

SENATE 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 2, 3, 4, 5, 6, and 7 (MCL
570.522, 570.523, 570.524, 570.525, 570.526, and 570.527).

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 OR SELF-CONTAINED STORAGE UNIT in
4 favor of the owner of the facility OR SELF-CONTAINED STORAGE
5 UNIT; TO LIMIT THE LIABILITY OF SELF-SERVICE STORAGE FACILITY AND
6 SELF-CONTAINED STORAGE UNIT OWNERS; and to provide for
7 enforcement.

8 Sec. 2. As used in this act:

9 (a) "Last known address" means the address provided by the
10 ~~occupant~~ TENANT in the latest rental agreement or in a

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1 subsequent written notice of change of address BY HAND DELIVERY
2 OR FIRST-CLASS MAIL.

3 (b) ~~"Occupant" means a lessee or the sublessee, successor,~~
4 ~~or assignee of a lessee of storage space at a self-service stor-~~
5 ~~age facility.~~ "RENTAL AGREEMENT" MEANS AN AGREEMENT OR LEASE
6 THAT ESTABLISHES OR MODIFIES TERMS, CONDITIONS, RULES, OR ANY
7 OTHER PROVISION CONCERNING THE USE AND OCCUPANCY OF A
8 SELF-SERVICE STORAGE FACILITY OR USE OF A SELF-CONTAINER STORAGE
9 UNIT.

10 (c) "Owner" means the owner, operator, lessor, or sublessor
11 of a self-service storage facility ~~, or an authorized agent of~~
12 ~~the owner, operator, lessor, or sublessor~~ OR SELF-CONTAINED
13 STORAGE UNIT OR HIS OR HER AGENT OR ANY OTHER PERSON AUTHORIZED
14 BY HIM OR HER TO MANAGE THE FACILITY OR TO RECEIVE RENT FROM A
15 TENANT UNDER A RENTAL AGREEMENT.

16 (d) "Self-service storage facility" ~~,~~ or "facility" ~~,~~
17 means any real property designed or used ~~primarily for the leas-~~
18 ~~ing of individual units of space to occupants for the sole pur-~~
19 ~~pose of storing~~ FOR THE PURPOSE OF RENTING OR LEASING INDIVIDUAL
20 STORAGE SPACE TO TENANTS WHO ARE TO HAVE ACCESS TO THAT SPACE FOR
21 THE PURPOSE OF STORING AND REMOVING personal property.

22 (E) "SELF-CONTAINED STORAGE UNIT" MEANS A UNIT NOT LESS THAN
23 500 CUBIC FEET IN SIZE, INCLUDING, BUT NOT LIMITED TO, A TRAILER,
24 BOX, OR OTHER SHIPPING CONTAINER, THAT IS LEASED BY A TENANT PRI-
25 MARILY FOR USE AS STORAGE SPACE WHETHER THE UNIT IS LOCATED AT A
26 FACILITY OWNED OR OPERATED BY THE OWNER OR AT ANOTHER LOCATION
27 DESIGNATED BY THE TENANT.

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1 (F) "TENANT" MEANS A PERSON OR THE PERSON'S SUBLESSEE,
2 SUCCESSOR, OR ASSIGN ENTITLED TO THE USE OF STORAGE SPACE TO THE
3 EXCLUSION OF OTHERS AT A SELF-SERVICE STORAGE FACILITY OR IN A
4 SELF-CONTAINED STORAGE UNIT UNDER A RENTAL AGREEMENT.

5 Sec. 3. (1) The owner of a self-service storage facility OR
6 A SELF-CONTAINED STORAGE UNIT and the heirs, personal representa-
7 tives, successors, and assignees of the owner have a lien upon
8 all personal property, WHETHER OR NOT OWNED BY THE TENANT,
9 located at the SELF-SERVICE STORAGE facility OR SELF-CONTAINED
10 STORAGE UNIT for rent or other lawful charges incurred relative
11 to the storage of the personal property, including expenses nec-
12 essary for its preservation, or reasonably incurred in its sale
13 pursuant to this act. The lien attaches as of the date the per-
14 sonal property arrives at the self-service storage facility OR
15 SELF-CONTAINED STORAGE UNIT OR THE DATE A RENTAL AGREEMENT FOR
16 THE STORAGE SPACE IS SIGNED BY THE TENANT, WHICHEVER IS EARLIER.

17 (2) THE PRIORITY OF A LIEN UNDER THIS ACT SHALL BE AS PRO-
18 VIDED IN SECTION 5(13).

19 (3) IF A TENANT DEFAULTS ON A RENTAL AGREEMENT, THE OWNER
20 SHALL GIVE NOTICE TO ALL HOLDERS OF A PERFECTED SECURITY INTEREST
21 UNDER THE UNIFORM COMMERCIAL CODE, 1962 PA 174, MCL 440.1101 TO
22 440.11102, IN WHICH THE TENANT IS NAMED AS A DEBTOR.

23 (4) AT THE COMMENCEMENT OF A RENTAL AGREEMENT FOR STORAGE
24 SPACE AT A SELF-SERVICE STORAGE FACILITY OR IN A SELF-CONTAINED
25 STORAGE UNIT, THE OWNER SHALL PROVIDE THE TENANT WITH THE FOLLOW-
26 ING WRITTEN NOTICE:

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1 "NOTICE: IF YOU FAIL TO MAKE YOUR REQUIRED
2 PAYMENTS, YOU WILL HAVE TO VACATE THE UNIT OR
3 YOUR PROPERTY MAY LATER BE SOLD AT A PUBLIC
4 SALE. BEFORE THE SALE, YOU WILL BE NOTIFIED BY
5 FIRST-CLASS MAIL AND BY CERTIFIED MAIL OF THE
6 AMOUNT DUE. THE NOTICE WILL BE MAILED TO YOUR
7 LAST KNOWN ADDRESS. IN ORDER TO PRESERVE YOUR
8 RIGHT TO BE NOTIFIED, IT IS IMPORTANT THAT YOU
9 NOTIFY US IN WRITING OF ANY CHANGE IN YOUR MAIL-
10 ING ADDRESS. ALSO, YOU SHOULD SUPPLY US WITH
11 THE NAME AND ADDRESS OF ANOTHER PERSON WHO CAN
12 REACH YOU IF YOU ARE NOT AT YOUR MAILING
13 ADDRESS, AND WE WILL NOTIFY THAT PERSON AT THE
14 SAME TIME AND IN THE SAME MANNER AS WE NOTIFY
15 YOU." .

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

19 ~~"NOTICE: If you fail to make your required pay=~~
20 ~~ments, you will have to vacate the unit or your~~
21 ~~property may later be sold at a public sale.~~
22 ~~Before the sale, you will be notified by~~
23 ~~first-class mail and by certified mail of the~~
24 ~~amount due. The notice will be mailed to your~~
25 ~~last known address. In order to preserve your~~
26 ~~right to be notified, it is important that you~~
27 ~~notify us of any change in your mailing~~

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~~address. Also, you should supply us with the
name and address of another person who can reach
you if you are not at your mailing address, and
we will notify that person at the same time and
in the same manner as we notify you."~~

UPON THE FAILURE OF A TENANT TO PAY THE RENT WHEN IT BECOMES DUE,
THE OWNER MAY, WITHOUT NOTICE, NOT LESS THAN 5 DAYS AFTER THE
DATE THE RENT IS DUE, DENY THE TENANT ACCESS TO THE PERSONAL
PROPERTY LOCATED IN THE SELF-SERVICE STORAGE FACILITY OR
SELF-STORAGE UNIT.

(2) THE TENANT WHO SIGNS A RENTAL AGREEMENT FOR STORAGE
SPACE AT A SELF-SERVICE STORAGE FACILITY SHALL DISCLOSE IN WRIT-
ING THE IDENTITY, INCLUDING NAME, ADDRESS, AND TELEPHONE NUMBER,
OF THE OCCUPANT IF THE OCCUPANT IS OTHER THAN THE TENANT WHO
SIGNS THE AGREEMENT.

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

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

~~(3) The occupant, and the person designated by the occupant
pursuant to the notice in section 4, if any, shall be notified of
the proposed sale of personal property to satisfy the claim of
the owner by notice personally delivered or sent by first-class
mail and by certified mail to the last known address of the
occupant. An occupant who is a sublessee, successor, or assignee~~

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1 ~~of the original lessee shall not be entitled to receive the~~
2 ~~notice unless he or she has notified the owner in writing of his~~
3 ~~or her name and address. The notice shall include:~~

4 ~~(a) An itemized statement of the owner's claim showing the~~
5 ~~amount due at the time of the notice and the date on which the~~
6 ~~amount became due.~~

7 ~~(b) A demand for payment within a period of 30 days after~~
8 ~~delivery of the notice.~~

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

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

18 ~~(5) After the expiration of the 30-day period in~~
19 ~~subsection (3)(b), an advertisement of the proposed sale shall be~~
20 ~~published once a week for 2 consecutive weeks in a newspaper of~~
21 ~~general circulation in the city, village, or township in which~~
22 ~~the self-service storage facility is located. If there is no~~
23 ~~newspaper of general circulation in the city, village, or town-~~
24 ~~ship in which the self-service storage facility is located, the~~
25 ~~advertisement shall be posted at least 10 days before the date of~~
26 ~~the sale in not less than 6 conspicuous places in the city,~~
27 ~~village, or township in which the self-service storage facility~~

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1 is located. The advertisement shall include all of the
2 following:

3 (a) A brief, general description of the personal property
4 subject to the lien. The description shall reasonably identify
5 the property, except that any container, including but not
6 limited to a trunk, valise, or box, that is locked, fastened,
7 sealed, or tied in a manner which deters immediate access to its
8 contents may be described as such without describing its
9 contents.

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

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

14 (6) The sale shall take place not sooner than 30 days after
15 the first publication or posting. A sale of the personal prop=
16 erty shall be held at the self-service storage facility or at the
17 nearest suitable place.

18 (7) Before a sale of personal property pursuant to this sec=
19 tion, the occupant may pay the amount necessary to satisfy the
20 lien, including the reasonable expenses incurred by the owner
21 under this section, and redeem the personal property. Upon
22 receipt of this payment, the owner shall return the personal
23 property to the occupant in the same condition, or substantially
24 the same condition, as it was in when stored by the occupant.

25 (8) Before a sale of personal property pursuant to this sec=
26 tion, the owner shall complete an inventory of the personal
27 property.

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

20 ~~(10) Before a sale of personal property pursuant to this~~
21 ~~section, a holder of a prior lien on any of the property to be~~
22 ~~sold may pay the owner the amount of the owner's lien attribut-~~
23 ~~able to storage of the property, including the reasonable~~
24 ~~expenses incurred by the owner under this section. The amount~~
25 ~~payable to the owner shall not exceed the equivalent of 4 months'~~
26 ~~rent. A payment made to the owner shall be added to the amount~~

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1 of the lien of the prior lienholder who made the payment, and
2 shall be subtracted from the amount of the owner's lien.

3 ~~(11) A purchaser in good faith of the personal property sold~~
4 ~~under this section takes the property free of any rights of per-~~
5 ~~sons against whom the lien was valid, despite noncompliance by~~
6 ~~the owner with the requirements of this section.~~

7 ~~(12) In the event of a sale under this section, the party~~
8 ~~conducting the sale shall distribute the proceeds in the follow-~~
9 ~~ing sequence:~~

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

13 ~~(b) Second, to satisfy outstanding balances owed prior per-~~
14 ~~fectured lienholders.~~

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

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

26 ~~(14) The party conducting the sale shall dispose of any~~
27 ~~property offered for sale but not purchased by donating it to a~~

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1 ~~charitable organization or, if the property is not accepted by a~~
2 ~~charitable organization, by any other means.~~

3 (2) THE TENANT AND THE PERSON DESIGNATED, IF ANY, BY THE
4 TENANT IN SECTION 4(2) SHALL BE NOTIFIED BY WRITTEN NOTICE DELIV-
5 ERED IN PERSON OR BY CERTIFIED MAIL TO THE TENANT'S LAST KNOWN
6 ADDRESS. THE NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

7 (A) AN ITEMIZED STATEMENT OF THE OWNER'S CLAIM, SHOWING THE
8 SUM DUE AT THE TIME OF THE NOTICE AND THE DATE WHEN THE SUM
9 BECAME DUE.

10 (B) A DEMAND FOR PAYMENT WITHIN A SPECIFIED TIME NOT LESS
11 THAN 14 DAYS AFTER DELIVERY OF THE NOTICE.

12 (C) A CONSPICUOUS STATEMENT THAT, UNLESS THE CLAIM IS PAID
13 WITHIN THE TIME STATED IN THE NOTICE, THE PERSONAL PROPERTY WILL
14 BE ADVERTISED FOR SALE OR OTHER DISPOSITION AND WILL BE SOLD OR
15 OTHERWISE DISPOSED OF AT A SPECIFIED TIME AND PLACE.

16 (D) THE NAME, STREET ADDRESS, AND TELEPHONE NUMBER OF THE
17 OWNER WHOM THE TENANT MAY CONTACT TO RESPOND TO THE NOTICE.

18 (3) A NOTICE GIVEN PURSUANT TO THIS SECTION SHALL BE PRE-
19 SUMED DELIVERED WHEN IT IS DEPOSITED WITH THE UNITED STATES
20 POSTAL SERVICE AND PROPERLY ADDRESSED WITH POSTAGE PREPAID.

21 (4) AFTER THE EXPIRATION OF THE TIME GIVEN IN THE NOTICE
22 DESCRIBED IN SUBSECTION (2), THE CONTENTS OF THE STORAGE SPACE
23 MAY BE MOVED TO ANOTHER STORAGE SPACE PENDING ITS SALE OR OTHER
24 DISPOSITION UNDER THIS ACT.

25 (5) AFTER THE EXPIRATION OF THE TIME GIVEN IN THE NOTICE
26 DESCRIBED IN SUBSECTION (2), EXCEPT AS PROVIDED IN SUBSECTION
27 (6), AN ADVERTISEMENT OF THE SALE OR OTHER DISPOSITION SHALL BE

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1 PUBLISHED ONCE A WEEK FOR 2 CONSECUTIVE WEEKS IN A NEWSPAPER OF
2 GENERAL CIRCULATION IN THE AREA WHERE THE SELF-SERVICE STORAGE
3 FACILITY OR SELF-CONTAINED STORAGE UNIT IS LOCATED. REGARDLESS
4 WHETHER A SALE MAY INVOLVE THE PROPERTY OF MORE THAN 1 TENANT, A
5 SINGLE ADVERTISEMENT MAY BE USED TO ADVERTISE THE DISPOSAL OF
6 PROPERTY AT ANY 1 SALE. AN ADVERTISEMENT UNDER THIS SECTION
7 SHALL INCLUDE:

8 (A) A BRIEF, GENERAL INVENTORY, AS DESCRIBED IN SUBSECTION
9 (7), OF THE PERSONAL PROPERTY SUBJECT TO THE LIEN THAT IS TO BE
10 SOLD.

11 (B) THE ADDRESS OF THE SELF-STORAGE FACILITY OR THE ADDRESS
12 WHERE THE SELF-CONTAINED STORAGE UNIT IS LOCATED AND THE NAME OF
13 THE TENANT.

14 (C) THE TIME, PLACE, AND MANNER OF THE SALE OR OTHER
15 DISPOSITION. THE SALE OR OTHER DISPOSITION SHALL NOT TAKE PLACE
16 SOONER THAN 15 DAYS AFTER THE FIRST PUBLICATION OF THE ADVERTISE-
17 MENT UNDER THIS SECTION.

18 (6) IF THERE IS NO NEWSPAPER OF GENERAL CIRCULATION IN THE
19 AREA WHERE THE SELF-SERVICE STORAGE FACILITY OR SELF-CONTAINED
20 STORAGE UNIT IS LOCATED, THE ADVERTISEMENT SHALL BE POSTED NOT
21 LESS THAN 10 DAYS BEFORE THE DATE OF THE SALE OR OTHER DISPOSI-
22 TION IN NOT LESS THAN 3 CONSPICUOUS PLACES IN THE NEIGHBORHOOD
23 WHERE THE SELF-SERVICE STORAGE FACILITY OR SELF-CONTAINED STORAGE
24 UNIT IS LOCATED.

25 (7) THE INVENTORY REQUIRED UNDER SUBSECTION (5) SHALL REA-
26 SONABLY IDENTIFY THE PROPERTY. HOWEVER, A CONTAINER, INCLUDING,
27 BUT NOT LIMITED TO, A TRUNK, VALISE, OR BOX THAT IS LOCKED,

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1 FASTENED, SEALED, OR TIED IN A MANNER THAT DETERS IMMEDIATE
2 ACCESS TO ITS CONTENTS, MAY BE DESCRIBED AS BEING IN SUCH A CON-
3 DITION, AND NO DESCRIPTION OF THAT CONTAINER'S CONTENTS IS
4 REQUIRED. HOWEVER, ANY CONTAINER CLOSED IN SUCH A MANNER MAY BE
5 OPENED AND ITS CONTENTS INVENTORIED, AND THOSE CONDUCTING THE
6 INVENTORY, THE OWNER, ITS EMPLOYEES, AGENTS, AND REPRESENTATIVES
7 SHALL NOT BE LIABLE FOR INCIDENTAL DAMAGE TO THE CONTAINER CAUSED
8 BY THE INVENTORY.

9 (8) A SALE OR OTHER DISPOSITION OF THE PERSONAL PROPERTY
10 SHALL CONFORM TO THE TERMS OF THE NOTIFICATION AS PROVIDED IN
11 THIS SECTION, AND SHALL BE CONDUCTED IN A COMMERCIALY REASONABLE
12 MANNER.

13 (9) BEFORE A SALE OR OTHER DISPOSITION OF PERSONAL PROPERTY
14 UNDER THIS SECTION, THE TENANT MAY PAY THE AMOUNT NECESSARY TO
15 SATISFY THE LIEN AND THE REASONABLE EXPENSES INCURRED UNDER THIS
16 SECTION TO REDEEM THE PERSONAL PROPERTY. UPON RECEIPT OF THE
17 REDEMPTION SUM, THE OWNER SHALL RETURN THE PERSONAL PROPERTY TO
18 THE TENANT. AFTER RETURNING THE PERSONAL PROPERTY TO THE TENANT
19 UNDER THIS SUBSECTION, THE OWNER SHALL NOT BE LIABLE TO ANY
20 PERSON CONCERNING THAT PERSONAL PROPERTY. IF THE TENANT FAILS TO
21 REDEEM THE PERSONAL PROPERTY OR SATISFY THE LIEN, INCLUDING REA-
22 SONABLE EXPENSES UNDER THIS SECTION, THE TENANT SHALL BE CONSID-
23 ERED TO HAVE UNJUSTIFIABLY ABANDONED THE PERSONAL PROPERTY AND
24 THE OWNER MAY RESUME POSSESSION OF THE SELF-SERVICE STORAGE
25 FACILITY OR SELF-CONTAINED STORAGE UNIT.

26 (10) BEFORE THE SALE OF A MOTOR VEHICLE, AIRCRAFT, MOBILE
27 HOME, MOPED, MOTORCYCLE, SNOWMOBILE, TRAILER, OR WATERCRAFT, THE

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1 SECRETARY OF STATE AND ANY OTHER GOVERNMENTAL AGENCY AS MAY BE
2 REASONABLY EXPECTED SHALL BE CONTACTED TO DETERMINE THE NAME AND
3 ADDRESS OF THE TITLE HOLDERS OR LIENHOLDERS OF THOSE ITEMS, AND
4 EVERY TITLE HOLDER OR LIENHOLDER SHALL BE NOTIFIED OF THE TIME
5 AND PLACE OF THE PROPOSED SALE. THE OWNER IS LIABLE FOR NOTIFY-
6 ING THE HOLDER OF A SECURITY INTEREST ONLY IF THE SECURITY INTER-
7 EST IS FILED UNDER THE NAME OF THE PERSON SIGNING THE RENTAL
8 AGREEMENT, THE TENANT, OR OCCUPANT IDENTIFIED IN SECTION 4(2).
9 AN OWNER WHO FAILS TO MAKE THE LIEN SEARCHES REQUIRED BY THIS
10 SECTION SHALL BE LIABLE ONLY TO VALID LIENHOLDERS INJURED BY THAT
11 FAILURE AS PROVIDED IN SECTION 6.

12 (11) BEFORE THE SALE OF PERSONAL PROPERTY UNDER THIS ACT, A
13 HOLDER OF A PRIOR LIEN ON A MOTOR VEHICLE, AIRCRAFT, MOBILE HOME,
14 MOPED, MOTORCYCLE, SNOWMOBILE, TRAILER, OR WATERCRAFT TO BE SOLD
15 MAY PAY THE OWNER THE AMOUNT OF THE OWNER'S LIEN ATTRIBUTABLE TO
16 STORAGE OF THE PROPERTY, INCLUDING THE REASONABLE EXPENSES
17 INCURRED BY THE OWNER UNDER THIS SECTION. THE AMOUNT PAYABLE TO
18 THE OWNER SHALL NOT EXCEED THE EQUIVALENT OF 4 MONTHS' RENT. A
19 PAYMENT MADE TO THE OWNER SHALL BE ADDED TO THE AMOUNT OF THE
20 LIEN OF THE PRIOR LIENHOLDER WHO MADE THE PAYMENT AND SHALL BE
21 SUBTRACTED FROM THE AMOUNT OF THE OWNER'S LIEN.

22 (12) A PURCHASE IN GOOD FAITH OF THE PERSONAL PROPERTY SOLD
23 UNDER THIS SECTION TAKES THE PROPERTY FREE OF ANY RIGHT OF A
24 PERSON AGAINST WHOM THE LIEN WAS VALID, DESPITE NONCOMPLIANCE BY
25 THE OWNER WITH THE REQUIREMENTS OF THIS SECTION.

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1 (13) IN THE EVENT OF A SALE UNDER THIS SECTION, THE PARTY
2 CONDUCTING THE SALE SHALL DISTRIBUTE THE PROCEEDS IN THE
3 FOLLOWING SEQUENCE:

4 (A) FIRST, TO SATISFY THE OWNER'S LIENS UP TO AN AMOUNT
5 EQUIVALENT TO 4 MONTHS' RENT, MINUS ANY AMOUNT ALREADY PAID THE
6 OWNER PURSUANT TO SUBSECTION (11).

7 (B) SECOND, TO SATISFY OUTSTANDING BALANCES OWED PRIOR PER-
8 FECTED LIENHOLDERS.

9 (C) THIRD, TO SATISFY THE BALANCE OF THE OWNER'S LIENS.

10 (14) ANY PROCEEDS OF THE SALE REMAINING AFTER THE DISTRIBU-
11 TION IS MADE UNDER SUBSECTION (13) SHALL BE RETURNED TO THE
12 TENANT BY MAILING THE PROCEEDS TO THE TENANT'S LAST KNOWN ADDRESS
13 BY CERTIFIED MAIL AND BY NOTIFYING THE TENANT BY FIRST-CLASS
14 MAIL. IF THE TENANT DOES NOT CLAIM THE REMAINING PROCEEDS WITHIN
15 2 YEARS AFTER THE DATE OF SALE, THE REMAINING PROCEEDS SHALL
16 ESCHEAT TO THE STATE. THE OWNER SHALL MAINTAIN PROPER RECORDS OF
17 MONEY RECEIVED IN ANY SALE HELD UNDER THIS SECTION, AND THE
18 RECORDS SHALL BE SUBJECT TO AUDIT BY THE STATE DEPARTMENT OF
19 TREASURY.

20 Sec. 6. (1) ~~An occupant~~ A TENANT who suffers damages
21 because of an owner's failure to comply with this act may bring
22 an action in a court of appropriate jurisdiction for the actual
23 amount of the damages or \$250.00, whichever is greater, together
24 with reasonable ~~attorney's~~ ATTORNEY fees.

25 (2) THIS ACT SHALL NOT BE CONSTRUED IN ANY MANNER THAT
26 IMPAIRS OR AFFECTS THE RIGHTS OF PARTIES TO CREATE LIENS BY
27 SPECIAL CONTRACT OR AGREEMENT, OR THAT AFFECTS ANY OTHER LIEN

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1 ARISING AT COMMON LAW, IN EQUITY, OR BY ANY STATUTE OF THIS STATE
2 OR ANY OTHER LIEN NOT PROVIDED FOR UNDER THIS ACT.

3 (3) EXCEPT FOR ACTIONS THAT AN OWNER IS PERMITTED TO TAKE
4 UNDER THIS ACT OR UNDER A RENTAL AGREEMENT CONCERNING PERSONAL
5 PROPERTY STORED IN A SELF-SERVICE STORAGE FACILITY OR
6 SELF-CONTAINED STORAGE UNIT, AN OWNER DOES NOT HAVE CARE, CUSTO-
7 DY, OR CONTROL OF A TENANT'S PERSONAL PROPERTY.

8 Sec. 7. This act ~~shall~~ DOES not apply to personal prop-
9 erty for which the owner issues a warehouse receipt, bill of
10 lading, or other document of title.