address, and we will notify that person at the
22 same time and in the same manner as we notify
23 you."

24 (2) THE INDIVIDUAL WHO SIGNS A RENTAL AGREEMENT FOR STORAGE
25 SPACE AT A SELF-SERVICE STORAGE FACILITY SHALL DISCLOSE IN WRIT-
26 ING THE IDENTITY OF THE OCCUPANT IF THE OCCUPANT IS OTHER THAN
27 THE INDIVIDUAL WHO SIGNS THE AGREEMENT.

HB5237, As Passed House, May 2, 2000

House Bill No. 5237

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1 Sec. 5. (1) An owner's lien under section 3 shall be
2 enforced only as provided in this section.

3 (2) IF AN OCCUPANT IS NOT LESS THAN 4 WEEKS DELINQUENT IN
4 MAKING A RENTAL PAYMENT, THE OWNER MAY INSTALL A MANAGER'S LOCK
5 ON THE OCCUPANT'S STORAGE UNIT. AN OWNER WHO INSTALLS A
6 MANAGER'S LOCK UNDER THIS SUBSECTION SHALL SEND A DELINQUENT PAY-
7 MENT NOTICE TO THE OCCUPANT BY PERSONAL DELIVERY OR FIRST-CLASS
8 MAIL AND CERTIFIED MAIL TO THE LAST KNOWN ADDRESS OF THE
9 OCCUPANT. THIS DELINQUENT PAYMENT NOTICE SHALL SHOW THE AMOUNT
10 DUE AT THE TIME OF THE NOTICE AND THE DATE ON WHICH THE AMOUNT
11 BECAME DUE AND A DEMAND FOR PAYMENT.

12 (3) ~~-(2)-~~ An owner whose claim for rent or other lawful
13 charges described in section 3 has not been satisfied may sell
14 the personal property subject to the lien at a public sale, if
15 the public sale conforms to this section.

16 (4) ~~-(3)-~~ The occupant, and the person designated by the
17 occupant pursuant to the notice in section 4, if any, shall be
18 notified of the proposed sale of personal property to satisfy the
19 claim of the owner by ~~notice personally delivered~~ PERSONAL
20 DELIVERY or ~~sent by~~ first-class mail and ~~by~~ certified mail to
21 the last known address of the occupant. An occupant who is a
22 sublessee, successor, or assignee of the original lessee shall
23 not be entitled to receive the notice unless he or she has noti-
24 fied the owner in writing of his or her name and address. The
25 notice shall include:

1 (a) An itemized statement of the owner's claim showing the
2 amount due at the time of the notice and the date on which the
3 amount became due.

4 (b) A demand for payment within a period of 30 days after
5 ~~delivery of~~ the notice IS PERSONALLY DELIVERED OR MAILED.

6 (c) A conspicuous statement, printed in not less than
7 10-point type, indicating that unless the occupant ~~vacates the~~
8 ~~self-service storage facility space within 15 days or~~ PAYS the
9 claim ~~is paid~~ within the time stated in the notice, the per-
10 sonal property will be advertised for sale and sold. The state-
11 ment shall specify the time, place, and manner of the proposed
12 sale.

13 ~~(4) An occupant who vacates the self-service storage facil-~~
14 ~~ity within 15 days after receiving notice under this section may~~
15 ~~do so despite any rental charge due the owner.~~

16 (5) AFTER THE EXPIRATION OF THE 30-DAY PERIOD IN SUBSECTION
17 (4)(B), THE OWNER MAY DO 1 OR MORE OF THE FOLLOWING:

18 (A) DENY THE OCCUPANT ACCESS TO THE STORAGE SPACE WHERE THE
19 PERSONAL PROPERTY IS LOCATED.

20 (B) MOVE THE OCCUPANT'S PERSONAL PROPERTY FROM THE STORAGE
21 SPACE TO ANOTHER STORAGE SPACE PENDING ITS SALE OR OTHER DISPOSI-
22 TION UNDER THIS ACT.

23 (6) AN OWNER WHO EXERCISES 1 OR BOTH OF THE OPTIONS
24 DESCRIBED IN SUBSECTION (5) SHALL INVENTORY THE PERSONAL PROPERTY
25 IN THE STORAGE SPACE AS DESCRIBED IN SUBSECTION (10).

26 (7) ~~(5)~~ After the expiration of the 30-day period in
27 subsection ~~(3)(b)~~ (4)(B), an advertisement of the proposed sale

1 shall be published once a week for 2 consecutive weeks in a
2 newspaper of general circulation in the city, village, or town-
3 ship in which the self-service storage facility is located. If
4 there is no newspaper of general circulation in the city, vil-
5 lage, or township in which the self-service storage facility is
6 located, the advertisement shall be posted at least 10 days
7 before the date of the sale in not less than 6 conspicuous places
8 in the city, village, or township in which the self-service stor-
9 age facility is located. The advertisement shall include all of
10 the following:

11 (a) A brief, general description of the personal property
12 subject to the lien. The description shall reasonably identify
13 the property, except that any container, including but not
14 limited to a trunk, valise, or box, that is locked, fastened,
15 sealed, or tied in a manner ~~which~~ THAT deters immediate access
16 to its contents may be described as such without describing its
17 contents.

18 (b) The address of the self-service storage facility; the
19 number, if any, designating the space where the personal property
20 is located; and the name of the occupant, if known to the owner.

21 (c) The time, place, and manner of the proposed sale.

22 (D) A STATEMENT THAT THE OWNER HAS DENIED THE OCCUPANT
23 ACCESS TO THE RENTED STORAGE SPACE, IF THE OWNER HAS DONE SO
24 UNDER SUBSECTION (5).

25 (E) A STATEMENT THAT THE OWNER HAS REMOVED THE OCCUPANT'S
26 PERSONAL PROPERTY FROM THE RENTED STORAGE SPACE TO ANOTHER
27 STORAGE SPACE, IF THE OWNER HAS DONE THIS UNDER SUBSECTION (5).

1 (8) ~~—(6)—~~ The sale shall take place not sooner than ~~—30—~~ 14
2 days after the first publication or posting. A sale of the per-
3 sonal property shall be held at the self-service storage facility
4 or at the nearest suitable place.

5 (9) ~~—(7)—~~ Before a sale of personal property pursuant to
6 this section, the occupant may pay the amount necessary to sat-
7 isfy the lien, including the reasonable expenses incurred by the
8 owner under this section, and redeem the personal property. Upon
9 receipt of this payment, the owner shall return the personal
10 property to the occupant in the same condition, or substantially
11 the same condition, as it was in when stored by the occupant.
12 AFTER RETURNING THE PERSONAL PROPERTY TO THE OCCUPANT AS
13 DESCRIBED IN THIS SUBSECTION, THE OWNER HAS NO LIABILITY TO ANY
14 PERSON WITH RESPECT TO THE PERSONAL PROPERTY.

15 (10) ~~—(8)—~~ Before a sale of personal property pursuant to
16 this section, the owner shall complete an inventory of the per-
17 sonal property. THE INVENTORY MAY INCLUDE THE CONTENTS OF A
18 CLOSED TRUNK, VALISE, BOX, OR OTHER CONTAINER. AN OWNER MAY OPEN
19 ANY CLOSED CONTAINER THAT IS LOCKED, FASTENED, OR SEALED, OR TIED
20 IN A MANNER THAT DETERS IMMEDIATE ACCESS TO ITS CONTENTS FOR PUR-
21 POSES OF INVENTORY, AND SHALL NOT BE LIABLE FOR INCIDENTAL DAMAGE
22 TO THE CONTAINER CAUSED BY THE INVENTORY.

23 (11) ~~—(9)—~~ Before a sale of a motor vehicle or a boat pursu-
24 ant to this section, the owner shall contact the secretary of
25 state to determine the name and address of any title holders or
26 lienholders, and the owner shall notify every such title holder
27 or lienholder of the time and place of the proposed sale. Before

1 the sale of any other property pursuant to this section, the
2 owner shall contact the secretary of state and the register of
3 deeds in the county of the occupant's last known address, if the
4 occupant resides in this state, and the register of deeds of the
5 county where the self-service storage facility is located if the
6 occupant does not reside in this state, to determine the name and
7 address of the holders of security interests in the property
8 being sold. The owner shall notify each such holder of a secur-
9 ity interest of the time and place of the proposed sale. The
10 owner shall be held liable for notifying the holder of a security
11 interest only if the security interest is filed under the name of
12 the occupant. Failure to make the lien searches required by this
13 subsection shall result in liability only to valid lienholders
14 injured by that failure.

15 (12) ~~-(10)-~~ Before a sale of personal property pursuant to
16 this section, a holder of a prior lien on any of the property to
17 be sold may pay the owner the amount of the owner's lien attrib-
18 utable to storage of the property, including the reasonable
19 expenses incurred by the owner under this section. The amount
20 payable to the owner shall not exceed the equivalent of 4 months'
21 rent. A payment made to the owner shall be added to the amount
22 of the lien of the prior lienholder who made the payment, and
23 shall be subtracted from the amount of the owner's lien.

24 (13) ~~-(11)-~~ A purchaser in good faith of the personal prop-
25 erty sold under this section takes the property free of any
26 rights of persons against whom the lien was valid, despite

1 noncompliance by the owner with the requirements of this
2 section.

3 (14) ~~-(12)-~~ In the event of a sale under this section, the
4 party conducting the sale shall distribute the proceeds in the
5 following sequence:

6 (a) First, to satisfy the owner's liens up to an amount
7 equivalent to 4 months' rent, minus any amount already paid the
8 owner pursuant to subsection ~~-(10)-~~ (12).

9 (b) Second, to satisfy outstanding balances owed prior per-
10 fected lienholders.

11 (c) Third, to satisfy the balance of the owner's liens.

12 (15) ~~-(13)-~~ Any proceeds of the sale remaining after the
13 distribution is made under subsection ~~-(12)-~~ (14) shall be
14 returned to the occupant by mailing the proceeds to the
15 occupant's last known address by certified mail and by notifying
16 the occupant by first-class mail. If the occupant does not claim
17 the remaining proceeds within 2 years after the date of sale, the
18 remaining proceeds shall escheat to the state. The owner shall
19 maintain proper records of money received in any sale held under
20 this section, and the records shall be subject to audit by the
21 state department of treasury.

22 (16) ~~-(14)-~~ The party conducting the sale shall dispose of
23 any property offered for sale but not purchased by donating it to
24 a charitable organization or, if the property is not accepted by
25 a charitable organization, by any other means.