

SUMMARY SHEET
CONCERNING LIENS THAT ATTACH TO PERSONAL PROPERTY THAT IS STORED AT A
SELF-SERVICE STORAGE FACILITY

Representatives: **Coleman, Van Winkle**

Senators: **Tate**

Purpose

Protecting consumers from excessive or perceived hidden fees and allowing to Storage Facilities to sell property from defaulted units online by:

- Mandating that Storage Facilities specifically state late fees in their lien agreements,
- Limiting these late fees to 20% of the monthly payment or \$20, whichever is greater.
- Allowing the rental agreement to limit the aggregate value of property that may be stored in the occupant's storage space,
- and allowing property stored in the occupant's storage space be sold on an online auction website to satisfy the lien, if the occupant fails to pay.

Background

Currently, Colorado Lien law states that owners of a self-service storage facility and his or her heirs, executors, administrators, successors, and assigns have a lien upon all personal property located at the self-storage facility for rent, labor, or other charges. This bill specifies that late fees are included in those "other charges" and must be stated specifically. This bill sets the limits for the late fees that will be applied to by the owner. Moreover, the current statutes only allow self-storage facilities to conduct sales of personal property to satisfy liens through live auctions. This bill allows self-storage facilities to conduct sales through online auctions as well.

Bill Action

- Section 1 updates 38-21.5-102, defining liens.
- Section 2 updates 38-21.5-103 outlining rental agreement provisions such as notification of late fees and sell of property as penalty of delinquency, disclosure of property value, and limiting property value.
- Section 3 updates language about establishing liens.
- Section 4 adds online auction as an option for enforcement of a lien
- Section 5 states the date these changes will go into effect.

Support

- Self Storage Association

