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## **119th MAINE LEGISLATURE**

## **SECOND REGULAR SESSION-1999**

Legislative Document

No. 2262

S.P. 864

Received by the Secretary, December 7, 1999

An Act to Prohibit the Sale of Items in Storage Owned by a 3rd Party.

Received by the Secretary of the Senate on December 7, 1999. Referred to the Committee on Business and Economic Development and ordered printed pursuant to Joint Rule 308.2. Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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JOY J. O'BRIEN Secretary of the Senate

Presented by Senator AMERO of Cumberland. Cosponsored by Senator RAND of Cumberland.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 10 MRSA §1372, sub-§9 is enacted to read:
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	9. Third party. "Third party" means a person other than
б	the occupant or operator.
8	Sec. 2. 10 MRSA §1374, sub-§1-A is enacted to read:
10	1-A. Property of 3rd party. Notwithstanding subsection 1,
	the operator of a self-service storage facility does not have a
12	lien on personal property stored within the leased space if it can be proven that prior to and during the time the personal
14	property was placed in the leased space, the personal property
	was the property of a 3rd party. Proof of ownership by a 3rd
16	party must be provided to the operator prior to the placement of
	the property in storage.
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	If property has been identified as belonging to a 3rd party, the
20	occupant must provide to the operator the name and address of the
22	<u>3rd party.</u>
66	Sec. 3. 10 MRSA §1374, sub-§2, ¶B, as enacted by PL 1989, c.
24	62, is amended to read:
26	B. That property stored in the leased space not identified
	as the property of a 3rd party pursuant to subsection 1-A
28	may be sold to satisfy the lien if the occupant is in
	default; and
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	Sec. 4. 10 MRSA §1375, sub-§1, as enacted by PL 1989, c. 62,
32	is amended to read:
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34	1. Sale; use of proceeds. If the occupant is in default
26	for a period of more than 45 days, the operator may enforce a
36	lien by selling the property stored in the leased space at a
38	public or private sale for cash. Proceeds shall <u>must</u> then be applied to satisfy the lien, with any surplus disbursed as
50	provided in subsection 5. If property that has been identified
40	by the occupant as personal property of a 3rd party pursuant to
10	section 1374, subsection 1-A is not claimed by the 3rd party
42	within 14 days of the notice provided pursuant to subsection 2,
	paragraph A-1, the property may be treated as if it were the
44	property of the occupant, therefore subject to the provisions of
	this Act.
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	Sec. 5. 10 MRSA §1375, sub-§2, ¶A, as enacted by PL 1989, c.
48	62, is amended to read:
50	A. Send a notice of default by regular mail and by

2	certified mail to the occupant at the occupant's last known address or other address set forth by the occupant in the rental agreement which includes:
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6	(1) A statement that the contents of the occupant's leased space are subject to the operator's lien;
8	(2) A statement of the operator's claim, indicating the charges due on the date of the notice, the amount
10	of any additional charges which shall become due before the date of sale and the date those additional charges
12	shall become due;
14	(3) A demand for payment of the charges due within a specified time, not less than 14 days after the date of
16	the notice;
18	(4) A statement that unless the claim is paid within the time stated, the contents of the occupant's space
20	will be sold, specifying the time and place; and
22	(5) The name, street address and telephone number of the operator, or the operator's designated agent, whom
24	the occupant may contact to respond to the notice; and
26	Sec. 6. 10 MRSA §1375, sub-§2, ¶A-1 is enacted to read:
28	<u>A-1. Send a notice by regular mail and by certified mail to the 3rd party at the 3rd party's address as provided by the</u>
30	occupant that includes:
32	(1) A statement that the occupant is in default and that the contents of the occupant's leased space are
34	subject to the operator's lien;
36	(2) A statement that the 3rd party has been identified as the owner of personal property placed into storage
38	by the occupant;
40	(3) A statement that the 3rd party has 14 days within which to provide proof of ownership and claim the
42	property identified by the occupant as belonging to the <u>3rd party;</u>
44	(4) A statement that unless the property is claimed
46	within the time stated, the property will be sold, specifying the time and place; and
48	
50	(5) The name, street address and telephone number of the operator, or the operator's designated agent, whom the 3rd party may contact to respond to the notice; and

2 Sec. 7. 10 MRSA §1375, sub-§3, as enacted by PL 1989, c. 62, is amended to read: 4 Redemption of property. At any time before a sale under 3. this section, the occupant may pay the amount necessary to 6 satisfy the lien and redeem the occupant's personal property. Notwithstanding subsection 1, at any time before a sale under 8 this section, a 3rd party may provide adequate proof of ownership 10 and redeem the 3rd party's personal property. Sec. 8. 10 MRSA §1375, sub-§5, ¶B, as enacted by PL 1989, c. 12 62, is amended to read: 14 Hold the balance, if any, for delivery on demand to the в. occupant or any other recorded lienholders. If the property 16 belonged to a 3rd party, the operator must hold any balance 18 for delivery on demand to that 3rd party. Sec. 9. 10 MRSA §1375, sub-§7, ¶B, as enacted by PL 1989, c. 20 62, is amended to read: 22 B. Other lienholders or 3rd parties. 24 Sec. 10. 10 MRSA §1375, sub-§8, ¶B, as enacted by PL 1989, c. 62, is amended to read: 26 28 в. To other lienholders shall-be or 3rd parties is limited to the net proceeds received from the sale of any personal 30 property covered by that other lien or belonging to a 3rd party. 32 SUMMARY 34 36 This bill makes the following changes to the Maine Self-service Storage Act. 38 1. It requires a person placing items in storage to specify 40 whether some of the items are owned by another person. 42 2. It exempts from the lien currently given to an operator of a self-service storage facility those items that have been identified as belonging to a 3rd party if it can be proven that 44 the items belonged to the 3rd party prior to being placed in storage and during the time the items were in storage. 46 In order to get this exemption, the following requirements must be met: 48 A. The occupant must specify the name of the 3rd party;

- 2 B. The 3rd party must provide proof of ownership; and
- C. The 3rd party must claim the items within 14 days of notification by the operator or prior to the sale of the items by the operator, whichever occurs later.
- 8 If the 3rd party fails to meet these requirements, the operator may treat the items as if they were the property of the 10 occupant of the facility, offering them for sale to satisfy the lien.

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3. It requires the operator of a self-service storage
14 facility to provide notice by certified and regular mail to 3rd parties that have been identified as owners of items placed in a
16 storage facility if the occupant of the storage facility defaults on the rental agreement.