

HOUSE BILL 786

I4

5lr2442
CF SB 613

By: **Delegates Davis, Adams, Arentz, Aumann, Barkley, Branch, Brooks, Carey, Fisher, Frick, Glenn, S. Howard, Impallaria, Jameson, Kramer, Lisanti, Mautz, W. Miller, Valderrama, Vaughn, and C. Wilson**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 17, 2015

CHAPTER _____

1 AN ACT concerning

2 **Self-Service Storage Facilities – Enforcement of Lien – Advertisement of Sale**

3 FOR the purpose of authorizing a sale to enforce a lien on personal property stored in a
4 leased space at a self-service storage facility to be advertised in any commercially
5 reasonable manner specified in the rental agreement or a written change to the
6 rental agreement; establishing that the manner of advertisement shall be deemed
7 commercially reasonable under certain circumstances; defining a certain term; and
8 generally relating to self-service storage facilities.

9 BY repealing and reenacting, without amendments,
10 Article – Commercial Law
11 Section 18–504(a)
12 Annotated Code of Maryland
13 (2013 Replacement Volume and 2014 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Commercial Law
16 Section 18–504(b)
17 Annotated Code of Maryland
18 (2013 Replacement Volume and 2014 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Commercial Law**

2 18–504.

3 (a) (1) If the occupant is in default for a period of more than 60 days, the
4 operator may enforce the lien by selling the personal property stored in the leased space at
5 a public sale, for cash.

6 (2) Proceeds from the sale shall be applied to satisfy the lien, and any
7 surplus shall be disbursed as provided in subsection (e) of this section.

8 (b) (1) Before conducting a sale under subsection (a) of this section, the
9 operator shall, subject to paragraph (2) of this subsection, notify the occupant of the default
10 by hand delivery, verified mail, or electronic mail at the occupant's last known address.

11 (2) (i) The operator may not notify the occupant of the default by
12 electronic mail unless the rental agreement, or a written change to the rental agreement,
13 specifies that notice may be given by electronic mail.

14 (ii) If the operator notifies the occupant of the default by electronic
15 mail at the occupant's last known address and does not receive a response or a confirmation
16 of delivery sent from the occupant's electronic mail address, the operator shall send a
17 second notice of default to the occupant by verified mail to the occupant's last known postal
18 address.

19 (3) The notice shall include:

20 (i) A statement that the contents of the occupant's leased space are
21 subject to the operator's lien;

22 (ii) A statement of the operator's claim, indicating the charges due
23 on the date of the notice, the amount of any additional charges which shall become due
24 before the date of sale, and the date those additional charges shall become due;

25 (iii) A demand for payment of the charges due within a specified time,
26 not less than 14 days after the date that the notice was mailed;

27 (iv) A statement that unless the claim is paid within the time stated,
28 the contents of the occupant's space will be sold at a specified time and place; and

29 (v) The name, street address, and telephone number of the operator,
30 or his designated agent, whom the occupant may contact to respond to the notice.

31 (4) **(I)** At least 3 days before conducting a sale under this section, the
32 operator shall advertise the time, place, and terms of the sale in **[a]**:

1 **1. A newspaper of general circulation in the jurisdiction**
2 **where the sale is to be held; OR**

3 **2. ANY OTHER COMMERCIALY REASONABLE MANNER**
4 **SPECIFIED IN THE RENTAL AGREEMENT OR A WRITTEN CHANGE TO THE RENTAL**
5 **AGREEMENT.**

6 **(II) 1. IN THIS SUBPARAGRAPH, “INDEPENDENT BIDDER”**
7 **MEANS A BIDDER WHO IS NOT RELATED TO AND HAS NO CONTROLLING INTEREST IN,**
8 **OR COMMON PECUNIARY INTEREST WITH, THE OPERATOR OR ANY OTHER BIDDER.**

9 **2. THE MANNER OF ADVERTISEMENT OF A SALE UNDER**
10 **SUBPARAGRAPH (I)2 OF THIS PARAGRAPH SHALL BE DEEMED COMMERCIALY**
11 **REASONABLE IF AT LEAST THREE INDEPENDENT BIDDERS ATTEND THE SALE AT THE**
12 **TIME AND PLACE ADVERTISED.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.