As Passed by the Senate

134th General Assembly

Regular Session 2021-2022

Am. Sub. H. B. No. 132

Representatives Hillyer, Jones

Cosponsors: Representatives Kick, Young, T., Cross, Seitz, Miller, J., Cutrona, Abrams, Bird, Carruthers, Ginter, Gross, Householder, John, Johnson, Plummer, Stein, Stephens, Stewart, Wiggam

Senators Blessing, Cirino, Hackett, Hoagland, Lang, Thomas, Wilson, Yuko

A BILL

То	amend sections 5322.01, 5322.02, and 5322.03 of	1
	the Revised Code to amend the law regarding	2
	self-service storage facilities.	3

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5322.01, 5322.02, and 5322.03 of	4
the Revised Code be amended to read as follows:	5
Sec. 5322.01. As used in sections 5322.01 to 5322.05 of	6
the Revised Code:	7
(A) "Self-service storage facility" means any real	8
property that is designed and used only for the purpose of	9
renting or leasing individual storage space in the facility	10
under the following conditions:	11
(1) The occupants have access to the storage space only	12
for the purpose of storing and removing personal property.	13
(2) The owner does not issue a warehouse receipt, bill of	14
lading, or other document of title, as defined in section	15

1301.201 of the Revised Code, for the personal property stored
in the storage space.

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

- (B) "Owner" means a person that is either the owner or operator of a self-service storage facility—or, the lessor or sublessor of an entire self-service storage facility—and that receives, the agent of any of the foregoing, or any other person authorized by any of the foregoing to manage the facility or to receive rent from an occupant pursuant to a rental agreement that the person enters into with the occupant.
- (C) "Occupant" means a person that rents storage space at a self-service storage facility pursuant to a rental agreement that 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

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division (A) of section 926.01 of the Revised Code. 45

- (F) "Late fee" means any fee or charge assessed for an

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 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.
 - (G) "Last known address" means either of the following:
- (1) The mailing address <u>or electronic mail address</u>
 provided by the occupant in the most recent rental agreement or
 the mailing address <u>or electronic mail address</u> provided by the
 occupant in a subsequent written notice of a change of address;
- (2) The mailing address <u>or electronic mail address</u> of any of the persons described in division (A) of section 5322.03 of the Revised Code that is provided by any of those persons to the owner of a self-service storage facility or that is discovered by the owner of a self-service storage facility.

Sec. 5322.02. (A) The owner of a self-service storage facility has a lien against the occupant on the personal property stored pursuant to a rental agreement in any storage space at the self-service storage facility, or on the proceeds of the personal property subject to the defaulting occupant's rental agreement in the owner's possession, for rent, labor, late fees, or other charges in relation to the personal property that are specified in the rental agreement and that have become due and for expenses necessary for the preservation of the personal property or expenses reasonably incurred in the enforcement of the lien or in the sale or other disposition of the personal property pursuant to law. The owner's lien provided for in this section is also effective against the following

persons:	74
(1) A person who has an unfiled security interest in the	75
personal property, except that the owner's lien is not effective	76
against a person who has a valid security interest in a motor	77
vehicle or a valid security interest in a watercraft, whether or	78
not the security interest in the motor vehicle or watercraft is	79
filed;	80
(2) A person who meets both of the following requirements:	81
(a) The person has a legal interest in the personal	82
property, a filed security interest in the personal property, or	83
a valid security interest in the personal property that is a	84
motor vehicle.	85
(b) The person consents in writing to the storage of the	86
personal property.	87
(B) The owner's lien created by division (A) of this	88
section attaches as of the date the personal property is brought	89
to the self-service storage facility. An owner loses the owner's	90
lien on any personal property that the owner voluntarily permits	91
to be removed from the self-service storage facility or	92
unjustifiably refuses to permit to be removed from the self-	93
service storage facility.	94
Sec. 5322.03. An owner's lien created by division (A) of	95
section 5322.02 of the Revised Code for a claim that has become	96
due may be enforced only as follows:	97
(A) The following persons shall be notified in accordance	98
with divisions (B) and (C) of this section:	99
(1) All persons whom the owner has actual knowledge of and	100
who claim an interest in the personal property;	101

(2) All persons holding liens on any motor vehicle or	102
watercraft amongst the property;	103
(3) All persons who have filed security agreements in the	104
name of the occupant evidencing a security interest in the	105
personal property with either the secretary of state or the	106
county recorder of the county in which the self-service storage	107
facility is located or the Ohio county of the last known address	108
of the occupant.	109
(B) (1) The notice shall be delivered in person, sent by	110
certified mail, sent by electronic mail, or sent by first-class	111
mail <u>or private delivery service</u> with a certificate <u>or</u>	112
<u>verification</u> of mailing to the last known address of each person	113
who is required to be notified by division (A) of this section;	114
(2) If the notice is sent by electronic mail, then the	115
notice shall also be sent via either certified or first-class	116
mail to the last known address of each person who is required to	117
be notified by division (A) of this section.	118
(C) The notice shall include all of the following:	119
(1) The name and last known address of the occupant who	120
rented the storage space in which the personal property was	121
stored;	122
(2) An itemized statement of the owner's claim showing the	123
sum due at the time of the notice and the date when the sum	124
became due;	125
(3) A brief and general description of the personal	126
property subject to the lien. The description shall be	127
reasonably adequate to permit the person notified to identify it	128
except that any container including, but not limited to, a	129
trunk, valise, or box that is locked, fastened, sealed, or tied	130

in a manner that deters immediate access to its contents and	131
that has not been opened by the owner prior to the date on which	132
the notice is given may be described as such without describing	133
its contents.	134
(4) A notice of denial of access to the personal property,	135
if a denial of access is permitted under the terms of the rental	136
agreement, which notice provides the name, street address, and	137
telephone number of the person whom the person notified may	138
contact to pay the claim and to either obtain the personal	139
property or enter into a rental agreement for the storage of the	140
personal property;	141
(5) A demand for payment within a specified time not less	142
than ten days after delivery of the notice;	143
(6) A conspicuous statement that unless the claim is paid	144
within that time the personal property will be advertised for	145
sale and will be sold by auction at a specified time and place-	146
and that, if no person purchases the personal property at the	147
auction, the personal property may be sold at a private sale or	148
destroyed;	149
(7) The <u>street or internet</u> address of the place at which	150
the sale will be held, if the sale will be held at a place other	151
than the self-service storage facility in which the personal	152
property was stored.	153
(D) (1) Any notice given pursuant to this section shall be	154
presumed delivered, if the notice that is sent by first-class	155
mail or private delivery service with a certificate or	156
$\underline{ ext{verification}}$ of mailing $ au$ $\underline{ ext{shall be deemed delivered}}$ when it is	157
deposited with the United States postal service or private	158

delivery service and properly addressed with proper postage

prepaid.	
(2) Any notice given pursuant to this section that is sent	161
by electronic mail shall be deemed delivered when it is properly	162
addressed and sent.	163
(E) The sale of the personal property shall conform to the	164
terms of the notice as provided for in this section.	165
(F) The sale of the personal property shall may be held at	166
the self-service storage facility or, if the <u>street or internet</u>	167
address of the place was included in the notice as required by	168
division (C)(7) of this section, on the internet or at the	169
nearest suitable place to the self-service storage facility at	170
which the personal property is stored.	171
(G) After the expiration of the time given in the notice,	172
an advertisement of the sale shall be published once a week for	173
two consecutive weeks in a newspaper of general circulation in	174
the county in which the self-service storage facility is located	175
or any other commercially reasonable manner. The manner of	176
advertisement shall be deemed commercially reasonable if at	177
least three independent bidders register for, view, or attend	178
the sale—at the time and place advertised. The advertisement	179
shall include all of the following:	180
(1) A brief and general description of the personal	181
property as required by division (C)(3) of this section, except	182
that the description shall describe the contents of any trunk,	183
valise, or box that is locked, fastened, sealed, or tied in a	184
manner that deters immediate access to its contents, if the	185
trunk, valise, or box is opened by the owner prior to the date	186
on which the advertisement of sale is published;	187
(2) The name and last known address of the occupant who	188

rented the storage space in which the personal property was	189
stored;	190
(3) The <u>street</u> address of the self-service storage	191
facility;	192
(4) The time, place, and manner of the sale.	193
The sale shall take place at least fifteen days after the	194
first publication.	195
(H)(1) Any person who has a $\frac{1}{2}$ security interest in, or who	196
holds a lien against, a motor vehicle or watercraft may pay the	197
amount necessary to satisfy the lien created by division (A) of	198
section 5322.02 of the Revised Code and the reasonable expenses	199
incurred under this section. That person, upon payment of the	200
amount necessary to satisfy the lien plus expenses, may enter	201
into a new rental agreement for the storage of the motor vehicle	202
or watercraft. Any person who presents proof of a security	203
interest in or lien on a motor vehicle or watercraft or a court	204
order authorizing the person to take possession of a motor	205
vehicle or watercraft may immediately remove the motor vehicle	206
or watercraft from the self-service storage facility without	207
satisfying the lien or expenses of the owner.	208
(2) Before any sale of personal property other than a	209
motor vehicle or watercraft pursuant to this section, any person	210
who has a legal interest or a security interest in, or who holds	211
a lien against, any personal property other than a motor vehicle	212
or watercraft may pay the amount necessary to satisfy the lien	213
created by division (A) of section 5322.02 of the Revised Code	214
and the reasonable expenses incurred under this section and	215
remove the personal property in which the person has the	216

interest or against which the person holds the lien. After

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removal of all the personal property, including any motor	218
vehicle or watercraft, from the storage space of the self-	219
service storage facility by any means under this section, any	220
person can the owner may enter into a rental agreement for the	221
storage of personal property with the owner with a new occupant	222
for the storage space, and the owner has no obligation to the	223
prior occupant of that storage space in the self-service storage	224
facility. Before entering into a new rental agreement, the owner	225
must have any motor vehicle or watercraft towed from that	226
storage space.	227

- (3) Upon receipt of the payment from a person other than the occupant, the owner shall may, at the owner's sole discretion, enter into a new rental agreement for the storage of the personal property or, if the person meets the conditions set forth in division (H)(2) of this section, shall permit the person to remove the personal property from the self-service storage facility.
- (4) If the occupant pays the amount necessary to satisfy 235 the lien created by division (A) of section 5322.02 of the 236 Revised Code and the reasonable expenses incurred under this 237 section, the occupant shall immediately remove all of the 238 occupant's personal property from the self-service storage 239 facility, unless the owner of the self-service storage facility 240 agrees to enter into a new rental agreement for the storage of 241 the property. 242
- (I) (1) If property on which there is a lien under division 243

 (A) of section 5322.02 of the Revised Code is not sold at 244

 auction, but is claimed under division (H) of this section and 245

 the owner's lien is satisfied, then all legal or security 246

 interest in, or any other liens held against, the property shall 247

remain intact.	248
(2) A purchaser at auction in good faith, except an owner	249
or an owner's agent, of the personal property sold to satisfy an	250
owner's lien created by division (A) of section 5322.02 of the	251
Revised Code takes the property free and clear of any rights of	252
persons against whom the lien was valid, or any persons who had	253
an interest in, or who held, any other lien against the	254
property, despite noncompliance by the owner with the	255
requirements of this section.	256
(J) The owner may examine any personal property to be sold	257
pursuant to this section. The examination may include, but is	258
not limited to, the opening of any trunk, valise, box, or other	259
container that is locked, fastened, sealed, tied, or otherwise	260
closed in a manner that deters immediate access to its contents.	261
(K)(1) If the property upon which the lien created under	262
division (A) of this section is claimed is a motor vehicle or a	263
watercraft, the owner shall have the motor vehicle or watercraft	264
towed from the premises if any of the following circumstances	265
applies:	266
(a) The notice was delivered or sent pursuant to division	267
(B) of this section to all persons holding a lien on the motor	268
vehicle or watercraft, and thirty days have elapsed since the	269
notice was delivered or sent without a response from any of	270
those persons.	271
(b) Rent and other charges related to the property remain	272
unpaid or unsatisfied by the occupant for sixty days, and no	273
lien holders have been identified.	274
(c) The owner is planning to hold a sale at auction of the	275
personal property that was stored in the self-service storage	276

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unit with that motor vehicle or watercraft, in which case the motor vehicle or watercraft shall be towed prior to the auction.

- (2) The owner shall not be liable for the motor vehicle or 279 watercraft or any damages to the motor vehicle or watercraft 280 once the tower takes possession of the property. The notice 281 delivered or sent pursuant to division (B) of this section to 282 all persons holding a lien on the motor vehicle or watercraft 283 shall include the name of the towing company. The name and the 284 address of the towing company shall also be made available to 285 the occupant or any lien holder upon the presentation of a 286 document of title or another document that confirms an interest 287 in the motor vehicle or watercraft. 288
- (L) The owner may satisfy the owner's lien from the 289 proceeds of any sale held pursuant to this section, but shall 290 mail the balance, if any, by certified mail, or by first class 291 mail or private delivery service with a certificate or 292 verification of mailing, to the occupant at the occupant's last 293 known mailing_address. If the balance is returned to the owner 294 after the owner mailed the balance by certified mail, first 295 296 class mail, or private delivery service to the occupant or if 297 the mailing address of the occupant is not known, the owner shall hold the balance for two years after the date of the sale 298 for delivery on demand to the occupant or to any other person 299 who would have been entitled to possession of the personal 300 property. After the expiration of the two-year period, the 301 balance shall become unclaimed funds, as defined in division (B) 302 of section 169.01 of the Revised Code, and shall be disposed of 303 pursuant to Chapter 169. of the Revised Code. 304
- (M) An owner may buy at any public sale held pursuant to this section.

(N) The rights provided by this section shall be in	307
addition to all other rights allowed by law to a creditor	308
against a debtor.	309
(0)(1) If the owner complies with the requirements for	310
sale under this section, the owner's liability to persons who	311
have an interest in the personal property sold is limited to the	312
balance of the proceeds of the sale after the owner has	313
satisfied the owner's lien.	314
(2) The owner is liable for damages caused by the failure	315
to comply with the requirements for sale under this section and	316
is liable for conversion for willful violation of the	317
requirements for sale under this section.	318
(P) If no person purchases the personal property at the	319
auction and if the owner has complied with this section, the	320
owner may do any of the following:	321
(1) Advertise and sell the personal property pursuant to	322
divisions (F) to (O) of this section;	323
(2) Sell the personal property at a private sale;	324
(3) Dispose of the personal property in any manner	325
considered appropriate by the owner including, but not limited	326
to, destroying the personal property.	327
Section 2. That existing sections 5322.01, 5322.02, and	328
5322.03 of the Revised Code are hereby repealed.	329
3322:03 of the Revibed code are hereby repeared.	525