

**Senate File 528 - Introduced**

SENATE FILE 528  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1200)

**A BILL FOR**

1 An Act relating to self-service storage facilities, including  
2 the creation and enforcement of liens on personal property  
3 within leased spaces.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 578B.1 Short title.

2 This Act shall be known as the "*Self-Service Storage*  
3 *Facilities Act*".

4 Sec. 2. NEW SECTION. 578B.2 Definitions.

5 As used in this chapter, unless the context clearly requires  
6 otherwise:

7 1. "*Commercially reasonable sale*" means a sale that is  
8 conducted at the self-service storage facility, at the nearest  
9 suitable place to where the personal property is held or  
10 stored, or on a publicly accessible internet site that conducts  
11 sales or auctions.

12 2. "*Default*" means the failure by the occupant to perform on  
13 time any obligation or duty set forth in a rental agreement or  
14 this chapter.

15 3. "*Emergency*" means any sudden, unexpected occurrence  
16 or circumstance at or near a self-service storage facility  
17 that requires immediate action to avoid injury to persons  
18 or property at or near the self-service storage facility,  
19 including a fire.

20 4. "*Last-known address*" means the postal address or  
21 electronic mail address provided by an occupant in a rental  
22 agreement or the postal address or electronic mail address  
23 provided by the occupant in a subsequent written notice of a  
24 change of address.

25 5. "*Late fee*" means any fee or charge assessed for an  
26 occupant's failure to pay rent when due. "*Late fee*" does not  
27 include interest on a debt, reasonable expenses incurred in  
28 the collection of unpaid rent, or costs associated with the  
29 enforcement of any other remedy provided by law or contract.

30 6. "*Leased space*" means individual storage space at a  
31 self-service storage facility which is rented to an occupant  
32 pursuant to a rental agreement.

33 7. "*Occupant*" means a person entitled to the use of leased  
34 space at a self-service storage facility under a rental  
35 agreement or the person's successors or assigns.

1 8. *“Operator”* means the owner, operator, lessor, or  
2 sublessor of a self-service storage facility or an agent or any  
3 other person authorized to manage the facility. *“Operator”* does  
4 not include a warehouse worker if the warehouse worker issues a  
5 warehouse receipt, bill of lading, or other document of title  
6 for the personal property stored.

7 9. *“Personal property”* means movable property not affixed  
8 to land, including goods, wares, merchandise, motor vehicles,  
9 watercraft, household items, and furnishings.

10 10. *“Property that has no commercial value”* means property  
11 offered for sale in a commercially reasonable sale that  
12 receives no bid or offer.

13 11. *“Rental agreement”* means an agreement or lease, written  
14 or oral, that establishes or modifies the terms, conditions,  
15 or rules concerning the use and occupancy of leased space at a  
16 self-service storage facility.

17 12. *“Self-service storage facility”* means real property  
18 designed and used for the purpose of renting or leasing  
19 individual storage space to occupants who are to have access  
20 to the space for the purpose of storing personal property. If  
21 an operator issues a warehouse receipt, bill of lading, or  
22 other document of title for the personal property stored, the  
23 operator and occupant are subject to chapter 554, article 7,  
24 and this chapter does not apply.

25 13. *“Verified mail”* means any method of mailing offered by  
26 the United States postal service or private delivery service  
27 that provides evidence of the mailing.

28 Sec. 3. NEW SECTION. 578B.3 Facility not residence.

29 1. An operator shall not knowingly permit a leased space  
30 at a self-service storage facility to be used for residential  
31 purposes.

32 2. An occupant shall not use a leased space for residential  
33 purposes.

34 Sec. 4. NEW SECTION. 578B.4 Notice and consent for  
35 inspection and repair.

1 Unless otherwise provided in a rental agreement, an  
2 occupant, upon reasonable request from the operator, shall  
3 allow the operator to enter a leased space for the purpose of  
4 inspection or repair. If an emergency occurs, an operator may  
5 enter a leased space for inspection or repair without notice to  
6 or consent from the occupant.

7 Sec. 5. NEW SECTION. 578B.5 Lien — late fee — electronic  
8 communication permitted.

9 1. The operator of a self-service storage facility and the  
10 operator's heirs, executors, administrators, successors, and  
11 assigns shall have a lien upon all of an occupant's personal  
12 property located at the self-service storage facility for  
13 delinquent rent, late fees, labor, or other charges incurred  
14 pursuant to a rental agreement and for expenses incurred for  
15 preservation, sale, or disposition of the personal property.  
16 The lien established by this subsection shall have priority  
17 over all other liens and security interests except for those  
18 perfected prior to the time the personal property is brought to  
19 the self-service storage facility.

20 2. The lien described in subsection 1 attaches on the date  
21 on which personal property is brought to the self-service  
22 storage facility.

23 3. If the rental agreement specifies a limit on the value  
24 of personal property that the occupant may store in the leased  
25 space, such limit shall be deemed to be the maximum value of  
26 the personal property in the occupant's leased space.

27 4. A rental agreement under this chapter may provide for a  
28 reasonable late fee for failure of the occupant to timely make  
29 payments for the leased space when due. A monthly late fee of  
30 twenty dollars or twenty percent of the monthly rental amount,  
31 whichever is greater, shall be reasonable and is not a penalty.

32 5. The operator and occupant may agree to use electronic  
33 mail to satisfy all notice requirements under this chapter.  
34 The parties, if consenting to use electronic mail for notice,  
35 must consent to use electronic mail for all notices. If the

1 parties agree, the rental agreement shall contain a section  
2 outlining the rights and duties for each party regarding the  
3 use of electronic mail.

4 Sec. 6. NEW SECTION. 578B.6 Right to deny access due to  
5 default.

6 If the occupant is in default, the operator shall have the  
7 right to deny the occupant access to the leased space at the  
8 self-service storage facility if such right is set forth in the  
9 rental agreement.

10 Sec. 7. NEW SECTION. 578B.7 Enforcement of lien.

11 1. If an occupant is in default for a period of at least  
12 thirty days, the operator may enforce the lien granted in  
13 section 578B.5 by selling the occupant's personal property.  
14 Sale of the occupant's personal property may be by public or  
15 private proceedings. Such personal property may be sold as a  
16 unit or in parcels, by way of one or more contracts, at any time  
17 or place, and on any terms as long as the sale is commercially  
18 reasonable. The operator may otherwise dispose of any property  
19 that has no commercial value.

20 2. Before conducting a sale under this section, the operator  
21 shall do all of the following:

22 a. Send notice of default to the occupant by hand mail,  
23 verified mail, or electronic mail pursuant to subsection 7.

24 The notice of default shall include all of the following:

25 (1) A statement of the operator's claim showing that the  
26 amount due at the time of the notice and the date when the  
27 amount became due.

28 (2) A brief and general description of the personal property  
29 subject to the lien. The description shall be reasonably  
30 adequate to permit the occupant to identify the property,  
31 except that any container including a trunk, valise, or box  
32 that is locked, fastened, sealed, or tied in a manner which  
33 deters immediate access to the container's contents shall be  
34 described as such and shall omit a description of the contents.

35 (3) A demand for payment of the charges due within a

1 specified time, which shall not be less than fourteen days  
2 after the date of the notice.

3 (4) A statement that unless the claim is paid within the  
4 time stated, the contents of the occupant's leased space will  
5 be sold or otherwise disposed of after a specified time.

6 (5) The name, street address, and telephone number of the  
7 operator or a designated agent whom the occupant may contact to  
8 respond to the notice.

9 b. Notify all persons whom the operator has actual knowledge  
10 who claim a security interest in the personal property.

11 At least seven days before the sale, the operator shall  
12 also advertise the time, place, and terms of the sale in a  
13 commercially reasonable manner. The manner of advertisement  
14 is deemed commercially reasonable if it is likely to attract  
15 at least three independent bidders to attend or view the sale  
16 in person or online at the time and place advertised. The  
17 operator may buy the occupant's personal property at any public  
18 sale held pursuant to this section.

19 3. If the personal property subject to the operator's lien  
20 is a vehicle, watercraft, or trailer, and rent or other charges  
21 remain due and unpaid for thirty days, the operator may have  
22 the vehicle, watercraft, or trailer towed from the self-service  
23 storage facility. The operator shall not be liable for any  
24 damages to the vehicle, watercraft, or trailer once the tower  
25 takes possession of the property. Removal of any vehicle,  
26 watercraft, or trailer from the self-service storage facility  
27 shall not release the operator's lien.

28 4. At any time before a sale is held under this section or  
29 before a vehicle, watercraft, or trailer is towed under this  
30 section, the occupant may pay the amount necessary to satisfy  
31 the lien and redeem the occupant's personal property.

32 5. In the event of a sale under this section, the operator  
33 may satisfy the lien from the proceeds of the sale, but shall  
34 hold the balance, if any, for a period of ninety days for  
35 delivery on demand to the occupant. If the occupant does not

1 claim the balance within ninety days, the balance shall be paid  
2 to the county treasurer in the county where the self-service  
3 storage facility is located. The county treasurer shall hold  
4 the funds for a period of two years. If a claim is not made by  
5 the owner of the fund, then the fund shall become the property  
6 of the county. There shall be no further recourse by any  
7 person against the operator for an action pursuant to this  
8 section.

9     6. A purchaser in good faith of any personal property sold  
10 to satisfy a lien under this chapter takes the property free  
11 of any rights of persons against whom the lien was valid,  
12 despite noncompliance by the operator with the requirements of  
13 this chapter. The purchaser of a motor vehicle shall apply  
14 for a new title to the vehicle by the procedures outlined in  
15 section 321.47. For all other property which has a written  
16 title, the purchaser shall follow the applicable procedures for  
17 the property for the transfer of title by operation of law.  
18 No sale under this chapter extinguishes an unreleased prior  
19 perfected lien.

20     7. Notice to the occupant under subsection 2, paragraph  
21 "a", shall be sent to the occupant's last-known address by hand  
22 delivery, verified mail, or electronic mail. Notices sent  
23 by hand delivery shall be deemed delivered when the occupant  
24 has signed an acknowledgment of delivery. Notices sent by  
25 verified mail shall be deemed delivered when deposited with the  
26 United States postal service or private delivery service if the  
27 notices are properly addressed with postage prepaid. Notices  
28 sent by electronic mail shall be deemed delivered when an  
29 electronic mail is sent to the last-known address provided by  
30 the occupant. If the operator sends notice by electronic mail  
31 and receives an automated message stating that the electronic  
32 mail cannot be delivered, the operator shall send notice by  
33 hand delivery or by verified mail to the occupant's last-known  
34 address with postage prepaid.

35     8. If the operator complies with the requirements of this

1 section, the operator's liability:

2     *a.* To the occupant, shall be limited to the net proceeds  
3 received from the sale of the occupant's personal property  
4 less any proceeds paid to the holders of any lien or security  
5 interest of record on the personal property being sold.

6     *b.* To the holders of any lien or security interest of record  
7 on the personal property being sold, shall be limited to the  
8 net proceeds received from the sale of the personal property  
9 subject to the holder's lien or security interest.

10     Sec. 8. NEW SECTION. **578B.8 Exclusive care, custody, and**  
11 **control of personal property vested in occupant.**

12     Unless the rental agreement specifically provides otherwise  
13 and until a lien sale under section 578B.7, the exclusive care,  
14 custody, and control of all personal property stored in a  
15 leased space remains vested in the occupant.

16     Sec. 9. NEW SECTION. **578B.9 Supplemental nature of chapter.**

17     This chapter does not impair the powers of the parties to a  
18 rental agreement to create rights, duties, or obligations that  
19 do not arise from this chapter. This chapter does not impair  
20 or impact the rights of parties to create liens by special  
21 contract or agreement, nor does it affect or impair other liens  
22 arising at common law or in equity, or by a statute of this  
23 state. The rights provided to an operator by this chapter are  
24 in addition to all other rights provided by law to a creditor  
25 against a debtor.

26     Sec. 10. Section 321.20, subsection 1, unnumbered paragraph  
27 1, Code 2019, is amended to read as follows:

28     Except as provided in [this chapter](#), an owner of a vehicle  
29 subject to registration shall make application to the county  
30 treasurer of the county of the owner's residence, or if a  
31 nonresident, to the county treasurer of the county where the  
32 primary users of the vehicle are located, or if a lessor of  
33 the vehicle pursuant to [chapter 321F](#) which vehicle has a  
34 gross vehicle weight of less than ten thousand pounds, to the  
35 county treasurer of the county of the lessee's residence,



1 or if a firm, association, or corporation with vehicles in  
2 multiple counties, the owner may make application to the county  
3 treasurer of the county where the primary user of the vehicle  
4 is located, for the registration and issuance of a certificate  
5 of title for the vehicle upon the appropriate form furnished  
6 by the department. However, upon the transfer of ownership,  
7 the owner of a vehicle subject to the apportioned registration  
8 provisions of [chapter 326](#) shall make application for issuance  
9 of a certificate of title to either the department or the  
10 appropriate county treasurer. The owner of a vehicle purchased  
11 pursuant to section 578B.7 shall present documentation that  
12 such sale was completed in compliance with that section. The  
13 application shall be accompanied by a fee of twenty dollars,  
14 and shall bear the owner's signature. A nonresident owner  
15 of two or more vehicles subject to registration may make  
16 application for registration and issuance of a certificate  
17 of title for all vehicles subject to registration to the  
18 county treasurer of the county where the primary user of any  
19 of the vehicles is located. The owner of a mobile home or  
20 manufactured home shall make application for a certificate  
21 of title under [this section](#) from the county treasurer of the  
22 county where the mobile home or manufactured home is located.  
23 The application shall contain:

24     Sec. 11. Section 321.20A, subsection 1, Code 2019, is  
25 amended to read as follows:

26     1. Notwithstanding other provisions of [this chapter](#),  
27 the owner of a commercial vehicle subject to the apportioned  
28 registration provisions of [chapter 326](#) may make application  
29 to the department or the appropriate county treasurer  
30 for a certificate of title. The owner of a commercial  
31 vehicle purchased pursuant to section 578B.7 shall present  
32 documentation that such sale was completed in compliance  
33 with that section. The application for certificate of title  
34 shall be made within thirty days of purchase or transfer and  
35 shall be accompanied by a twenty dollar title fee and the

1 appropriate fee for new registration. The department or the  
2 county treasurer shall deliver the certificate of title to the  
3 owner if there is no security interest. If there is a security  
4 interest, the title, when issued, shall be delivered to the  
5 first secured party. Delivery may be made using electronic  
6 means.

7 Sec. 12. Section 321.23, subsection 1, paragraph a, Code  
8 2019, is amended to read as follows:

9 a. If the vehicle to be registered is a specially  
10 constructed vehicle, reconstructed vehicle, street rod, replica  
11 vehicle, or foreign vehicle, such fact shall be stated in the  
12 application. A fee of ten dollars shall be paid by the person  
13 making the application upon issuance of a certificate of title  
14 by the county treasurer. For a specially constructed vehicle,  
15 reconstructed vehicle, street rod, or replica vehicle subject  
16 to registration, the application shall be accompanied by a  
17 statement from the department authorizing the motor vehicle  
18 to be titled and registered in this state. The owner of a  
19 specially constructed vehicle, reconstructed vehicle, street  
20 rod, replica vehicle, or foreign vehicle purchased pursuant to  
21 section 578B.7 shall present documentation that such sale was  
22 completed in compliance with that section.

23 Sec. 13. Section 321.47, subsection 1, Code 2019, is amended  
24 to read as follows:

25 1. If ownership of a vehicle is transferred by operation of  
26 law upon inheritance, devise or bequest, dissolution decree,  
27 order in bankruptcy, insolvency, replevin, foreclosure or  
28 execution sale, abandoned vehicle sale, or when the engine of a  
29 motor vehicle is replaced by another engine, or a vehicle is  
30 sold or transferred to satisfy an artisan's lien as provided  
31 in [chapter 577](#), a landlord's lien as provided in [chapter 570](#),  
32 a self-service storage facility lien as provided in section  
33 578B.7, a storage lien as provided in [chapter 579](#), a judgment  
34 in an action for abandonment of a manufactured or mobile home  
35 as provided in [chapter 555B](#), upon presentation of an affidavit

1 relating to the disposition of a valueless mobile, modular, or  
2 manufactured home as provided in [chapter 555C](#), or repossession  
3 is had upon default in performance of the terms of a security  
4 agreement, the county treasurer in the transferee's county of  
5 residence or, in the case of a mobile home or manufactured  
6 home, the county treasurer of the county where the mobile home  
7 or manufactured home is located, upon the surrender of the  
8 prior certificate of title or the manufacturer's or importer's  
9 certificate, or when that is not possible, upon presentation  
10 of satisfactory proof to the county treasurer of ownership  
11 and right of possession to the vehicle and upon payment of a  
12 fee of twenty dollars and the presentation of an application  
13 for registration and certificate of title, may issue to the  
14 applicant a registration card for the vehicle and a certificate  
15 of title to the vehicle. A person entitled to ownership of  
16 a vehicle under a decree of dissolution shall surrender a  
17 reproduction of a certified copy of the dissolution and upon  
18 fulfilling the other requirements of [this chapter](#) is entitled  
19 to a certificate of title and registration receipt issued in  
20 the person's name.

21 Sec. 14. Section 462A.77, Code 2019, is amended by adding  
22 the following new subsection:

23 NEW SUBSECTION. 10. The buyer of a vessel sold pursuant to  
24 section 578B.7 shall present documentation that such sale was  
25 completed in compliance with that section.

26 Sec. 15. Section 462A.82, subsection 1, Code 2019, is  
27 amended to read as follows:

28 1. If ownership of a vessel is transferred by operation of  
29 law, such as by inheritance, order in bankruptcy, insolvency,  
30 replevin, ~~or~~ execution sale, or in compliance with section  
31 578B.7, the transferee, within thirty days after acquiring the  
32 right to possession of the vessel by operation of law, shall  
33 mail or deliver to the county recorder satisfactory proof of  
34 ownership as the county recorder requires, together with an  
35 application for a new certificate of title, and the required

1 fee. A title tax is not required on these transactions.

2 Sec. 16. REPEAL. Chapter 578A, Code 2019, is repealed.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with  
5 the explanation's substance by the members of the general assembly.

6 This bill enacts a new Code chapter on self-service storage  
7 facility liens and repeals the current Code chapter on the same  
8 subject.

9 The bill provides definitions. Significant definitions are  
10 as follows. "Leased space" means individual storage space at a  
11 self-service storage facility which is rented to an occupant  
12 pursuant to rental agreement. "Occupant" means a person  
13 entitled to the use of leased space at a self-service storage  
14 under a rental agreement or the person's successors or assigns.  
15 "Operator" means the owner, operator, lessor, or sublessor  
16 of a self-service storage facility or an agent or any other  
17 person authorized to manage the facility. "Operator" does  
18 not include a warehouse worker if the warehouse worker issues  
19 a warehouse receipt, bill of lading, or other document of  
20 title for the personal property stored. "Self-service storage  
21 facility" means real property designed and used for the purpose  
22 of renting or leasing individual storage space to occupants  
23 who are to have access to the space for the purpose of storing  
24 personal property. If an operator issues a warehouse receipt,  
25 bill of lading, or other document of title for the personal  
26 property stored, the operator and occupant are subject to Code  
27 chapter 554, article 7, and new Code chapter 578B does not  
28 apply.

29 The bill provides that a leased space shall not be leased for  
30 a residential purpose by an operator or used by an occupant for  
31 a residential purpose. The bill provides that unless otherwise  
32 provided in a rental agreement, upon reasonable request from  
33 the operator, the occupant shall allow the operator to enter  
34 the leased space for inspection and repair. However, during  
35 an emergency, the operator may enter the leased space without

1 notice and consent from the occupant.

2 The bill provides that an operator shall have a lien on  
3 an occupant's personal property for delinquent rent, late  
4 fees, labor, or other charges incurred pursuant to the rental  
5 agreement and for expenses incurred for preservation, sale, or  
6 disposition of the personal property. The bill provides that  
7 the operator's lien shall have priority over all other liens  
8 and security interests except those perfected prior to the time  
9 the personal property is brought to the self-service storage  
10 facility. The bill provides that the lien attaches on the date  
11 the personal property is brought to the self-service storage  
12 facility. The bill provides that if the rental agreement  
13 specifies a limit on the value of personal property that the  
14 occupant may store in the leased space, such limit shall be  
15 deemed to be the maximum value of the personal property in  
16 the occupant's leased space. The bill provides that a rental  
17 agreement under the bill may provide for a reasonable late fee  
18 for failure to make timely payments. The bill provides that  
19 \$20 or 20 percent of the monthly rental amount, whichever is  
20 greater, shall be deemed reasonable and is not a penalty.

21 The bill provides that the operator and occupant may agree to  
22 use electronic mail to satisfy all notice requirements under  
23 the bill. The bill provides that the parties, if consenting to  
24 use electronic mail for notice, must consent to use electronic  
25 mail for all notices. The bill provides that if the parties  
26 agree, the rental agreement shall contain a section outlining  
27 the rights and duties for each party regarding the use of  
28 electronic mail.

29 The bill provides that the operator has the right to deny  
30 the occupant access to the leased space if the occupant is in  
31 default if such right is set forth in the rental agreement.

32 The bill provides a process for enforcement of a lien, which  
33 allows an operator to sell an occupant's personal property if  
34 an occupant has been in default for a period of at least 30  
35 days and requires notices to be served on the occupant prior

1 to a commercially reasonable sale. Prior to the sale, the  
2 occupant may satisfy the lien and redeem the personal property.  
3 Additional details are provided in the bill.

4 The bill provides that the occupant has exclusive care,  
5 custody, and control of personal property stored in leased  
6 property until a lien sale, unless a rental agreement provides  
7 otherwise.

8 The bill does not affect the ability of the parties to a  
9 rental agreement to create rights, duties, and obligations  
10 that do not arise from the bill. Furthermore, the bill does  
11 not impair or impact the right of parties to create liens by  
12 special contract or agreement, nor does the bill affect or  
13 impair other liens arising at common law or in equity, or by a  
14 statute of this state. Additionally, the bill provides that  
15 the rights provided to the operator are in addition to the  
16 rights provided to a creditor against a debtor by law.

17 The bill amends sections in Code chapter 321 (motor vehicles  
18 and laws of the road) and Code chapter 462A (water navigation  
19 regulations) to provide that the owner of a vehicle purchased  
20 pursuant to new Code section 578B.7 shall present documentation  
21 that such sale was completed in compliance with that Code  
22 section which provided the process for lien enforcement.