

provided in this section. After the completion of the count, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Approved March 29, 1988

CHAPTER 425—S.F.No. 187

An act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[514.970] TITLE.**

Sections 1 to 10 may be cited as the "Minnesota liens on personal property in self-service storage act."

Sec. 2. **[514.971] DEFINITIONS.**

Subdivision 1. SCOPE. For the purposes of sections 1 to 10, the terms defined in this section have the meanings given them.

Subd. 2. SELF-SERVICE STORAGE FACILITY. "Self-service storage facility" means real property that is designed and used only for renting or leasing individual storage space in the facility under the following conditions:

(1) the occupants have access to their individual storage space only for the purpose of storing and removing their personal property;

(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; and

(3) the property has 2 or more individual storage spaces.

The term does not include a garage used principally for parking motor vehicles or any property of a financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the financial institution's customers.

Subd. 3. OWNER. "Owner" means one or more persons, jointly or severally, who are either the owner of a self-service storage facility, or the lessor of an entire self-service storage facility, and who receive rent from an occupant under a rental agreement entered into with the occupant.

Subd. 4. OCCUPANT. "Occupant" means a person who rents storage space

New language is indicated by underline, deletions by ~~strikeout~~.

at a self-service storage facility under a rental agreement entered into with the owner.

Subd. 5. RENTAL AGREEMENT. "Rental agreement" means a written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

Subd. 6. PERSONAL PROPERTY. "Personal property" means money and every inanimate tangible thing that is the subject of ownership. The term does not include anything forming part of a parcel of real estate and agricultural commodities.

Subd. 7. DEFAULT. "Default" means failure of the occupant to pay the rent and other charges becoming due under the rental agreement within 15 days after the rents and other charges become due under the terms of the rental agreement.

Subd. 8. STORAGE SPACE. "Storage space" means an enclosure, cubicle, or room that is fully enclosed and equipped with a door designed to be locked for security by the occupant.

Subd. 9. SECURITY DEPOSIT. "Security deposit" means any deposit of money with the owner used to secure performance under the rental agreement.

Sec. 3. [514.972] LIEN AGAINST PROPERTY.

Subdivision 1. CREATION. The owner of a self-service storage facility has a lien against the occupant on the personal property stored under a rental agreement in a storage space at the self-service storage facility, or on the proceeds of the personal property subject to the defaulting occupant's rental agreement in the owner's possession. The lien is for rent, labor, and other charges in relation to the personal property specified in the rental agreement that have become due and for expenses necessary for the preservation of the personal property or expenses reasonably incurred in the sale or other disposition of the personal property under law. The lien provided for in this section is superior to other security interests except those perfected before the date the lien attaches.

Subd. 2. ATTACHMENT. The owner's lien created by this section attaches as of the date the occupant is in default unless the occupant obtains a court order to recover possession of personal property in the self-service storage facility. No lien is created under subdivision 1 or shall attach under this subdivision to any personal property listed under subdivision 5, unless the occupant fails to remove the personal property before the sale authorized by section 4. An owner loses the lien on personal property that the owner permits to be removed from the self-service storage facility or unjustifiably refuses to permit to be removed from the facility.

Subd. 3. SECURITY DEPOSITS. No lien is created under subdivision 1 if

New language is indicated by underline, deletions by ~~strikeout~~.

the owner has possession of a security deposit sufficient to cover rents and other charges at the time of an alleged default.

Subd. 4. DENIAL OF ACCESS. Upon default the owner shall mail notice of default to the occupant at the last known address of the occupant. The owner may deny the occupant access to the personal property contained in the self-service storage facility after default, service of the notice of default, expiration of the date stated for denial of access, and application of any security deposit to unpaid rent. The notice of default must state the date that the occupant will be denied access to the occupant's personal property in the self-service storage facility and that access will be denied until the owner's claim has been satisfied. The notice of default must state that any dispute regarding denial of access can be raised by the occupant beginning legal action in court. Notice of default must further state the rights of the occupant contained in subdivision 5.

Subd. 5. ACCESS TO CERTAIN ITEMS. The occupant may remove from the self-service storage facility personal papers, health aids, personal clothing of the occupant and the occupant's dependents, and personal property that is necessary for the livelihood of the occupant, that has a market value of less than \$50 per item, if demand is made to any of the persons listed in section 7, subdivision 1. The occupant shall present a list of the items, and may remove them during the facility's ordinary business hours prior to the sale authorized by section 4. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to an order allowing access to the storage unit for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements and attorney fees expended by the occupant to obtain this order.

Sec. 4. [514.973] ENFORCEMENT OF LIEN.

An owner's lien established under sections 1 to 10 for a claim that has become due must be enforced in the same manner as warehouse operator's liens under section 336.7-210.

Sec. 5. [514.974] ADDITIONAL NOTIFICATION REQUIREMENT.

In addition to the requirements of section 336.7-210, the notification of the proposed sale of personal property must include a notice of denial of access to the personal property until the owner's claim has been satisfied. Any notice the owner is required to mail to the occupant under sections 1 to 10 shall be sent to the mailing address and the alternate mailing address provided by the occupant in the rental agreement.

Sec. 6. [514.975] RENTAL AGREEMENTS.

The rental agreement between the owner and the occupant must include a disclosure of the lien rights of the owner upon failure of the occupant to pay rent including the right to deny access to certain personal property contained in the self-service storage facility, and the extent and the limits of insurance carried by

New language is indicated by underline, deletions by ~~strikeout~~.

the owner covering the occupant's personal property stored in the leased premises. A rental agreement may not exempt an owner from liability for damages to an occupant's personal property caused by the owner's negligence. The rental agreement must request the occupant to insert an alternate mailing address.

Sec. 7. [514.976] DISCLOSURE AND ACTIONS.

Subdivision 1. DISCLOSURE. There shall be disclosed to the occupant either in the rental agreement or otherwise in writing prior to commencement of the occupancy the name and address of:

(1) the person authorized to manage the premises; and

(2) an owner of the premises or an agent authorized by the owner to accept service of process and receive and give receipt for notices and demands.

Either in the rental agreement or otherwise in writing the occupant shall also be notified that the owner prohibits the storage of hazardous materials.

Subd. 2. POSTING OF NOTICE. A printed or typewritten notice containing the information that must be disclosed under subdivision 1 must be placed in a conspicuous place on the premises.

Subd. 3. ALTERNATE SERVICE. If subdivisions 1 and 2 have not been complied with and an occupant desiring to make service of process upon or give a notice or demand to the owner does not know the name and address of the owner or the owner's agent, as that term is used in subdivision 1, then a caretaker or manager of the premises or an individual to whom rental payments for the premises are made is deemed to be an agent authorized to accept service of process and receive and give receipt for notices and demands on behalf of the owner.

Subd. 4. ACTION. Except as otherwise provided in this subdivision, an owner may not maintain an action to recover rent or possession of the premises unless the information required by this section has been disclosed to the occupant, or unless the information is known by or has been disclosed to the occupant at least 30 days prior to the initiation of the action. Failure by the owner to post a notice required by subdivision 2 does not prevent any action to recover rent or possession of the premises. Any action begun by the owner or occupant shall be venued in the county where the facility is located. If an action to recover possession of personal property in the facility is begun by the occupant, the burden of proof shall be borne by the owner that default has occurred and the provisions of sections 1 to 10 have been followed.

Subd. 5. APPLICATION. This section applies to any successor owner, caretaker, manager, or individual to whom rental payments for the storage space are made.

Sec. 8. [514.977] DEFAULT.

New language is indicated by underline, deletions by ~~strikeout~~.

If an occupant defaults in the payment of rent or otherwise breaches the rental agreement, the owner may commence an unlawful detainer action under section 566.01.

Sec. 9. [514.978] WAIVER OR MODIFICATION PROHIBITED.

The owner and occupant may not waive or modify the provisions of sections 1 to 10.

Sec. 10. [514.979] ADVERTISING.

No owner shall advertise or represent its services, or permit its services to be advertised or represented, in a manner that uses the word "warehouse" unless the owner is licensed and bonded as provided in chapter 231.

Nothing in this section prohibits the use of the term "self-service storage facility" in an advertisement or representation.

Sec. 11. EFFECTIVE DATE.

Sections 1 to 10 are effective August 1, 1988, and apply to rental agreements entered into on or after that date.

Approved March 29, 1988

CHAPTER 426—S.F.No. 678

An act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. RICE CREEK WATERSHED DISTRICT.

Notwithstanding Minnesota Statutes, section 112.61, subdivision 3, Rice Creek watershed district may levy an amount not to exceed \$200,000 for the administrative fund.

Approved March 29, 1988

CHAPTER 427—S.F.No. 1710

An act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

New language is indicated by underline, deletions by ~~strikeout~~.