

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0403.02 Thomas Morris x4218

HOUSE BILL 18-1117

HOUSE SPONSORSHIP

Van Winkle and Coleman,

SENATE SPONSORSHIP

Tate,

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING LIENS THAT ATTACH TO PERSONAL PROPERTY THAT IS
102 STORED AT A SELF-SERVICE STORAGE FACILITY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill modifies the law governing the statutory lien that an owner of a self-storage facility has for the occupant's late payment of rent or other charges by:

- ! Specifically including late fees in the lien;
- ! Allowing the rental agreement to limit the aggregate value of the property that may be stored in the occupant's storage

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- ! space; and
- ! Specifying that property stored in the occupant's storage space may be sold at an online auction website to satisfy the lien.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 38-21.5-101, **amend**
3 the introductory portion and (6) as follows:

4 **38-21.5-101. Definitions.** As used in this ~~article~~ ARTICLE 21.5,
5 unless the context otherwise requires:

6 (6) "Rental agreement" means any written agreement or lease that
7 establishes or modifies the terms, conditions, rules, or any other
8 provisions concerning the use and occupancy at a self-service storage
9 facility. ~~and that contains a notice stating that all articles stored under the~~
10 ~~terms of such agreement will be sold or otherwise disposed of if no~~
11 ~~payment has been received for a continuous thirty-day period. The~~
12 ~~agreement must contain a provision directing the occupant to disclose any~~
13 ~~lienholders with an interest in property that is or will be stored in the~~
14 ~~self-service storage facility.~~

15 **SECTION 2.** In Colorado Revised Statutes, **add** 38-21.5-101.5
16 as follows:

17 **38-21.5-101.5. Rental agreements - required provisions.** (1) A
18 RENTAL AGREEMENT MUST CONTAIN:

19 (a) A NOTICE STATING THAT ALL ARTICLES STORED UNDER THE
20 TERMS OF SUCH AGREEMENT WILL BE SOLD OR OTHERWISE DISPOSED OF IF
21 NO PAYMENT HAS BEEN RECEIVED FOR A CONTINUOUS THIRTY-DAY
22 PERIOD; AND

23 (b) A PROVISION DIRECTING THE OCCUPANT TO DISCLOSE ANY

1 LIENHOLDERS WITH AN INTEREST IN PROPERTY THAT IS OR WILL BE STORED
2 IN THE SELF-SERVICE STORAGE FACILITY.

3 (2) IF A RENTAL AGREEMENT LIMITS THE AGGREGATE VALUE OF
4 THE PROPERTY THAT MAY BE STORED IN THE OCCUPANT'S STORAGE SPACE,
5 THAT LIMIT IS DEEMED TO BE THE MAXIMUM VALUE OF THE STORED
6 PROPERTY.

7 (3) A RENTAL AGREEMENT MAY INCLUDE A REASONABLE LATE FEE
8 FOR EACH MONTH AN OCCUPANT DOES NOT PAY RENT IN FULL WHEN DUE.
9 A LATE FEE OF TWENTY DOLLARS OR TWENTY PERCENT OF THE MONTHLY
10 RENTAL AMOUNT, WHICHEVER IS GREATER, FOR EACH LATE RENTAL
11 PAYMENT IS REASONABLE AND DOES NOT CONSTITUTE A PENALTY. THE
12 OWNER SHALL NOT COLLECT A LATE FEE AS PART OF THE LIEN UNLESS THE
13 AMOUNT OF THE LATE FEE IS STATED IN THE RENTAL AGREEMENT OR IN AN
14 ADDENDUM TO THE RENTAL AGREEMENT.

15 **SECTION 3.** In Colorado Revised Statutes, **amend** 38-21.5-102
16 as follows:

17 **38-21.5-102. Lien established.** Where a rental agreement ~~as~~
18 ~~defined in section 38-21.5-101 (6),~~ is entered into between the owner and
19 the occupant, the owner of a self-service storage facility and his or her
20 heirs, executors, administrators, successors, and assigns have a lien upon
21 all personal property located at the self-service storage facility for rent,
22 labor, or other charges, present or future, INCLUDING LATE FEES AS
23 SPECIFIED IN SECTION 38-21.5-101.5 (3), in relation to the personal
24 property and for expenses necessary for its preservation or expenses
25 reasonably incurred in its sale or other disposition pursuant to this ~~article~~
26 ARTICLE 21.5. The lien attaches as of the date the personal property is
27 brought to the self-service storage facility and continues so long as the

1 owner retains possession and until the default is corrected, ~~or~~ a sale is
2 conducted, or the property is otherwise disposed of to satisfy the lien.
3 ~~Prior to~~ BEFORE taking enforcement action pursuant to section
4 38-21.5-103 (1)(b), the owner shall determine if a financing statement
5 concerning the property to be sold or otherwise disposed of has been filed
6 with the secretary of state in accordance with part 5 of article 9 of title 4.
7 ~~C.R.S.~~

8 **SECTION 4.** In Colorado Revised Statutes, 38-21.5-103, **amend**
9 (1)(g)(I) as follows:

10 **38-21.5-103. Enforcement of lien.** (1) An owner's lien, as
11 provided for a claim that has become due, may be satisfied as follows:

12 (g) (I) Any sale or other disposition of the personal property must
13 be held:

14 (A) ON AN ONLINE AUCTION WEBSITE THAT CUSTOMARILY
15 CONDUCTS PUBLIC AUCTIONS;

16 (B) At the self-service storage facility; or

17 (C) At the nearest suitable place to where the personal property is
18 held or stored.

19 **SECTION 5. Act subject to petition - effective date -**
20 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
21 the expiration of the ninety-day period after final adjournment of the
22 general assembly (August 8, 2018, if adjournment sine die is on May 9,
23 2018); except that, if a referendum petition is filed pursuant to section 1
24 (3) of article V of the state constitution against this act or an item, section,
25 or part of this act within such period, then the act, item, section, or part
26 will not take effect unless approved by the people at the general election
27 to be held in November 2018 and, in such case, will take effect on the

- 1 date of the official declaration of the vote thereon by the governor.
- 2 (2) This act applies to conduct occurring on or after the applicable
- 3 effective date of this act.