

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 576

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO SELF-SERVICE STORAGE FACILITIES; AMENDING SECTION 55-2301,
2 IDAHO CODE, TO REVISE A DEFINITION; AMENDING SECTION 55-2304, IDAHO
3 CODE, TO PROVIDE THAT CERTAIN LESSEES CONTINUING TO USE A STORAGE SPACE
4 SHALL CONSTITUTE AN ACCEPTANCE OF RENTAL AGREEMENTS AND TO MAKE A TECH-
5 NICAL CORRECTION; AMENDING SECTION 55-2306, IDAHO CODE, TO PROVIDE FOR
6 THE DISPOSAL OF PERSONAL PROPERTY UNDER CERTAIN CIRCUMSTANCES; AMEND-
7 ING SECTION 55-2308, IDAHO CODE, TO REVISE PROVISIONS REGARDING NOTICE
8 TO LESSEES IN DEFAULT; AMENDING SECTION 55-2309, IDAHO CODE, TO REVISE
9 PROVISIONS REGARDING ACCESS RESTRICTION; AND DECLARING AN EMERGENCY
10 AND PROVIDING AN EFFECTIVE DATE.
11

12 Be It Enacted by the Legislature of the State of Idaho:

13 SECTION 1. That Section 55-2301, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 55-2301. DEFINITIONS. As used in this chapter:

16 (1) "Default" means the failure by the lessee to perform, on time, any
17 obligation or duty set forth in the rental agreement or the provisions of
18 this chapter.

19 (2) "Last known address" means that address provided by the lessee in
20 the rental agreement or the address provided by the lessee to the operator in
21 a subsequent written notice of a change of address.

22 (3) "Leased space" means the individual storage space at the self-ser-
23 vice storage facility that is or may be rented to a lessee pursuant to a
24 rental agreement. The leased space may be enclosed, covered, or open stor-
25 age.

26 (4) "Lessee" means a person, sublessee, successor, or assignee enti-
27 tled to the use of a leased space at a self-service storage facility under the
28 terms of a rental agreement.

29 (5) "Operator" means the owner, operator, lessor, or sublessor of a
30 self-service storage facility or an agent or another person authorized to
31 manage the facility or to receive rent from a lessee under a rental agree-
32 ment. The term does not include a warehouse operator if the warehouse
33 operator issues a warehouse receipt, bill of lading, or other document of
34 title for the personal property stored.

35 (6) "Personal property" means those items placed within the leased
36 space and includes, but is not limited to, goods, wares, merchandise, motor
37 vehicles, watercraft and household items and furnishings.

38 (7) "Rental agreement" means a signed, written agreement or contract
39 that establishes or modifies conditions or rules concerning the use and oc-
40 cupancy by a lessee of leased space at a self-service storage facility and
41 includes any signed, written amendment to such an agreement. The rental
42 agreement may be delivered and accepted electronically.

1 (8) "Self-service storage facility" means any real property used for
2 renting or leasing individual storage space in which the lessees themselves
3 store and remove their own personal property on a "self-service" basis.

4 (9) "Vehicle" is as defined in section 49-123, Idaho Code, and
5 "trailer" is as defined in section 49-121, Idaho Code. Should the operator
6 choose to proceed with a lien sale of a vehicle, the operator must comply with
7 the provisions of chapter 17, title 49, Idaho Code.

8 SECTION 2. That Section 55-2304, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 55-2304. RENTAL AGREEMENT. (1) From and after July 1, 1990, any op-
11 erator offering storage spaces in a self-service storage facility for rent
12 shall provide a written rental agreement, which shall be executed by the op-
13 erator and the lessee. The operator of a self-service storage facility shall
14 provide a lessee with a copy of the rental agreement at the time of the rental
15 by delivery at that time or as provided for in the rental agreement. If the
16 lessee does not sign a rental agreement that the operator has delivered to
17 the lessee, the lessee's continued use of the storage space for not less than
18 fourteen (14) days shall constitute an acceptance of the rental agreement
19 with the same effect as if it had been signed by the lessee.

20 (2) The rental agreement shall contain a conspicuous statement advis-
21 ing the lessee:

22 (a) Of the existence of the operator's lien;

23 (b) That the property in the leased space may be sold to satisfy the lien
24 if the lessee is in default;

25 (c) That the personal property stored in a leased space will not be in-
26 sured unless the lessee obtains insurance on his property;

27 (d) Of the amount of any late fee and the conditions for imposing the
28 fee; and

29 (e) That all notices and correspondence may be sent as provided for in
30 the rental agreement.

31 (3) In the absence of a notice provision in the rental agreement, no-
32 tices to the lessee pursuant to section 55-2306, Idaho Code, shall be sent
33 by certified mail. The absence of a notice provision in the rental agreement
34 does not affect the validity of the rental agreement or the operator's lien.

35 (4) The rental agreement shall contain a provision requiring the lessee
36 to disclose any lienholders or secured parties who have an interest in prop-
37 erty that is stored in the leased space.

38 (5) If the rental agreement specifies a limit on the value of personal
39 property that the lessee may store in the leased space, the limit must be
40 deemed to be the maximum value of the personal property in the leased space
41 and the maximum liability on the part of the operator to the lessee for any
42 loss of or damage to the personal property. Nothing in this section shall be
43 deemed to create any liability on the part of the operator to the lessee for
44 any loss of or damage to the lessee's personal property, regardless of cause.

45 (6) All notices sent as provided for in the rental agreement or by cer-
46 tified mail shall be constructive and conclusive notice under the rental
47 agreement and this chapter.

48 (7) A reasonable late fee may be imposed and collected by an opera-
49 tor for each period that a lessee does not pay rent, fees, or other charges

1 when due under the rental agreement, if the amount of the late fee and the
2 conditions for imposing the fee are stated in the rental agreement. A late
3 fee of twenty dollars (\$20.00) or twenty percent (20%) of the monthly rent,
4 whichever is greater, is a reasonable fee and will not be considered a
5 penalty.

6 (8) Nothing in this chapter shall be construed in any manner as impair-
7 ing or affecting the right of parties to create additional rights, duties,
8 and obligations in and by virtue of a rental agreement. In addition to the
9 rights and remedies set forth in this chapter, the operator has the same
10 rights and remedies available to a creditor or landlord under Idaho law.

11 SECTION 3. That Section 55-2306, Idaho Code, be, and the same is hereby
12 amended to read as follows:

13 55-2306. ENFORCEMENT OF LIEN. (1) A sale of personal property to en-
14 force a lienholder's claim that has become due against a lessee and that is
15 secured by the operator's lien may be conducted after the lessee has been in
16 default continuously for a period of sixty (60) days.

17 (2) The operator shall send notice by certified mail or as provided for
18 in the rental agreement to the lessee at his last known address and by mail
19 to all persons disclosed by the lessee as claiming a security interest in the
20 stored property. The notice shall include:

21 (a) The name, address and telephone number of the person claiming the
22 lien;

23 (b) An itemized statement of the lienholder's claim showing the sum due
24 at the time of the notice and the date when the sum became due;

25 (c) A demand for payment within a time specified, not less than ten (10)
26 days after sending of the notice;

27 (d) A statement that unless the claim is paid within the time stated in
28 the notice, the personal property shall be advertised for sale and sold
29 at a specified time and place, but not sooner than ten (10) days after
30 the first publication;

31 (e) A brief and general description of the goods subject to the lien;
32 and

33 (f) Notification that the operator has denied or may deny access by the
34 lessee to his personal property until the lien has been satisfied.

35 (3) Upon expiration of the time specified in subsection (2) (c) of this
36 section, an advertisement of the sale shall be published once in a newspaper
37 of general circulation in the county where the self-service storage facility
38 is located. The advertisement shall include:

39 (a) The location, date, time, and manner of the sale of the property
40 stored in the leased space at the self-service storage facility;

41 (b) A brief and general description of the personal property; and

42 (c) The name and last known address of the lessee.

43 (4) At any time before the advertised sale of the personal property has
44 been conducted or the vehicle or trailer has been towed, the lessee or any
45 other person may pay the amount necessary to satisfy the lien, including all
46 documented and verifiable labor and expenses incurred in enforcing the lien,
47 and be permitted to remove the personal property, vehicle, or trailer from
48 the leased space.

49 (5) In the event of a sale, the operator shall:

1 (a) Ensure that the sale is conducted in conformance with the terms of
2 the published notice;

3 (b) Identify the specific properties and disclose the names and ad-
4 dresses provided by the lessee of persons claiming a security interest
5 in the specified properties; and

6 (c) Comply with the provisions of chapter 17, title 49, Idaho Code, when
7 foreclosing on titled vehicles.

8 (6) The proceeds of the sale must be applied to the discharge of the lien
9 and costs. The remainder, if any, shall be paid over to the lessee or any
10 other person authorized in writing by the lessee to claim the balance.

11 (7) The operator may dispose of the personal property without liability
12 to any person if ~~the~~:

13 (a) The operator has complied with the provisions of subsections (1)
14 through (5) of this section, and the personal property has not been pur-
15 chased;

16 (b) The lessee fails to remove the personal property from the leased
17 space after the end of the rental agreement and the rental agreement ad-
18 vises the lessee that any property remaining after the rental agreement
19 has ended will be disposed of in the operator's discretion; or

20 (c) When disposing of titled vehicles, the operator complies with ei-
21 ther the provisions of chapter 17, title 49, Idaho Code, or section
22 55-2308, Idaho Code.

23 (8) The operator may conduct the lien sale without obtaining an auc-
24 tioneer's license and may offer the personal property for sale as a unit or
25 in parcels on a publicly accessible website that regularly offers personal
26 property for auction or sale, at the self-service storage facility, or at an-
27 other location determined by the operator.

28 (9) A purchaser in good faith of any personal property sold pursuant to
29 this section to satisfy the lien shall take the property free and clear of any
30 rights of persons against whom the lien was valid, even if the operator has
31 not complied with the provisions of this chapter or the rental agreement.

32 SECTION 4. That Section 55-2308, Idaho Code, be, and the same is hereby
33 amended to read as follows:

34 55-2308. LESSEE IN DEFAULT -- VEHICLE OR TRAILER REMOVAL. (1) If a
35 lessee is in default of the rental agreement for sixty (60) days or more and
36 the personal property stored in the leased space is a vehicle or trailer, the
37 operator may have the vehicle or trailer towed from the self-service storage
38 facility by an independent towing company. Prior to having the vehicle or
39 trailer towed, the operator shall send notice to the lessee as provided for
40 in the rental agreement or by certified mail to the last known address stat-
41 ing:

42 (a) A demand for payment within a time specified, That the lessee must
43 cure the specified default no less than ten (10) days after sending of
44 the notice;

45 (b) That unless the ~~claim is paid~~ default is cured within the time
46 stated in the notice, the vehicle or trailer may be towed; and

47 (c) The name, address, and telephone number of the towing company.

48 (2) The operator shall send a copy of the notice by United States mail
49 with certificate of mailing to any lienholder of the vehicle or trailer that

1 is listed in the rental agreement, no less than ten (10) days prior to having
2 the vehicle or trailer towed.

3 (3) The operator has no liability to any person regarding the vehicle or
4 trailer once the towing company takes possession of the vehicle or trailer.

5 (4) Should the operator choose to proceed with a lien sale of a vehicle,
6 the operator must comply with the provisions of chapter 17, title 49, Idaho
7 Code. The towing company that tows the vehicle must comply with the provi-
8 sions of either chapter 17 or 18, title 49, Idaho Code, as applicable, prior
9 to conducting a sale of the vehicle.

10 SECTION 5. That Section 55-2309, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 55-2309. ACCESS RESTRICTION. The operator has the right to deny the
13 lessee access to the leased space by overlocking or other means if:

14 (1) The rent or other charges due from the lessee are delinquent and un-
15 paid;

16 (2) The leased space is being used for residential or other unlawful
17 purposes; or

18 (3) The lessee fails to vacate the leased space after the rental agree-
19 ment is terminated or not renewed in accordance with its terms.

20 SECTION 6. An emergency existing therefor, which emergency is hereby
21 declared to exist, this act shall be in full force and effect on and after
22 July 1, 2024.