

# SENATE BILL 613

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5lr2104  
CF HB 786

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By: **Senators Astle, Bates, Feldman, Guzzone, Hershey, Jennings, and Klausmeier**  
Introduced and read first time: February 6, 2015  
Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 20, 2015

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

4 FOR the purpose of ~~authorizing a sale to enforce a lien on personal property stored in a~~  
5 ~~leased space at a self-service storage facility to be advertised in any commercially~~  
6 ~~reasonable manner specified in the rental agreement or a written change to the~~  
7 ~~rental agreement; establishing that the manner of advertisement shall be deemed~~  
8 ~~commercially reasonable under certain circumstances; defining a certain term;~~  
9 altering certain notice procedures required to enforce a lien on certain property  
10 stored in a leased space at a self-service storage facility; requiring a certain  
11 agreement to contain a certain statement; establishing that the balance of proceeds  
12 from a certain sale is presumed abandoned under certain circumstances; altering  
13 certain procedures required for the administration of certain proceeds from a certain  
14 sale; and generally relating to self-service storage facilities.

15 BY adding to

16 Article – Commercial Law  
17 Section 17-307.1  
18 Annotated Code of Maryland  
19 (2013 Replacement Volume and 2014 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Commercial Law  
22 Section 18-504(a)  
23 Annotated Code of Maryland

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### 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.



(2013 Replacement Volume and 2014 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Commercial Law  
 Section ~~18-504(b)~~ 18-503 and 18-504(b) and (e)  
 Annotated Code of Maryland  
 (2013 Replacement Volume and 2014 Supplement)

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

**Article – Commercial Law**

**17-307.1.**

**THE BALANCE OF THE PROCEEDS FROM THE SALE OF PERSONAL PROPERTY  
 STORED AT A SELF-SERVICE STORAGE FACILITY THAT IS UNCLAIMED AFTER THE  
 EXPIRATION OF THE 1 YEAR PERIOD SPECIFIED IN § 18-504(E) OF THIS ARTICLE IS  
 PRESUMED ABANDONED.**

**18-503.**

(a) The operator of a self-service storage facility has a lien on all personal  
 property stored within each leased space for rent, labor, or other charges, and for expenses  
 reasonably incurred in its sale, as provided in this subtitle.

(b) The rental agreement shall contain a statement, in bold type, advising the  
 occupant:

(1) Of the existence of the lien;

(2) That personal property stored in the leased space may be sold to satisfy  
 the lien if the occupant is in default; [and]

(3) That personal property stored in the leased space may be towed or  
 removed from the self-service storage facility if:

(i) The personal property is a motor vehicle or watercraft; and

(ii) The occupant is in default for more than 60 days; AND

**(4) THAT A SALE OF PERSONAL PROPERTY STORED IN THE LEASED  
 SPACE TO SATISFY THE LIEN IF THE OCCUPANT IS IN DEFAULT MAY BE ADVERTISED:**

**(I) IN A NEWSPAPER OF GENERAL CIRCULATION IN THE  
 JURISDICTION WHERE THE SALE IS TO BE HELD;**

1                    **(II) BY ELECTRONIC MAIL; OR**

2                    **(III) ON AN ONLINE WEB SITE.**

3 18-504.

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

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

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

12                    (2)    (i)    The operator may not notify the occupant of the default by  
13 electronic mail unless:

14                                    **1.**    the rental agreement, or a written change to the rental  
15 agreement, specifies, **IN BOLD TYPE**, that notice may be given by electronic mail; **AND**

16                                    **2.**    **THE OCCUPANT PROVIDES THE OCCUPANT'S INITIALS**  
17 **NEXT TO THE STATEMENT IN THE RENTAL AGREEMENT SPECIFYING THAT NOTICE**  
18 **OF DEFAULT MAY BE GIVEN BY ELECTRONIC MAIL.**

19                    (ii)    If the operator notifies the occupant of the default by electronic  
20 mail at the occupant's last known address and does not receive a response or a confirmation  
21 of delivery sent from the occupant's electronic mail address, the operator shall send a  
22 second notice of default to the occupant by verified mail to the occupant's last known postal  
23 address.

24                    (3)    The notice shall include:

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

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

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

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

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

5 (4) (I) ~~At~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,  
6 AT least 3 days before conducting a sale under this section, the operator shall advertise the  
7 time, place, and terms of the sale ~~in~~ [a]:

8 1. ~~A~~ IN A newspaper of general circulation in the jurisdiction  
9 where the sale is to be held; ~~OR~~

10 2. ~~ANY OTHER COMMERCIALY REASONABLE MANNER~~  
11 ~~SPECIFIED IN THE RENTAL AGREEMENT OR A WRITTEN CHANGE TO THE RENTAL~~  
12 ~~AGREEMENT~~ BY ELECTRONIC MAIL; OR

13 3. ON AN ONLINE WEB SITE.

14 (II) ~~1. IN THIS SUBPARAGRAPH, "INDEPENDENT BIDDER"~~  
15 ~~MEANS A BIDDER WHO IS NOT RELATED TO AND HAS NO CONTROLLING INTEREST IN,~~  
16 ~~OR COMMON PECUNIARY INTEREST WITH, THE OPERATOR OR ANY OTHER BIDDER.~~

17 2. ~~THE MANNER OF ADVERTISEMENT OF A SALE UNDER~~  
18 ~~SUBPARAGRAPH (I)2 OF THIS PARAGRAPH SHALL BE DEEMED COMMERCIALY~~  
19 ~~REASONABLE IF AT LEAST THREE INDEPENDENT BIDDERS ATTEND THE SALE AT THE~~  
20 ~~TIME AND PLACE ADVERTISED. THE OPERATOR MAY NOT ADVERTISE THE SALE IN~~  
21 ~~THE MANNER PROVIDED UNDER SUBPARAGRAPH (I)2 OR 3 OF THIS PARAGRAPH~~  
22 ~~UNLESS THE OCCUPANT PROVIDES THE OCCUPANT'S INITIALS NEXT TO THE~~  
23 ~~STATEMENT IN THE RENTAL AGREEMENT REQUIRED UNDER § 18-503(B)(4) OF THIS~~  
24 ~~SUBTITLE.~~

25 (e) (1) If a sale is held under this section, the operator shall:

26 [(1)] (I) Satisfy the lien from the proceeds of the sale; and

27 [(2)] Hold the balance, if any, for delivery on demand to the occupant or any  
28 other recorded lienholders] (II) MAIL THE BALANCE, IF ANY, BY CERTIFIED  
29 MAIL TO THE OCCUPANT OR ANY OTHER RECORDED LIENHOLDER AT THE LAST  
30 KNOWN ADDRESS OF THE OCCUPANT OR LIENHOLDER.

31 (2) (I) IF THE BALANCE IS RETURNED TO THE OPERATOR AFTER  
32 THE OPERATOR MAILED THE BALANCE IN THE MANNER REQUIRED UNDER  
33 PARAGRAPH (1)(II) OF THIS SUBSECTION, THE OPERATOR SHALL HOLD THE

1 BALANCE FOR 1 YEAR AFTER THE DATE OF SALE FOR DELIVERY ON DEMAND TO THE  
2 OCCUPANT OR ANY OTHER RECORDED LIENHOLDER.

3 (II) AFTER EXPIRATION OF THE 1 YEAR PERIOD, THE BALANCE  
4 IS PRESUMED ABANDONED UNDER § 17-307.1 OF THIS ARTICLE.

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.