SB1394 Enrolled

1 AN ACT concerning civil law.

## 2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

4 Section 5. The Self-Service Storage Facility Act is amended 5 by changing Sections 2 and 4 and by adding Sections 7.5 and 6 7.10 as follows:

7 (770 ILCS 95/2) (from Ch. 114, par. 802)

8 Sec. 2. Definitions. As used in this Act, unless the 9 context clearly requires otherwise:

"Self-service storage facility" means 10 (A) any real property designed and used for the purpose of renting or 11 leasing individual storage space to occupants who are to have 12 13 access to such for the purpose of storing and removing personal 14 property. A self-service storage facility is not a warehouse for purposes of Article 7 of the Uniform Commercial Code. If an 15 16 owner issues any warehouse receipt, bill of lading, or other 17 document of title for the personal property stored, the provisions of this Act do not apply. 18

(B) "Owner" means the owner, operator, lessor, or sublessor of a self-service storage facility, his agent, or any other person authorized by him to manage the facility, or to receive rent from an occupant under a rental agreement.

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(C) "Occupant" means a person, his sublessee, successor, or

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1 assign, entitled to the use of the storage space at a 2 self-service storage facility under a rental agreement, to the 3 exclusion of others.

4 (D) "Rental agreement" means any agreement or lease, 5 written or oral, that establishes or modifies the terms, 6 conditions, rules or any other provisions concerning the use 7 and occupancy of a self-service storage facility.

8 (E) "Personal property" means movable property not affixed 9 to land, and includes, but is not limited to goods, 10 merchandise, <u>motor vehicles, watercraft</u>, and household items.

(F) "Last known address" means that address provided by the occupant in the latest rental agreement, or the address provided by the occupant in a subsequent written notice of a change of address.

15 <u>(G) "Late fee" means a charge assessed for an occupant's</u> 16 <u>failure to pay rent when due. "Late fee" does not include</u> 17 <u>interest on a debt, reasonable expenses incurred in the</u> 18 <u>collection of unpaid rent, or costs associated with the</u> 19 <u>enforcement of any other remedy provided by statute or</u> 20 <u>contract.</u>

21 (Source: P.A. 83-800.)

22 (770 ILCS 95/4) (from Ch. 114, par. 804)

23 Sec. 4. Enforcement of lien. An owner's lien as provided 24 for in Section 3 of this Act for a claim which has become due 25 may be satisfied as follows: SB1394 Enrolled - 3 - LRB097 05496 AJO 45556 b

(A) The occupant shall be notified; 1 2 (B) The notice shall be delivered: 3 (1) in person; or (2) sent by certified mail or by first-class mail with 4 5 a certificate of mailing to the last known address of the 6 occupant; (C) The notice shall include: 7 8 (1) An itemized statement of the owner's claim showing 9 the sum due at the time of the notice and the date when the 10 sum became due: 11 (2) The name of the facility, address, telephone number, date, time, location, and manner of the lien sale, 12 13 and the occupant's name and unit number; A brief and 14 general description of the personal property subject to the 15 lien. The description shall be reasonably adequate to 16 permit the person notified to identify it, except that any 17 container including, but not limited to, a trunk, valise, or box that is locked, fastened, sealed, or tied in 18 19 manner which deters immediate access to its contents may be

20 described as such without describing its contents;

(3) A notice of denial of access to the personal property, if such denial is permitted under the terms of the rental agreement, which provides the name, street address, and telephone number of the owner, or his designated agent, whom the occupant may contact to respond to this notice<u>;</u>

26 (3.5) Except as otherwise provided by a rental agreement

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and until a lien sale, the exclusive care, custody, and control 1 2 of all personal property stored in the leased self-service storage space remains vested in the occupant. No bailment or 3 higher level of liability is created if the owner over-locks 4 5 the occupant's lock, thereby denying the occupant access to the storage space. Rent and other charges related to the lien 6 continue to accrue during the period of time when access is 7 8 denied because of non-payment;

9 (4) A demand for payment within a specified time not less10 than 14 days after delivery of the notice;

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

(D) Any notice made pursuant to this Section shall be presumed delivered when it is deposited with the United States Postal Service, and properly addressed with postage prepaid;

(E) After the expiration of the time given in the notice, an advertisement of the sale or other disposition shall be published once a week for two consecutive weeks in a newspaper of general circulation where the self-service storage facility is located. The advertisement shall include:

(1) <u>The name of the facility, address, telephone number,</u>
 <u>date, time, location, and manner of lien sale and the</u>
 <u>occupant's name and unit number.</u> A brief and general
 <u>description of the personal property reasonably adequate to</u>

permit its identification as provided for in division (C)(2) of this Section;

3 (2) (Blank). The address of the self-service storage
4 facility and the number, if any, of the space where the
5 personal property is located and the name of the occupant;

(3) The time, place, and manner of the sale or other 6 disposition. The sale or other disposition shall take place not 7 8 sooner than 15 days after the first publication. If there is no 9 newspaper of general circulation where the self-service 10 storage facility is located, the advertisement shall be posted 11 at least 10 days before the date of the sale or other 12 disposition in not less than 6 conspicuous places in the 13 neighborhood where the self-service storage facility is located. 14

(F) Any sale or other disposition of the personal property shall conform to the terms of the notification as provided for in this Section;

18 (G) Any sale or other disposition of the personal property 19 shall be held at the self-service storage facility, or at the 20 nearest suitable place to where the personal property is held 21 or stored;

(G-5) If the property upon which the lien is claimed is a motor vehicle or watercraft and rent or other charges related to the property remain unpaid or unsatisfied for 60 days, the owner may have the property towed from the self-service storage facility. If a motor vehicle or watercraft is towed, the owner SB1394 Enrolled - 6 - LRB097 05496 AJO 45556 b

shall not be liable for any damage to the motor vehicle or 1 2 watercraft, once the tower takes possession of the property. 3 After the motor vehicle or watercraft is towed, the owner may pursue other collection options against the delinquent 4 5 occupant for any outstanding debt. If the owner chooses to sell a motor vehicle, aircraft, mobile home, moped, motorcycle, 6 snowmobile, trailer, or watercraft, the owner shall contact the 7 8 Secretary of State and any other governmental agency as 9 reasonably necessary to determine the name and address of the 10 title holder or lienholder of the item, and the owner shall 11 notify every identified title holder or lienholder of the time 12 and place of the proposed sale. The owner is required to notify 13 the holder of a security interest only if the security interest 14 is filed under the name of the person signing the rental agreement or an occupant. An owner who fails to make the lien 15 16 searches required by this Section is liable only to valid 17 lienholders injured by that failure as provided in Section 3;

(H) Before any sale or other disposition of personal 18 19 property pursuant to this Section, the occupant may pay the 20 amount necessary to satisfy the lien, and the reasonable expenses incurred under this Section, and thereby redeem the 21 22 personal property. Upon receipt of such payment, the owner 23 shall return the personal property, and thereafter the owner shall have no liability to any person with respect to such 24 25 personal property;

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(I) A purchaser in good faith of the personal property sold

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to satisfy a lien, as provided for in Section 3 of this Act, takes the property free of any rights of persons against whom the lien was valid, despite noncompliance by the owner with the requirements of this Section;

5 (J) In the event of a sale under this Section, the owner 6 may satisfy his lien from the proceeds of the sale, but shall 7 hold the balance, if any, for delivery on demand to the 8 occupant. If the occupant does not claim the balance of the 9 proceeds within <u>one year</u> two years of the date of sale, it 10 shall become the property of the owner without further recourse 11 by the occupant.

12 (K) The lien on any personal property created by this Act 13 shall be terminated as to any such personal property which is 14 sold or otherwise disposed of pursuant to this Act and any such 15 personal property which is removed from the self-service 16 storage facility.

17 <u>(L) If 3 or more bidders who are unrelated to the owner are</u> 18 <u>in attendance at a sale held under this Section, the sale and</u> 19 <u>its proceeds are deemed to be commercially reasonable.</u>

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20 (Source: P.A. 83-800.)
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21 (770 ILCS 95/7.5 new)
22 <u>Sec. 7.5. Limitation of value. If the rental agreement</u>
23 <u>contains a limit on the value of property that may be stored in</u>
24 <u>the occupant's space, this limit is deemed to be the maximum</u>
25 <u>value of the stored property, provided that this limit</u>

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provision must be printed in bold type or underlined in the rental agreement in order to be enforceable. In addition to the remedies otherwise provided by law, only the occupant listed on the last known rental agreement injured by a violation of this Act may bring a civil action to recover damages.

- 6 (770 ILCS 95/7.10 new)
- 7 <u>Sec. 7.10. Late fees.</u>

8 (a) A reasonable late fee may be imposed and collected by an owner for each service period that an occupant does not pay 9 10 rent when due under a rental agreement, provided that the due 11 date for the rental payment is not earlier than the day before 12 the first day of the service period to which the rental payment 13 applies. No late payment fee shall be assessed unless the rental fee remains unpaid for at least 5 days after the date 14 15 specified in the rental agreement for payment of the rental 16 fee.

17 (b) No late fee may be collected pursuant to this Section 18 unless the amount of that fee and the conditions for imposing 19 that fee are stated in the rental agreement or in an addendum 20 to that agreement.

21 (c) For purposes of this Section, a late fee of \$20 or 20%
22 of the rental fee for each month an occupant does not pay rent,
23 whichever is greater, is deemed reasonable and does not
24 constitute a penalty.

25 (d) Any reasonable expense incurred as a result of rent

SB1394 Enrolled - 9 - LRB097 05496 AJO 45556 b collection or lien enforcement by an owner may be charged to the occupant in addition to the late fees permitted by this Section. If any such expenses are charged, they shall be identified on an itemized list that is available to the occupant.

6 Section 99. Effective date. This Act takes effect upon7 becoming law.