

SECOND REGULAR SESSION

# HOUSE BILL NO. 2717

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE DIEHL.

6073H.01I

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To repeal sections 415.405, 415.410, 415.415, and 415.420, RSMo, and to enact in lieu thereof four new sections relating to self-storage.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 415.405, 415.410, 415.415, and 415.420, RSMo, are repealed  
2 and four new sections enacted in lieu thereof, to be known as sections 415.405, 415.410,  
3 415.415, and 415.420, to read as follows:

415.405. As used in sections 415.400 to 415.425, the following terms shall mean:

2 (1) "Default", the failure to perform on time any obligation or duty set forth in a rental  
3 agreement;

4 (2) "Electronic mail", an electronic message or an executable program or computer  
5 file that contains an image of a message that is transmitted between two or more computers or  
6 electronic terminals and includes electronic messages that are transmitted within or between  
7 computer networks;

8 (3) "Last known address", that postal address or electronic mail address provided by  
9 the occupant in the latest rental agreement or the postal or electronic mail address provided by  
10 the occupant in a subsequent written notice of a change of address, one of which may be  
11 designated in writing by the occupant as the preferred method of contact which shall be used  
12 by the operator;

13 (4) "Leased space", the individual storage space at the self-service facility which is  
14 rented to an occupant pursuant to a rental agreement;

15 (5) "No commercial value", includes but not limited to any property offered for sale  
16 in a commercially reasonable manner that receives no bid or offer;

EXPLANATION — Matter enclosed in bold-faced brackets [~~thus~~] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17       (6) "Occupant", a person, lessee, sublessee, successor or assignee entitled to the use  
18 of a leased space at a self-service storage facility under a rental agreement;

19       (7) "Operator", the owner, operator, lessor or sublessor of a self-service storage  
20 facility, or an agent or any other person authorized to manage the facility; except that, the  
21 term "operator" does not include a warehouseman, unless the operator issues a warehouse  
22 receipt, bill of lading, or other document of title for the personal property stored;

23       (8) "Personal property", movable property which is not affixed to land, including, but  
24 not limited to, goods, wares, merchandise, motor vehicles, watercraft, household items, and  
25 furnishings;

26       (9) "Private sale", a sale negotiated and concluded directly between the buyer and  
27 seller;

28       (10) "Public sale", ~~[a sale made after public notice and includes but is not limited to]~~ a  
29 sale at the self-service storage facility or a sale conducted online at a publicly accessible  
30 website;

31       (11) "Rental agreement", any written contract or agreement that establishes or  
32 modifies the terms, conditions or rules concerning the use and occupancy of a self-service  
33 storage facility, which is signed by the occupant and the operator. **A rental agreement may**  
34 **be delivered and executed electronically. If the occupant does not sign a written rental**  
35 **agreement that the operator has delivered to the occupant, the occupant's continued use**  
36 **of the leased space for thirty days shall constitute an acceptance of the rental agreement**  
37 **with the same effect as if it had been signed by the occupant;**

38       (12) "Self-service storage facility", any real property used for renting or leasing  
39 individual storage spaces in which the occupants themselves customarily store and remove  
40 their own personal property on a self-service basis;

41       (13) "Verified mail", any method of mailing that is offered by the United States Postal  
42 Service or private delivery service that provides evidence of mailing.

415.410. 1. An operator may not knowingly permit a leased space at a self-service  
2 storage facility to be used for residential purposes. An occupant may not use a leased space  
3 for residential purposes.

4       2. An operator may enter the leased space at all times which are reasonably necessary  
5 to insure the protection and preservation of the self-service storage facility or any personal  
6 property stored therein.

7       3. Prior to placing any personal property into his or her leased space, each occupant  
8 shall deliver a written statement to the operator or indicate in the rental agreement of such  
9 leased space containing the name and address of each person having a valid lien against such  
10 personal property and the name and address of any third-party owner of personal property  
11 stored or to be stored in the leased space along with a description of such personal property.

12       4. The lessee shall be informed in writing that the lessor either does or does not have  
13 casualty insurance on the lessee's property.

14       5. If the rental agreement contains a limit on the value of property stored in occupant's  
15 space, such limit shall be deemed to be the maximum value of the stored property and the  
16 maximum liability of the [owner] **operator** for any claim for loss of or damage to stored  
17 property.

18       **6. An occupant may not use a self-service storage facility after the operator has  
19 delivered written notice in person, by verified mail, or by electronic mail of the  
20 termination or nonrenewal of the occupant's rental agreement. The notice shall provide  
21 the occupant with not less than fourteen days after delivery of the notice to remove all  
22 personal property from the self-service storage facility.**

23       **7. Prior to the occupant's removal of all personal property, the operator may  
24 place reasonable restrictions on the occupant's use of the self-service storage facility,  
25 including denying access to the self-service storage facility except for the occupant to  
26 remove personal property during the operator's normal business hours.**

27       **8. The operator may dispose of any personal property remaining at the self-  
28 service storage facility after the date provided in the written notice under subsection 6 of  
29 this section.**

415.415. 1. The operator of a self-service storage facility has a lien on all personal  
2 property stored within each leased space for rent, labor, or other charges, and for expenses  
3 reasonably incurred in sale of such personal property, as provided in sections 415.400 to  
4 415.425. The lien established by this subsection shall have priority over all other liens except  
5 those liens that have been perfected and recorded on personal property. The rental agreement  
6 shall contain a statement, in bold type, advising the occupant of the existence of such lien and  
7 that property stored in the leased space may be sold to satisfy such lien if the occupant is in  
8 default, and that any proceeds from the sale of the property which remain after satisfaction of  
9 the lien will be paid to the state treasurer if unclaimed by the occupant within one year after  
10 the sale of the property.

11       2. If the occupant is in default for a period of more than forty-five days, the operator  
12 may enforce the lien granted in subsection 1 of this section and sell the property stored in the  
13 leased space for cash. Sale of the property stored on the premises may be done at a public or  
14 private sale, may be done as a unit or in parcels, or may be by way of one or more contracts,  
15 and may be at any time or place and on any terms as long as the sale is done in a  
16 commercially reasonable manner in accordance with the provisions of section 400.9-627.  
17 The operator may otherwise dispose of any property which has no commercial value.

18       3. The proceeds of any sale made under this subsection shall be applied to satisfy the  
19 lien, with any surplus being held for delivery on demand to the occupant or any other

20 lienholders which the operator knows of or which are contained in the statement filed by the  
21 occupant pursuant to subsection 3 of section 415.410 for a period of one year after receipt of  
22 proceeds of the sale and satisfaction of the lien. No proceeds shall be paid to an occupant  
23 until such occupant files a sworn affidavit with the operator stating that there are no other  
24 valid liens outstanding against the property sold and that he or she, the occupant, shall  
25 indemnify the operator for any damages incurred or moneys paid by the operator due to  
26 claims arising from other lienholders of the property sold. After the one-year period set in  
27 this subsection, any proceeds remaining after satisfaction of the lien shall be considered  
28 abandoned property to be reported and paid to the state treasurer in accordance with laws  
29 pertaining to the disposition of unclaimed property.

30       4. Before conducting a sale under subsection 2 of this section, the operator shall:

31           (1) At least forty-five days before any disposition of property under this section,  
32 which shall run concurrently with subsection 2 of this section, notify the occupant and each  
33 lienholder which is contained in any statement filed by the occupant pursuant to subsection 3  
34 of section 415.410 of the default by first-class mail or electronic mail at the occupant's or  
35 lienholder's last known address, and shall notify any third-party owner identified by the  
36 occupant pursuant to subsection 3 of section 415.410;

37           (2) No sooner than ten days after mailing the notice required in subdivision (1) of this  
38 subsection, mail a second notice of default, by verified mail or electronic mail, to the  
39 occupant at the occupant's or lienholder's last known address, which notice shall include:

40           (a) A statement that the contents of the occupant's leased space are subject to the  
41 operator's lien;

42           (b) A statement of the operator's claim, indicating the charges due on the date of the  
43 notice, the amount of any additional charges which shall become due before the date of  
44 release for sale and the date those additional charges shall become due;

45           (c) A demand for payment of the charges due within a specified time, not less than ten  
46 days after the date on which the second notice was mailed;

47           (d) A statement that unless the claim is paid within the time stated, the contents of the  
48 occupant's space will be sold after a specified time; and

49           (e) The name, street address and telephone number of the operator, or a designated  
50 agent whom the occupant may contact, to respond to the notice[;

51           (3) ~~At least seven days before the sale, advertise the time, place and terms of the sale  
52 in a newspaper of general circulation in the jurisdiction where the sale is to be held. Such  
53 advertisement shall be in the classified section of the newspaper and shall state that the items  
54 will be released for sale.~~

55       5. If the property is a vehicle, watercraft, or trailer ~~[and rent]~~ and ~~[other charges  
56 remain unpaid]~~ the occupant is in default for sixty days, the ~~[owner]~~ operator may treat the

57 vehicle, watercraft, or trailer as an abandoned vehicle and have the vehicle, watercraft, or  
58 trailer towed from the self-service storage facility. When the vehicle, watercraft, or trailer is  
59 towed from the self-service storage facility, the [owner] **operator** shall not be liable for the  
60 vehicle, watercraft, or trailer for any damages to the motor vehicle, watercraft, or trailer once  
61 the tower takes possession of the property.

62 6. At any time before a sale under this section, the occupant may pay the amount  
63 necessary to satisfy the lien and redeem the occupant's personal property.

415.420. 1. A purchaser in good faith of any personal property sold under sections  
2 415.400 to 415.425 takes the property free and clear of any rights of any persons against  
3 whom the lien was valid and other lienholders.

4 2. If the operator complies with the provisions of sections 415.400 to 415.425, the  
5 operator's liability to the occupant shall be limited to the net proceeds received from the sale  
6 of the personal property, and to other lienholders shall be limited to the net proceeds received  
7 from the sale of any personal property covered by the other lien.

8 3. If an occupant is in default, the operator may deny the occupant access to the  
9 leased space.

10 4. Unless otherwise specifically provided in sections 415.400 to 415.425, all notices  
11 required by sections 415.400 to 415.425 shall be sent by verified mail or electronic mail to the  
12 last known address as defined in section 415.400. Notices sent to the operator shall be sent to  
13 the self-service storage facility where the occupant's property is stored **unless another**  
14 **address to send notices to the operator is specified in the rental agreement.** Notices to  
15 the occupant shall be sent to the occupant at the occupant's last known address. Notices shall  
16 be deemed delivered when deposited with the United States postal service, properly addressed  
17 as provided in subsection 4 of section 415.415, with postage prepaid or sent via electronic  
18 mail to the last known address.

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