

Ohio Legislative Service Commission

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S.B. 283 136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Schaffer

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SUMMARY

- Adds that, if it cannot be established that the required notice relating to a self-service storage facility lien by electronic mail was delivered, a self-service storage facility owner must make a reasonable effort to find the occupant's address or electronic mail address to send the notice before using another authorized delivery method.
- Increases the demand for payment deadline for a self-service storage facility lien to not less than 90 days after delivery of the notice regarding the lien.
- Adds that, if the notice regarding the self-service storage facility lien is not delivered, the required advertisement regarding the property sale must be published 90 days after the last notice attempt.
- Provides that, regarding the sale of personal property to satisfy a self-service storage facility lien:
 - ☐ The facility owner is liable for damages in the amount of the fair market value of the disposed property for failure to comply with sale requirements;
 - □ The facility owner is liable for conversion for negligent violation of the sale requirements.
- Requires a self-service storage facility owner to provide notice to all occupants of any change in ownership in a self-service storage facility.

DETAILED ANALYSIS

Introduction

The bill makes several changes to the law regarding self-service storage facility liens. Existing law creates a lien for the owner of a self-service storage facility against an occupant's personal property stored in the facility, or the proceeds of the personal property subject to the

occupant's rental agreement in the owner's possession, when the occupant fails to pay. There are various requirements imposed by existing law for enforcing the owner's self-service storage facility lien.

Current law defines the following terms used in the bill:

- "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 or removing personal property, and (2) the owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the storage space. The term excludes certain types of property, such as, for example, any garage used principally for parking motor vehicles.
- "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.
- "Owner" means a person that is the owner or operator of a self-service storage facility, the lessor or sublessor of an entire self-service storage facility, 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.¹

Self-service storage facility lien notice

Current law requires certain persons to be given notice concerning a self-service storage lien, which generally must be delivered in person, sent by certified mail, or sent by first-class mail or private delivery service with a certificate or verification of mailing to the last known address of each person who is required to be notified. However, the notice may be sent by electronic mail to the occupant if both: (1) the occupant agreed to receive the notice via electronic mail and provided an address to the owner, and (2) the owner sends the notice in such a way as to establish that the message was delivered to the occupant's electronic mail address. If it cannot be established that the electronic mail notice was delivered, current law requires the owner to use another authorized method of delivery.

The bill adds that, if it cannot be established that the electronic mail notice was delivered, the owner must first make a reasonable effort to find the occupant's address or electronic mail address to send the notice. *Then*, if the owner still cannot establish that the notice was delivered, the owner must use another authorized method of delivery.²

Demand for payment deadline

The notice concerning the self-service storage facility lien must include various provisions specified by law. One such requirement by current law is that the notice must contain a demand

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¹ R.C. 5322.03; R.C. 5322.01 and 5322.02, not in the bill.

² R.C. 5322.03(B).

for payment within a specified time not less than ten days after delivery of the notice. The bill increases this time to not less than 90 days after delivery of the notice.³

Notice undelivered sale advertisement date

Existing law requires an advertisement of the sale of the personal property from the self-service storage facility to satisfy a lien be published in a newspaper of general circulation or in another commercially reasonable manner after the expiration of the time given in the notice (not less than ten days after delivery of the notice under current law, not less than 90 days after the notice delivery under this bill). The bill adds that, if the notice is not delivered, the advertisement must be published 90 days after the last notice attempt.⁴

Owner liability

Current law provides that an owner who complies with all sale requirements is liable to persons who have an interest in the personal property only for the balance of the proceeds of the sale after the owner's lien is satisfied. But, the owner is liable for damages caused by failure to comply with all sale requirements and is liable for conversion for willful violation of the sale requirements.

The bill modifies the owner's liability regarding the sale by:

- Specifying that the owner is liable for damages in the amount of the fair market value of the disposed personal property;
- Provides that the owner is liable for conversion for negligent violation of the sale requirements.⁵

Change in ownership notice

The bill requires an owner to provide notice to all occupants of any change in ownership in a self-service storage facility.⁶

HISTORY

Action	Date
Introduced	10-08-25

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³ R.C. 5322.03(C)(5).

⁴ R.C. 5322.03(G).

⁵ R.C. 5322.03(O).

⁶ R.C. 5322.07.