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BILL



ANALYSIS

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Senate Bill 204 (Substitute S-2)
Sponsor: Senator Dennis Olshove
Committee: Senior Citizens and Veterans Affairs

Date Completed: 6-2-09

CONTENT

The bill would amend the Self-Service Storage Facility Act to specify that, if an owner received a notice that a tenant who was a service member was transferred or deployed overseas on active duty for at least 180 days, the owner could not enforce an owner's lien until 90 days after the end of the tenant's overseas service. The bill also would allow delivery of notice by first-class mail (rather than certified mail) and by e-mail.

Enforcement of Owner's Lien

Under the Act, the owner of a self-service storage facility or a self-contained storage unit and the heirs, personal representatives, successors, and assignees of the owner have a lien upon all personal property, whether or not owned by the tenant, located at the facility or unit. The lien attaches as of the date the personal property arrives at the facility or unit or the date a rental agreement is signed by the tenant, whichever is earlier.

An owner's lien may be enforced only as provided in the Act. The tenant and a person designated by the tenant must be given written notice delivered in person or by certified mail. Among other things, the notice must include a demand for payment within a specified time of not less than 14 days after delivery of the notice. After that time, the sale or other disposition of the personal property in the storage facility or unit must be advertised. Before a sale or other disposition, the tenant may pay the amount necessary to satisfy the lien and the reasonable expenses incurred to redeem the property.

Under the bill, a tenant who was a service member and who was transferred or deployed overseas on active duty for a period of 180 days or more could give the owner notice of the transfer or deployment. The tenant would have to provide written evidence of the transfer or deployment with the notice. If an owner received a notice with supporting evidence that the tenant was a service member transferred or deployed overseas on active duty for 180 days or more, the owner could not enforce an owner's lien until 90 days after the end of the tenant's overseas service.

"Owner" means the owner, operator, lessor, or sublessor of a self-service storage facility or self-contained storage unit, or his or her agent, or any other person authorized by him or her to manage the facility or to receive rent from a tenant under a rental agreement. "Tenant" means a person or the person's sublessee, successor, or assign entitled to the use of storage space to the exclusion of others at a self-service storage facility or in a self-contained storage unit under a rental agreement.

"Service member" would mean a member of the Armed Forces, a reserve branch of the Armed Forces, or the Michigan National Guard. "Active duty" would mean active duty pursuant to an executive order of the U.S. President, an act of Congress, or an order of the Governor.

Delivery of Written Notice

The Act requires an owner to notify a tenant or person designated by the tenant of the intent to enforce an owner's lien. Notice must be written and delivered in person or by certified mail to the tenant's last known address. Under the bill, the written notice would have to be delivered in person, by first-class mail, or by electronic mail to the tenant's last known address and, if applicable, to the occupant's last known address.

Currently, "last known address" means the address provided by the tenant in the latest rental agreement or in a subsequent written notice of change of address by hand delivery or first-class mail. Under the bill, the term would mean the street address, post office box, or electronic mail address provided by the tenant in the latest rental agreement or subsequent written notice by hand delivery, first-class mail, or electronic mail.

MCL 570.522 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Lindsay Hollander

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.