

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2598
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Subject: Regulation of Self-storage facilities and lien enforcement

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- 1 Self-service storage facility.** Redefines “self-service storage facility” to include any real property that is used for rent as storage space for personal property and excludes financial institutions with vaults and safety deposit boxes; it also excludes warehouses. This section adds a prohibition on the use of self-storage facilities for residential purposes.
- 2 Default.** Increases the number of days before a renter is considered in default for non-payment of rent on a self-storage unit from seven to 15.
- 3 Storage space.** Amends the definition of a storage space to mean any space that is rented at a self-service storage facility by an individual.
- 4 Verified mail.** Adds a definition of verified mail to include any method of mail offered by the U.S. Postal Service that provides evidence of mailing.
- 5 Enforcement of lien.** Establishes a procedure for the enforcement of a lien for self-storage units that is different from the previous lien enforcement under the warehouse lien statute, Minnesota Statutes, section 336.7-210. This section requires notice by mail of the default in payment, the amount owed, and how the property will be disposed of, including the specific time and place of the sale. This section also requires that: the notice of the sale be published in a newspaper; the sale is reasonable if at least three bidders are present, registered, and qualified to bid on the property; the sale be public and can be on the Internet; limits the owner’s liability related to the sale; and that the occupant of the self-storage unit can redeem his or her property by paying the lien and all reasonable expenses incurred by the owner. This section allows the owner of the facility to keep the proceeds from the sale for the

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purposes of satisfying the lien but shall not hold the balance and must give the occupant notice and a right to secure the funds.

6 Rental agreements.

Subd. 1. Disclosures. Removes existing language to prevent the owner of the facility from limiting his or her liability in the rental agreement and requiring an alternative address for the renter.

Subd. 2. Value of stored property. Provides that if there is a limit on the value of property that can be stored in the rental unit, that limit must be in bold or underlined in the rental agreement.

7 Service of process; claim by a tenant. Allows an owner of a facility to be served at the self-service storage facility.

8 Repealer. This section repeals the previous language regulating the agreement, notice, service, and action taken related to self-storage units.

9 Effective date. Sections 1 to 8 are effective on August 1, 2014, and apply to personal property put in self-storage on or after that date.