

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1231

H.P. 905

House of Representatives, March 6, 2003

An Act To Restrict Excessive Rental Fees for Self-service Storage Facilities

Reference to the Committee on Business, Research and Economic Development suggested
and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative DUPLESSIE of Westbrook.
Cosponsored by Senator BROMLEY of Cumberland and
Representatives: BREault of Buxton, EARLE of Damariscotta, GROSE of Woolwich,
O'BRIEN of Lewiston, SULLIVAN of Biddeford, WOTTON of Littleton.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 10 MRSA §1372, sub-§2-A** is enacted to read:

6 2-A. Late fee. "Late fee" means any fee or charge assessed
8 for an occupant's failure to pay rent when due. "Late fee" does
10 not include interest on a debt, reasonable expenses incurred in
12 the collection of unpaid rent or costs associated with the
14 enforcement of any other remedy provided by statute or contract.

16 **Sec. 2. 10 MRSA §1376** is enacted to read:

18 **§1376. Late fees**

20 1. Imposition of late fee. An operator may impose a
22 reasonable late fee in accordance with this section for each
24 service period that an occupant does not pay rent when due, as
26 long as the due date for the rental payment is not earlier than
28 the day before the first day of the service period to which the
30 rental payment applies. A late fee may not be imposed if the
32 occupant makes a rental payment in full by the 3rd day after the
34 due date.

36 2. Conditions in writing. An operator may not impose a
38 late fee unless the amount of that fee and the conditions for
40 imposing that fee are stated in a written rental agreement or an
42 addendum to that agreement.

44 3. Permissible late fees. A late fee of \$20 for each late
46 rental payment or 20% of the amount of each rental payment,
48 whichever is greater, is reasonable and does not constitute a
50 penalty. The rental agreement may provide for a late fee in a
greater amount if that amount is reasonable. The operator has
the burden of proof that the late fee in the greater amount is
reasonable.

4. Recovery of reasonable expenses. An operator may
recover from the occupant any reasonable expense incurred in rent
collection or lien enforcement in addition to the late fee
permitted by subsection 1.

SUMMARY

This bill, which is modeled on Ohio and Missouri law, prohibits operators of self-service storage facilities from imposing excessive rental fees. The bill requires that the amount and the conditions for imposing the late fee be in writing. The bill establishes as a reasonable late fee \$20 for each late rental payment or 20% of the amount of each late rental payment, whichever is greater. The bill authorizes the operator and the occupant to contract for a higher late fee as long as the

2 higher amount is reasonable. Under the bill, an operator is also authorized to recover from the occupant reasonable expenses incurred in rent collection or lien enforcement.