

**Senate File 528 - Reprinted**

SENATE FILE 528  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1200)

(As Amended and Passed by the Senate March 28, 2019)

**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. An  
11 operator shall conduct a search to determine whether there  
12 is a security interest in property subject to sale if the  
13 property is registered under chapter 321 or 462A. At least  
14 seven days before the sale, the operator shall also advertise  
15 the time, place, and terms of the sale in a commercially  
16 reasonable manner. The manner of advertisement is deemed  
17 commercially reasonable if it is likely to attract at least  
18 three independent bidders to attend or view the sale in person  
19 or online at the time and place advertised. The operator may  
20 buy the occupant's personal property at any public sale held  
21 pursuant to this section.

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

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

35 5. In the event of a sale under this section, the operator

1 may satisfy the lien from the proceeds of the sale, but shall  
2 hold the balance, if any, for a period of ninety days for  
3 delivery on demand to the occupant. If the occupant does not  
4 claim the balance within ninety days, the balance shall be paid  
5 to the county treasurer in the county where the self-service  
6 storage facility is located. The county treasurer shall hold  
7 the funds for a period of two years. If a claim is not made by  
8 the owner of the fund, then the fund shall become the property  
9 of the county. There shall be no further recourse by any  
10 person against the operator for an action pursuant to this  
11 section.

12 6. A purchaser in good faith of any personal property sold  
13 to satisfy a lien under this chapter takes the property free of  
14 any rights of persons against whom the lien was valid, despite  
15 noncompliance by the operator with the requirements of this  
16 chapter. The purchaser of a motor vehicle shall apply for a  
17 new title to the vehicle by the procedures outlined in section  
18 321.47. For all other property which has a written title,  
19 the purchaser shall follow the applicable procedures for the  
20 property for the transfer of title by operation of law.

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

1 8. If the operator complies with the requirements of this  
2 section, the operator's liability:

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

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

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

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

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

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

27 Sec. 10. NEW SECTION. 578B.10 **Disclosure of flood zone.**

28 The operator shall disclose in the rental agreement whether  
29 the self-service storage facility is located in a "special  
30 flood hazard area" as defined by the federal emergency  
31 management agency in 44 C.F.R. pt. 61, Appendix A(3).

32 Sec. 11. NEW SECTION. 578B.11 **Fire, flood, or other**  
33 **catastrophic event damage or destruction.**

34 If the self-service storage facility is damaged or destroyed  
35 by a fire, flood, or other catastrophic event to the extent

1 that the leased space is rendered unusable, the operator  
2 shall make a good faith effort to notify the occupant of the  
3 event and the occupant may terminate the rental agreement by  
4 giving the required notice in the rental agreement. If the  
5 occupant terminates the rental agreement under this section,  
6 the occupant shall remove all contents of the leased space as  
7 soon as is reasonably practicable. Any prepaid rent is due to  
8 the occupant upon removal of the occupant's property from the  
9 leased space.

10 Sec. 12. Section 321.20, subsection 1, unnumbered paragraph  
11 1, Code 2019, is amended to read as follows:

12 Except as provided in [this chapter](#), an owner of a vehicle  
13 subject to registration shall make application to the county  
14 treasurer of the county of the owner's residence, or if a  
15 nonresident, to the county treasurer of the county where the  
16 primary users of the vehicle are located, or if a lessor of  
17 the vehicle pursuant to [chapter 321F](#) which vehicle has a  
18 gross vehicle weight of less than ten thousand pounds, to the  
19 county treasurer of the county of the lessee's residence,  
20 or if a firm, association, or corporation with vehicles in  
21 multiple counties, the owner may make application to the county  
22 treasurer of the county where the primary user of the vehicle  
23 is located, for the registration and issuance of a certificate  
24 of title for the vehicle upon the appropriate form furnished  
25 by the department. However, upon the transfer of ownership,  
26 the owner of a vehicle subject to the apportioned registration  
27 provisions of [chapter 326](#) shall make application for issuance  
28 of a certificate of title to either the department or the  
29 appropriate county treasurer. The owner of a vehicle purchased  
30 pursuant to section 578B.7 shall present documentation that  
31 such sale was completed in compliance with that section. The  
32 application shall be accompanied by a fee of twenty dollars,  
33 and shall bear the owner's signature. A nonresident owner  
34 of two or more vehicles subject to registration may make  
35 application for registration and issuance of a certificate

1 of title for all vehicles subject to registration to the  
2 county treasurer of the county where the primary user of any  
3 of the vehicles is located. The owner of a mobile home or  
4 manufactured home shall make application for a certificate  
5 of title under [this section](#) from the county treasurer of the  
6 county where the mobile home or manufactured home is located.  
7 The application shall contain:

8     Sec. 13. Section 321.20A, subsection 1, Code 2019, is  
9 amended to read as follows:

10     1. Notwithstanding other provisions of [this chapter](#),  
11 the owner of a commercial vehicle subject to the apportioned  
12 registration provisions of [chapter 326](#) may make application  
13 to the department or the appropriate county treasurer  
14 for a certificate of title. The owner of a commercial  
15 vehicle purchased pursuant to section 578B.7 shall present  
16 documentation that such sale was completed in compliance  
17 with that section. The application for certificate of title  
18 shall be made within thirty days of purchase or transfer and  
19 shall be accompanied by a twenty dollar title fee and the  
20 appropriate fee for new registration. The department or the  
21 county treasurer shall deliver the certificate of title to the  
22 owner if there is no security interest. If there is a security  
23 interest, the title, when issued, shall be delivered to the  
24 first secured party. Delivery may be made using electronic  
25 means.

26     Sec. 14. Section 321.23, subsection 1, paragraph a, Code  
27 2019, is amended to read as follows:

28     a. If the vehicle to be registered is a specially  
29 constructed vehicle, reconstructed vehicle, street rod, replica  
30 vehicle, or foreign vehicle, such fact shall be stated in the  
31 application. A fee of ten dollars shall be paid by the person  
32 making the application upon issuance of a certificate of title  
33 by the county treasurer. For a specially constructed vehicle,  
34 reconstructed vehicle, street rod, or replica vehicle subject  
35 to registration, the application shall be accompanied by a

1 statement from the department authorizing the motor vehicle  
2 to be titled and registered in this state. The owner of a  
3 specialty constructed vehicle, reconstructed vehicle, street  
4 rod, replica vehicle, or foreign vehicle purchased pursuant to  
5 section 578B.7 shall present documentation that such sale was  
6 completed in compliance with that section.

7 Sec. 15. Section 321.47, subsection 1, Code 2019, is amended  
8 to read as follows:

9 1. If ownership of a vehicle is transferred by operation of  
10 law upon inheritance, devise or bequest, dissolution decree,  
11 order in bankruptcy, insolvency, replevin, foreclosure or  
12 execution sale, abandoned vehicle sale, or when the engine of a  
13 motor vehicle is replaced by another engine, or a vehicle is  
14 sold or transferred to satisfy an artisan's lien as provided  
15 in [chapter 577](#), a landlord's lien as provided in [chapter 570](#),  
16 a self-service storage facility lien as provided in section  
17 578B.7, a storage lien as provided in [chapter 579](#), a judgment  
18 in an action for abandonment of a manufactured or mobile home  
19 as provided in [chapter 555B](#), upon presentation of an affidavit  
20 relating to the disposition of a valueless mobile, modular, or  
21 manufactured home as provided in [chapter 555C](#), or repossession  
22 is had upon default in performance of the terms of a security  
23 agreement, the county treasurer in the transferee's county of  
24 residence or, in the case of a mobile home or manufactured  
25 home, the county treasurer of the county where the mobile home  
26 or manufactured home is located, upon the surrender of the  
27 prior certificate of title or the manufacturer's or importer's  
28 certificate, or when that is not possible, upon presentation  
29 of satisfactory proof to the county treasurer of ownership  
30 and right of possession to the vehicle and upon payment of a  
31 fee of twenty dollars and the presentation of an application  
32 for registration and certificate of title, may issue to the  
33 applicant a registration card for the vehicle and a certificate  
34 of title to the vehicle. A person entitled to ownership of  
35 a vehicle under a decree of dissolution shall surrender a

1 reproduction of a certified copy of the dissolution and upon  
2 fulfilling the other requirements of [this chapter](#) is entitled  
3 to a certificate of title and registration receipt issued in  
4 the person's name.

5 Sec. 16. Section 462A.77, Code 2019, is amended by adding  
6 the following new subsection:

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

10 Sec. 17. Section 462A.82, subsection 1, Code 2019, is  
11 amended to read as follows:

12 1. If ownership of a vessel is transferred by operation of  
13 law, such as by inheritance, order in bankruptcy, insolvency,  
14 replevin, ~~or~~ execution sale, or in compliance with section  
15 578B.7, the transferee, within thirty days after acquiring the  
16 right to possession of the vessel by operation of law, shall  
17 mail or deliver to the county recorder satisfactory proof of  
18 ownership as the county recorder requires, together with an  
19 application for a new certificate of title, and the required  
20 fee. A title tax is not required on these transactions.

21 Sec. 18. REPEAL. Chapter 578A, Code 2019, is repealed.