

Self-service Storage Act Update; HB 2545

HB 2545 amends the Self-service Storage Act, specifically concerning sales of property after a notice of termination or non-renewal, non-delivery of rental agreements, and electronic signatures and delivery of rental agreements.

Sale of Property after a Notice of Termination or Non-renewal

The bill permits a self storage operator to sell personal property not retrieved by an occupant within 45 days of a notice of termination or non-renewal delivered by the operator pursuant to the rental agreement's terms.

The bill requires operators seeking to sell such property to provide an additional notice to the occupant, and the sale could occur no less than 15 days after the additional notice, unless the initial notice of termination or non-renewal included, in bold type, a statement indicating the operator may sell the property unless the occupant removes the property by a specified date, which must be at least 45 days after the notice of termination or non-renewal.

Any proceeds from the sale after the operator deducts rent and other charges incurred in the sale of the property are deemed unclaimed property, and the bill requires those proceeds to be remitted to the State Treasurer.

Operators are permitted to dispose of unretrieved property that has been offered for sale in a commercially reasonable manner and received no bids or offers. The bill defines this property as property with no commercial value.

Non-delivery of a Rental Agreement

The bill addresses party obligations when one party does not sign or deliver a rental agreement but actions indicate the rental is to begin or continue.

Generally, operators are bound by a rental agreement signed and delivered by an occupant when the operator accepts payment for the rental, and renters are bound by a rental agreement signed and delivered by the operator when the renter takes or continues possession of the leased space and remits a rent payment. However, beginning July 1, 2024, renters are only bound under such conditions if the rental agreement signed and delivered by the operator indicated such conditions in bold type.

Electronic Rental Agreement Signature and Delivery

The bill permits electronic signatures for rental agreements and electronic rental agreement delivery, and it specifies such provisions only apply to a rental agreement delivered electronically if an occupant has affirmatively agreed to such in writing. The bill defines electronic signature as an electronic symbol or process that is logically associated with, or attached to, a rental agreement and executed or adopted by a party with an intent to accept, execute, or amend the rental agreement.