

SENATE BILL No. 204

February 10, 2009, Introduced by Senators OLSHOVE, ALLEN, GARCIA, PAPPAGEORGE, GLEASON, BARCIA, ANDERSON, SCOTT and BASHAM and referred to the Committee on Senior Citizens and Veterans Affairs.

A bill to amend 1985 PA 148, entitled
"Self-service storage facility act,"
by amending sections 4 and 5 (MCL 570.524 and 570.525), as amended
by 2000 PA 443.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) ~~Upon~~ **EXCEPT AS PROVIDED IN SUBSECTION (3), ON** the
2 failure of a tenant to pay the rent **FOR THE STORAGE SPACE OR UNIT**
3 when it becomes due, the owner may, without notice, not less than 5
4 days after the date the rent is due, deny the tenant access to the
5 personal property located in the self-service storage facility or
6 ~~self-storage~~ **SELF-CONTAINED STORAGE** unit.

7 (2) The tenant who signs a rental agreement for storage space
8 at a self-service storage facility shall disclose in writing the

1 identity, including name, address, and telephone number, of the
2 occupant if the occupant is other than the tenant who signs the
3 agreement.

4 (3) SUBSECTION (1) DOES NOT APPLY TO PERSONAL PROPERTY OF A
5 TENANT WHO IS SERVING ON ACTIVE MILITARY DUTY.

6 Sec. 5. (1) An owner's lien under section 3 shall be enforced
7 only as provided in this section. **AN OWNER'S LIEN SHALL NOT BE**
8 **ENFORCED IF THE TENANT IS SERVING ON ACTIVE MILITARY DUTY.**

9 (2) The tenant and ~~the person~~ **ANY OCCUPANT** designated ~~, if~~
10 ~~any,~~ by the tenant in section 4(2) shall be notified **OF THE OWNER'S**
11 **INTENT TO ENFORCE THE OWNER'S LIEN** by written notice delivered in
12 person or by certified mail to the tenant's **AND, IF APPLICABLE,**
13 **OCCUPANT'S** last known address. The notice shall include all of the
14 following:

15 (a) An itemized statement of the owner's claim, showing the
16 ~~sum~~ **AMOUNT** due at the time of the notice and the date when the ~~sum~~
17 **AMOUNT** became due.

18 (b) A demand for payment within a specified time not less than
19 14 days after delivery of the notice.

20 (c) A conspicuous statement that, unless the claim is paid
21 within the time stated in the notice, the personal property will be
22 advertised for sale or other disposition and will be sold or
23 otherwise disposed of at a specified time and place.

24 (d) The name, street address, and telephone number of the
25 owner whom the tenant may contact to respond to the notice.

26 (3) A notice given pursuant to this section shall be presumed
27 delivered when it is deposited with the United States postal

1 service and properly addressed with postage prepaid.

2 (4) After the expiration of the time given in the notice
3 described in subsection (2), the contents of the storage space may
4 be moved to another storage space pending its sale or other
5 disposition under this act.

6 (5) After the expiration of the time given in the notice
7 described in subsection (2), except as provided in subsection (6),
8 an advertisement of the sale or other disposition shall be
9 published once a week for 2 consecutive weeks in a newspaper of
10 general circulation in the area where the self-service storage
11 facility or self-contained storage unit is located. Regardless **OF**
12 whether a sale ~~may involve~~ **INVOLVES** the property of more than 1
13 tenant, a single advertisement may be used to advertise the
14 disposal of property at ~~any~~ **THE** sale. An advertisement under this
15 section shall include **ALL OF THE FOLLOWING:**

16 (a) A brief, general inventory, as described in subsection
17 (7), of the personal property subject to the lien that is to be
18 sold.

19 (b) The address of the self-storage facility or the address
20 where the self-contained storage unit is located and the name of
21 the tenant.

22 (c) The time, place, and manner of the sale or other
23 disposition. The sale or other disposition shall not take place
24 sooner than 15 days after the first publication of the
25 advertisement under this section.

26 (6) If there is no newspaper of general circulation in the
27 area where the self-service storage facility or self-contained

1 storage unit is located, the advertisement shall be posted not less
2 than 10 days before the date of the sale or other disposition in
3 not less than 3 conspicuous places in the neighborhood where the
4 self-service storage facility or self-contained storage unit is
5 located.

6 (7) The inventory required under subsection (5) shall
7 reasonably identify the property. ~~However, a~~ **A** container,
8 including, but not limited to, a trunk, valise, or box that is
9 locked, fastened, sealed, or tied in a manner that deters immediate
10 access to its contents ~~, may be described as being in such a~~ **THAT**
11 condition, and ~~no~~ **A** description of ~~that~~ **THE** container's contents is
12 **NOT** required. However, ~~any~~ **A** container closed in such a manner may
13 be opened and its contents inventoried, and those conducting the
14 inventory, the owner, ~~its~~ **AND THE OWNER'S** employees, agents, and
15 representatives ~~shall~~ **ARE** not ~~be~~ liable for incidental damage to
16 the container caused by the inventory.

17 (8) A sale or other disposition of ~~the~~ personal property **UNDER**
18 **THIS SECTION** shall conform to the terms of the notification as
19 provided in this section ~~, and~~ shall be conducted in a commercially
20 reasonable manner.

21 (9) Before a sale or other disposition of personal property
22 under this section, the tenant may pay the amount necessary to
23 satisfy the lien and the reasonable expenses incurred under this
24 section to redeem the personal property. Upon receipt of the
25 redemption ~~sum~~ **AMOUNT**, the owner shall return the personal property
26 to the tenant. After returning the personal property to the tenant
27 under this subsection, the owner ~~shall~~ **IS** not ~~be~~ liable to any

1 person concerning that personal property. If the tenant fails to
 2 redeem the personal property or satisfy the lien, including
 3 reasonable expenses under this section, the tenant shall be
 4 considered to have unjustifiably abandoned the personal property
 5 and the owner may resume possession of the self-service storage
 6 facility or self-contained storage unit.

7 (10) Before the sale of a motor vehicle, aircraft, mobile
 8 home, moped, motorcycle, snowmobile, trailer, or watercraft, the
 9 **OWNER SHALL CONTACT THE** secretary of state and any other
 10 governmental agency as ~~may be reasonably expected shall be~~
 11 ~~contacted~~ **NECESSARY** to determine the name and address of the title
 12 holders or lienholders of ~~those items~~ **THE ITEM**, and **THE OWNER SHALL**
 13 **NOTIFY** every **IDENTIFIED** title holder or lienholder ~~shall be~~
 14 ~~notified~~ of the time and place of the proposed sale. The owner is
 15 liable for notifying the holder of a security interest only if the
 16 security interest is filed under the name of the person signing the
 17 rental agreement, the tenant, or **AN** occupant identified in section
 18 4(2). An owner who fails to make the lien searches required by this
 19 section ~~shall be~~ **IS** liable only to valid lienholders injured by
 20 that failure as provided in section 6.

21 (11) Before the sale of personal property under this act, a
 22 holder of a prior lien on a motor vehicle, aircraft, mobile home,
 23 moped, motorcycle, snowmobile, trailer, or watercraft to be sold
 24 may pay the owner the amount of the owner's lien attributable to
 25 storage of the property, including the reasonable expenses incurred
 26 by the owner under this section. The amount payable to the owner
 27 shall not exceed the equivalent of 4 months' rent. A payment made

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

4 (12) A ~~purchase~~**PURCHASER** in good faith of the personal
5 property sold under this section takes the property free of any
6 right of a person against whom the lien was valid, despite
7 noncompliance by the owner with the requirements of this section.

8 (13) ~~In the event of a sale under this section, the party A~~
9 **PERSON** conducting ~~the A~~ sale **UNDER THIS SECTION** shall distribute
10 the proceeds in the following sequence:

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

14 (b) Second, to satisfy outstanding balances owed **TO** prior
15 perfected lienholders.

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

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