

HB418 INTRODUCED



1 HB418
2 PSLF3EG-1
3 By Representative Stringer
4 RFD: Commerce and Small Business
5 First Read: 10-Feb-26



SYNOPSIS:

Under existing law, the Self-Service Storage Facilities Act sets forth requirements for rental agreements of self-service storage facilities.

This bill would permit rental agreements for self-service storage facilities to be delivered and executed electronically.

This bill would permit the acceptance of a rental agreement if an occupant uses a leased space, after the lease agreement has been delivered by first-class mail or electronic means, for at least 30 days without signing a lease agreement, obligating the occupant to the agreement without any notice provided.

Also under the Self-Service Storage Facilities Act, operators of self-service storage facilities may remove the personal property of occupants who are in default and place the items in a suitable storage space pending its sale or other disposition.

This bill would authorize operators of storage facilities to include a provision in the rental agreement notifying the occupant of the operator's right to dispose of an occupant's personal property left at the self-service storage facility for a certain amount of time after the end of the rental agreement.

This bill would prohibit occupants from using a



HB418 INTRODUCED

self-service storage facility after a notice of termination or nonrenewal of the rental agreement has been delivered to the occupant.

This bill would set an amount of time for occupants to remove personal property from a self-service storage facility following the termination or nonrenewal of the rental agreement.

This bill would permit the operator to place certain reasonable restrictions on the occupant's use of the self-service storage facility after the rental agreement ends.

This bill would authorize the operator to dispose of an occupant's personal property after a certain amount of time following the notice of termination or nonrenewal is delivered to the occupant.

Also under existing law, notice of the sale of personal property of an occupant in default must be published in a newspaper of general circulation in the county where the storage facility is located, unless such a newspaper does not exist or the property is valued at \$500 or less.

This bill would also remove these publication requirements, requiring instead that the notice be published in any commercially reasonable manner.

A BILL

TO BE ENTITLED

AN ACT



HB418 INTRODUCED

Relating to the Self-Service Storage Facilities Act; to amend Sections 8-15-41, 8-15-44, 8-15-45, and 8-15-46, Code of Alabama 1975, to permit rental agreements for self-service storage facilities to be delivered and executed electronically; to permit the acceptance of a rental agreement if the occupant continues to use the leased space for a certain amount of time after delivery of the written rental agreement; to permit the inclusion of a provision in rental agreements notifying occupants of the operator's right to dispose of personal property left at the self-service storage facility; to prohibit an occupant from using his or her self-service storage facility after a notice of termination or nonrenewal has been delivered to the occupant; to provide occupants with an opportunity to remove personal property from a storage facility after notice of termination or nonrenewal has been delivered; to permit operators to impose reasonable restrictions on the occupant's use of the self-service storage facility after the rental agreement ends; to authorize operators to dispose of an occupant's personal property left at self-service storage facilities after a certain amount of time following the end of a rental agreement; and to require that notice of the sale of personal property of an occupant in default may be published in any commercially reasonable manner.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 8-15-41, 8-15-44, 8-15-45, and 8-15-46, Code of Alabama 1975, are amended to read as follows:



HB418 INTRODUCED

"§8-15-41

For the purposes of this article, the following terms ~~shall~~ have the following meanings:

(1) COMMERCIALY REASONABLE SALE. A sale, conducted pursuant to this article, at the self-service storage facility, another suitable location selected by the operator, or on a publicly accessible website that conducts lien sales or personal property sales.

(2) DEFAULT. The failure by the occupant to perform on time any obligation or duty set forth in a rental agreement or in this article.

(3) ELECTRONIC MAIL. An electronic message or an executable program or computer file that contains an image of a message that is transmitted between two or more computers or electronic terminals and includes electronic messages that are transmitted within or between computer networks.

(4) EMERGENCY. Any occurrence or circumstance at or near a self-service storage facility which requires immediate action to avoid injury to persons or damage to property at or near the self-service storage facility including, but not limited to, a fire.

(5) LAST KNOWN ADDRESS. The postal address or electronic mail address provided by an occupant in a rental agreement or, subject to the requirements in a rental agreement, the postal address or electronic mail address provided by the occupant in a subsequent written notice of a change of address.

(6) LATE FEE. Any fee or charge assessed for the



HB418 INTRODUCED

failure of an occupant to pay rent when due. The term does not include interest on a debt; expenses incurred in the collection of unpaid rent; expenses incurred for the preservation, sale, or disposition of personal property pursuant to this article; or costs associated with the enforcement of any other remedy provided by law or contract.

(7) LEASED SPACE. The individual storage space at a self-service storage facility which is rented to an occupant pursuant to a rental agreement.

(8) OCCUPANT. A person entitled to the use of leased space at a self-service storage facility under a rental agreement, or his or her successors or assigns.

(9) OPERATOR. The owner, operator, lessor, or sublessor of a self-service storage facility, or an agent of any of the foregoing, or any other person authorized to manage the facility or to receive rent from an occupant under a rental agreement. The term does not include a warehouseman if the warehouseman issues a warehouse receipt, bill of lading, or other document of title for the personal property stored.

(10) PERSONAL PROPERTY. Movable property not affixed to land. The term includes, but is not limited to, goods, wares, merchandise, motor vehicles, watercraft, household items, and furnishings.

(11) PROPERTY ~~WHICH~~ THAT HAS NO COMMERCIAL VALUE. Property offered for sale in a commercially reasonable sale that receives no bid or offer.

(12) RENTAL AGREEMENT. Any written agreement or lease that establishes or modifies the terms, conditions, or rules



HB418 INTRODUCED

concerning the use and occupancy of leased space at a self-service storage facility.

(13) SELF-SERVICE STORAGE FACILITY. Any real property used for renting or leasing individual storage spaces in which the occupants customarily store and remove their own personal property on a self-service basis.

(14) VERIFIED MAIL. Any method of mailing offered by the United States Postal Service or private delivery service that provides evidence of the mailing."

"§8-15-44

(a) The operator of a self-service storage facility and the heirs, executors, administrators, successors, and assigns of the operator shall have a lien upon all of the personal property of an occupant located at the self-service storage facility for delinquent rent, late fees, labor, or other charges incurred pursuant to a rental agreement and for expenses incurred for preservation, sale, or disposition of the personal property. The lien provided for in this section is superior to any other lien or security interest, except for a tax lien as otherwise provided by law.

(b) The lien described in subsection (a) attaches on the date on which personal property is placed in a leased space.

(c) The rental agreement shall contain a statement, in bold type, advising the occupant of all of the following:

(1) The existence of the lien.

(2) That personal property stored in the leased space may be sold to satisfy the lien if the occupant is in default.



HB418 INTRODUCED

(3) That the occupant must disclose any lienholders with an interest in property that is stored or will be stored in the leased space.

(d) If the rental agreement specifies a limit on the value of personal property that the occupant may store in the leased space, the limit shall be deemed to be the maximum value of the personal property in the leased space of the occupant.

(e) The rental agreement may provide for a reasonable late fee when the occupant is in default. A monthly late fee of twenty dollars (\$20) or 20 percent of the monthly rental amount, whichever is greater, shall be considered reasonable and is not a penalty.

(f) The rental agreement may be delivered and executed by first-class mail or electronic means.

(g) If an occupant does not sign a written rental agreement that the operator has delivered to the occupant by first-class mail or electronic means, within 30 calendar days, then the occupant's continued use of the leased space for not less than 30 calendar days after the date the notice was delivered shall constitute an acceptance of the rental agreement with the same effect as if the agreement had been signed by the occupant."

"§8-15-45

(a) If the occupant is in default, the operator may deny the occupant access to the leased space at the self-service storage facility. The operator may enter and remove the personal property from the leased space to other



HB418 INTRODUCED

suitable storage space pending its sale or other disposition.

(b) The rental agreement may contain a provision notifying the occupant of the operator's right to dispose of personal property remaining at the self-service storage facility more than 15 days after the termination or nonrenewal of the rental agreement.

(c) An occupant may not use a self-service storage facility after the operator has delivered a written notice by verified mail or electronic mail of the termination or nonrenewal of the occupant's rental agreement. The notice shall provide the occupant with not less than 15 calendar days after delivery of the notice to remove all personal property from the self-service storage facility.

(d) Prior to the occupant's removal of all personal property, the operator may place reasonable restrictions on the occupant's use of the self-service storage facility, including denying access to the self-service storage facility except for the occupant to remove personal property during the operator's office hours. The operator may dispose of any personal property remaining at the self-service storage facility after the date provided in the written notice pursuant to subsection (c)."

"§8-15-46

(a) If an occupant is in default for a period of more than 30 days, the operator may enforce the lien granted in Section 8-15-44 by selling the stored personal property of the occupant. Sale of the personal property of an occupant may be by public or private proceedings. The personal property may be



HB418 INTRODUCED

225 sold as a unit or in parcels, by way of one or more contracts,
226 at any time or place, with bids or offers sealed or open, and
227 on any terms as long as the sale is a commercially reasonable
228 sale. The operator may otherwise dispose of any property ~~which~~
229 that has no commercial value.

230 (b) Before conducting a sale under this section, the
231 operator shall do all of the following:

232 (1) At least 20 days before the sale, send notice of
233 default to the occupant and any lienholder identified by the
234 occupant in the rental agreement by verified mail or
235 electronic mail pursuant to subsection (h). The notice of
236 default shall include:

237 a. A statement that the contents of the leased space
238 are subject to the operator's lien.

239 b. A statement of the operator's claim, indicating the
240 charges due on the date of the notice, the amount of any
241 additional charges ~~which~~ that shall become due before the date
242 of sale, and the date the additional charges shall become due.

243 c. A demand for payment of the charges due within a
244 specified time, which shall not be less than 10 days after the
245 date of the notice.

246 d. A statement that unless the claim is paid within the
247 time stated, the contents of the leased space will be sold or
248 otherwise disposed of after a specified time.

249 e. The name, street address, and telephone number of
250 the operator or a designated agent whom the occupant may
251 contact to respond to the notice.

252 (2) At least seven days before the sale, an



HB418 INTRODUCED

advertisement containing the time, place, and terms of the sale shall be published ~~once in a newspaper of general circulation in the county where the self-service storage facility is located~~ in any commercially reasonable manner. A single advertisement listing multiple sales ~~in a newspaper of general circulation in the county~~ shall suffice. ~~If no newspaper of general circulation is located in the county, or if the operator determines, based on the previous experience of the operator, that the contents of the leased space have a value of five hundred dollars (\$500) or less, then an advertisement in any commercially reasonable manner shall suffice.~~ The manner of advertisement is deemed commercially reasonable if it is likely to attract at least three independent bidders to attend or view the sale in person or online at the time and place advertised.

(c) The operator may buy the personal property of the occupant at any public sale held pursuant to this section.

(d) If the personal property ~~subject to the operator's lien~~ is a vehicle, watercraft, or trailer and ~~rent and other charges remain unpaid~~ the occupant is in default for 60 days, the operator may have the vehicle, watercraft, or trailer towed from the self-service storage facility. The operator shall not be liable for any damages to the vehicle, watercraft, or trailer once a licensed and bonded tower takes possession of the property. Removal of any vehicle, watercraft, or trailer from the self-service storage facility shall not release the operator's lien. The sale of a watercraft shall comply with Section 33-5A-4. Any provision of



HB418 INTRODUCED

this article to the contrary notwithstanding, unclaimed motor vehicles shall be reported in accordance with Section 32-8-84 and abandoned motor vehicles shall be sold in accordance with Chapter 13 of Title 32.

(e) At any time before a sale is held under this section or before a vehicle, watercraft, or trailer is towed under this section, the occupant may pay the amount necessary to satisfy the lien and redeem the personal property. The operator shall have no liability to any person with respect to personal property redeemed pursuant to this subsection.

(f) In the event of a sale, the operator may satisfy the lien from the proceeds of the sale. The lien rights of secured lienholders are automatically transferred to the remaining proceeds of the sale, if any. If the sale is a commercially reasonable sale, the operator shall not be subject to any liability for a deficiency if the amount realized at the sale does not satisfy any secured lien, but shall hold the balance, if any, for delivery to the occupant or any secured lienholder, upon demand. If the occupant or secured lienholder, if any, does not claim the balance of the proceeds within one year after the date of sale, the balance shall become the property of the operator without further recourse by the occupant or secured lienholder.

(g) A purchaser in good faith of any personal property sold pursuant to this section to satisfy the lien granted in Section 8-15-44 takes the property free and clear of any rights of persons against whom the lien was valid, despite noncompliance by the operator with the requirements of this



HB418 INTRODUCED

section. If the requirements of this article are not satisfied, if the sale of the personal property is not in conformity with the notice of sale, or if there is a willful violation of this article, nothing in this section affects the rights and liabilities of the owner, occupant, or any other person.

(h) Notices to the occupant under subdivision (b)(1) shall be sent to the last known address of the occupant by verified mail or electronic mail. Notices sent by verified mail shall be deemed delivered when deposited with the United States Postal Service or private delivery service if they are properly addressed with postage prepaid. Notices sent by electronic mail shall be deemed delivered when an electronic message is sent to the last known address provided by the occupant. If the operator sends notice by electronic mail and receives an automated message stating that the electronic mail cannot be delivered, the operator shall send notice by verified mail to the last known address of the occupant with postage prepaid.

(i) If the operator complies with the requirements of this section, the liability of the operator:

(1) To the occupant, shall be limited to the net proceeds received from the sale of the personal property of the occupant less any proceeds paid to the holders of any lien or security interest of record on the personal property being sold; and

(2) To the holders of any lien or security interest of record on the personal property being sold, shall be limited



HB418 INTRODUCED

337 to the net proceeds received from the sale of any personal
338 property covered by the lien or security interest of the
339 holder."

340 Section 2. This act shall become effective on October
341 1, 2026.