

AN ACT

To amend section 5322.01 and to enact section 5322.05 of the Revised Code to permit, under specified conditions, the assessment of reasonable late fees for the failure to pay rent when due for the use of a self-service storage facility.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That section 5322.01 be amended and section 5322.05 of the Revised Code be enacted to read as follows:

Sec. 5322.01. As used in sections 5322.01 to ~~5322.04~~ 5322.05 of the Revised Code:

(A) "Self-service storage facility" means any real property that is designed and used only for the purpose of renting or leasing individual storage space in the facility under the following conditions:

(1) The occupants have access to the storage space only for the purpose of storing and removing personal property;

(2) The owner does not issue a warehouse receipt, bill of lading, or other document of title, as defined in division (O) of section 1301.01 of the Revised Code, for the personal property stored in the storage space;

(3) The property has fifty or more individual storage spaces.

"Self-service storage facility" does not include any garage used principally for parking motor vehicles, an establishment licensed pursuant to sections 915.14 to 915.24 of the Revised Code, or any property of a bank or ~~building~~ savings and loan association that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the bank's or ~~building~~ savings and loan association's customers.

(B) "Owner" means a person ~~who~~ that is either the owner of a self-service storage facility or the lessor of an entire self-service storage facility and ~~who~~ that receives rent from an occupant pursuant to a rental agreement that ~~he~~ the person enters into with the occupant.

(C) "Occupant" means a person ~~who~~ that rents storage space at a self-service storage facility pursuant to a rental agreement that ~~he~~ the person enters into with the owner.

(D) "Rental agreement" means any written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

(E) "Personal property" means money and every animate or inanimate tangible thing that is the subject of ownership, except anything forming part of a parcel of real estate, as defined in section 5701.02 of the Revised Code, and except anything that is an agricultural commodity, as defined in division (A) of section 926.01 of the Revised Code.

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

Sec. 5322.05. (A) Subject to division (B) of this section, a reasonable late fee may be imposed and collected by an owner for each service period that an occupant does not pay rent when due under a rental agreement, provided that the due date for the rental payment is not earlier than the day before the first day of the service period to which the rental payment applies. However, no late fee shall be imposed or collected if the occupant makes a rental payment in full by the third day after the due date under the rental agreement.

(B) No late fee may be collected pursuant to division (A) of this section unless the amount of that fee and the conditions for imposing that fee are stated in the rental agreement or an addendum to that agreement.

(C) For purposes of division (A) of this section, a late fee of twenty dollars for each late rental payment, or twenty per cent of the amount of each late rental payment, whichever is greater, is deemed reasonable and does not constitute a penalty. However, the contract may provide for a late fee in a greater amount if that amount is reasonable. The owner has the burden of proof that the late fee in the greater amount is reasonable.

(D) Any reasonable expense incurred in rent collection or lien enforcement by an owner may be charged to the occupant in addition to the late fees permitted by this section.

SECTION 2. That existing section 5322.01 of the Revised Code is hereby repealed.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

H. B. No. 120

4

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____