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H.606

Introduced by Representative Marcotte of Coventry

Referred to Committee on

Date:

Subject: Commerce and trade; storage units

Statement of purpose of bill as introduced: This bill proposes to amend the laws governing storage units in Vermont.

An act relating to regulating storage units

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 9 V.S.A., chapter 98 is amended to read:~~

CHAPTER 98. STORAGE UNITS

§ 3901. DEFINITIONS

As used in this chapter, the following terms shall have the following meanings:

(1) “Default” means the violation or failure to perform a duty or obligation created in this chapter or in a rental agreement.

(2) “Electronic mail” means the transmission of information through computer or other electronic means, or a communication sent to a person identified by a unique electronic address.

1 ~~(3) “Last known address” means that the address provided by the~~  
2 occupant in the a rental agreement or the address provided by the occupant in a  
3 subsequent written notice of a change of address.

4 ~~(4)(A) “Late fee” means a fee or charge assessed for an occupant’s~~  
5 ~~failure to pay rent or other fees, charges, or expenses when due.~~

6 ~~(B) “Late fee” does not include:~~

7 ~~(i) interest on a debt;~~

8 ~~(ii) reasonable expenses, fees, or charges incurred in the collection~~  
9 ~~of unpaid rent or expenses; or~~

10 ~~(iii) fees or charges associated with the enforcement of any other~~  
11 ~~remedy provided by law or a rental agreement.~~

12 ~~(2)(5) “Occupant” means a person, successor, assignee, agent, or~~  
13 ~~representative entitled to the use of the storage space in a self-storage facility~~  
14 ~~under a rental agreement to the exclusion of others.~~

15 ~~(3)(6) “Owner” means the owner, operator, lessor, or sublessor of a self-~~  
16 ~~storage facility, an agent, or any other person authorized by the owner to~~  
17 ~~manage the facility or to receive rent from an occupant under a rental~~  
18 ~~agreement.~~

19 ~~(4)(7) “Personal property” means movable property not affixed to land,~~  
20 ~~and includes goods, merchandise, and household items.~~

1 ~~(5)(8) “Rental agreement” means any a written agreement that~~  
2 establishes or modifies the terms, conditions, rules, or any other provision  
3 concerning the use and occupancy of a self-storage facility storage space.

4 ~~(6)(9)(A) “Self-storage facility” means any real property designed and~~  
5 used for the purpose of renting or leasing individual storage space to ~~occupants~~  
6 an occupant who are to have access to such space for the purpose of storing  
7 and removing personal property.

8 ~~(B) A self-storage facility is not a “warehouse” as used in Article 7~~  
9 ~~of the Uniform Commercial Code (U.C.C.) as codified in Title defined in 9A §~~  
10 ~~7-102. If an owner issues any warehouse receipt, bill of lading, or other~~  
11 ~~document of title for the personal property stored, the owner and the occupant~~  
12 ~~are subject to the U.C.C., and this act does not apply.~~

13 ~~(10) “Storage space” means the individual space at a self-storage facility~~  
14 ~~that is rented to an occupant under a rental agreement.~~

15 ~~(11) “Verified mail” means a method of mailing that is offered by the~~  
16 ~~U.S. Postal Service or another carrier and that provides evidence of mailing.~~

17 § 3902. RESIDENTIAL PURPOSES

18 ~~(a) No occupant shall~~ An occupant shall not use storage space at a self-  
19 storage facility for residential purposes.

20 ~~(b) No owner shall~~ An owner shall not knowingly permit the use of a  
21 storage space at a self-storage facility to be used for residential purposes

1 § 3903. DISCLOSURES

2 (a) A rental agreement shall contain the following:

3 (1) ~~The~~ the name and address of the owner and occupant;

4 (2) ~~The~~ the actual monthly occupancy charge, rent, or lease amount for  
5 the storage space provided, expressed in dollars;

6 (3) ~~An itemization of other charges imposed or which may be imposed~~  
7 ~~in connection with~~

8 (A) disclosure of the charges the owner may impose for the  
9 occupancy;

10 (B) a description of the charges;

11 (C) whether the charges are mandatory or optional; and

12 (D) the amount of each charge, expressed in dollars;

13 (4) ~~A statement of a provision that states:~~

14 (A) whether property stored in the leased storage space is ~~or is not~~  
15 insured by the owner against loss or damage; and

16 (B) of the requirement that the occupant must provide his or her own  
17 insurance for any property stored; and

18 (5) ~~A statement advising~~ notice to an occupant that:

19 (A) ~~the occupant of the existence of the lien created by this chapter,~~  
20 this chapter creates a lien on property stored in the storage space;

1 ~~(B) that the owner may sell the property stored in the leased storage~~  
2 ~~space may be sold to satisfy the lien;<sup>2</sup> and~~

3 ~~(C) that the owner shall not be is not liable for damage, loss, or~~  
4 ~~alienation of items of sentimental nature or value.~~

5 ~~(b) If a rental agreement contains a limit on the value of property that may~~  
6 ~~be stored in a storage space, the limit is deemed to be the maximum value of~~  
7 ~~the property in the storage space and the maximum liability of the owner for~~  
8 ~~any claim.~~

9 ~~(c)(1) An owner may impose a late fee of not more than \$20.00 or~~  
10 ~~20 percent of a rental payment, whichever is greater, for each service period~~  
11 ~~that an occupant does not pay the rent, charges, fees, or expenses when due.~~

12 ~~(2) An owner shall not impose a late fee if the occupant pays the rent,~~  
13 ~~charges, fees, and expenses in full not later than five days after the due date.~~

14 ~~(3) An owner shall not impose a late fee unless the amount of the fee~~  
15 ~~and the conditions for imposing that fee are stated in the rental agreement.~~

16 ~~(d) Except as otherwise provided in a rental agreement, an occupant has the~~  
17 ~~exclusive care, custody, and control of property in a storage space until the~~  
18 ~~property is sold or otherwise disposed pursuant to this chapter.~~

19 ~~(e) The disclosures required under subdivisions (a)(4) and (a)(5) and~~  
20 ~~subsections (b)–(d) of this section shall be written in bold type and of a font~~  
21 ~~size equal to or greater than the general text of the agreement.~~

1 ~~§ 3904. LIEN~~

2 ~~The owner of a self-storage facility~~

3 ~~(a) An owner has a possessory lien upon all personal property located in a~~  
4 ~~storage space at a self-storage facility for:~~

5 ~~(1) rent;~~

6 ~~(2) labor; or~~

7 ~~(3) late fees or other charges, present or future, in relation to relating to~~  
8 ~~the personal property; and~~

9 ~~(4) for expenses relevant to its preservation or expenses reasonably~~  
10 ~~incurred in its arising from the preservation or sale of the property pursuant to~~  
11 ~~this chapter.~~

12 ~~(b) The lien created in this section attaches as of the date the personal~~  
13 ~~property is brought to or placed in a regular storage space at a self-storage~~  
14 ~~facility in accordance with the provisions of a valid an occupant stores~~  
15 ~~personal property in a storage space pursuant to a rental agreement.~~

16 ~~§ 3905. ENFORCEMENT OF LIEN~~

17 ~~In the event of a default under the terms of a rental agreement, the lien~~  
18 ~~created under this chapter may be enforced in accordance with the provisions~~  
19 ~~of this section If an occupant defaults under a rental agreement, the owner may~~  
20 ~~enforce the lien created in section 3904 of this title pursuant to this section.~~

1           ~~(1) First notice of default. No Not sooner than seven days after a~~  
2           ~~default, the owner shall notify the occupant ~~shall be notified~~ of the default by~~  
3           ~~regular mail or electronic mail sent to his or her the occupant's last known~~  
4           ~~address.~~

5           (2) Second notice of default. ~~No~~ Not sooner than 14 days after mailing  
6           ~~of the first notice, the owner shall notify the occupant ~~shall be notified~~ of the~~  
7           ~~default by ~~certified~~ verified mail or electronic mail sent to his or her the~~  
8           ~~occupant's last known address. The second notice shall contain the following:~~

9                   (A) An itemized statement of the owner's claim showing the sum due  
10                  at the time of the notice and the date when the sum became due.

11                   (B) A brief and general description of the personal property subject  
12                  to the lien. ~~There shall be no requirement~~ An owner is not required to describe  
13                  the specific contents of a storage space in a self-storage facility beyond stating  
14                  that it is the contents of a specific storage space in a specific self-storage  
15                  facility rented by a specific occupant.

16                   (C) A notice of denial of access to the personal property, if such  
17                  denial is permitted under the terms of the rental agreement.

18                   (D) A demand for payment within a specified time not less than  
19                  ~~fifteen 15 days after the mailing of the second notice of default.~~

1 ~~(E) A conspicuous statement that unless the claim is paid in full~~  
2 within the time stated in the notice, the personal property will be advertised for  
3 sale and sold according to law.

4 (3) Advertisement. Except as otherwise provided in subdivision (C) or  
5 (D) of this subdivision (3):

6 (A) After the expiration of the time given in the second notice under  
7 subdivision (2) of this section, the owner shall publish an advertisement of the  
8 sale shall be published once a week for two consecutive weeks in the print or  
9 electronic version of a newspaper of general circulation where the self-storage  
10 facility is located.

11 (B) The advertisement shall contain the following:

12 (A)(i) A a brief and general description of the personal property as  
13 provided in subdivision (2)(B) of this section;

14 (B)(ii) The the address of the self-storage facility; and

15 (iii) the number, if any, of the space where the personal property  
16 is located;

17 (iv) the name of the occupant; and

18 (v) the time, place, and manner of the sale.

19 (C) The time, place, and manner of the sale. If there is no newspaper  
20 of general circulation where the self-storage facility is located, the owner shall  
21 post the advertisement shall be posted at least 15 days before the date of the



1 ~~sale at the town hall where the self-storage facility is located in such fashion~~  
2 ~~the same manner as the auction sales of real property are posted.~~

3 ~~(D) A sale or other disposition of goods as provided for in this~~  
4 ~~chapter shall not be defeated or deemed not in compliance with this provisions~~  
5 ~~of this chapter if the owner attempted, but was not able to obtain personal~~  
6 ~~service on those persons entitled to notice or if the certified mail return receipt~~  
7 ~~is not signed by the person to whom notice must be sent, unless the owner fails~~  
8 ~~to publish in accordance with this section. As an alternative to the~~  
9 ~~advertisement required in subdivisions (A)–(C) of this subdivision (3), an~~  
10 ~~owner may advertise the sale of personal property in a commercially~~  
11 ~~reasonable manner. For purposes of this subdivision (D), a manner of~~  
12 ~~advertisement is commercially reasonable if three or more independent bidders~~  
13 ~~attend or view the sale.~~

14 (4) Notice to other lienholders. Before the expiration of the time given  
15 in the second notice under subdivision (2) of this section, the owner shall  
16 determine whether the occupant owns any personal property subject to an  
17 active lien registered with the Vermont Secretary of State. If any such lien  
18 exists, the owner shall notify the lienholder ~~shall be notified by certified by~~  
19 ~~verified~~ mail not less than 21 days prior to the sale of the property. Such The  
20 ~~notice shall include the following:~~

1 ~~(A) A statement describing the property to be sold. There shall be no~~  
2 requirement to describe the specific contents of a storage space in a self-  
3 storage facility beyond stating that it is the contents of a specific storage space  
4 in a specific self-storage facility rented by a specific occupant.

5 (B) A statement of the lienholder's rights under this chapter.

6 (C) A statement of the time, place, and manner of the sale of the  
7 property.

8 (5) Delivery. For purposes of this chapter:

9 (A) notice by regular mail or verified mail is delivered when  
10 deposited with the U.S. Postal Service or another carrier if the mail is properly  
11 addressed to the occupant's last known address and postage is prepaid; and

12 (B) notice by electronic mail is delivered when properly addressed  
13 and sent to an occupant's last known electronic mail address.

14 (6) Sale. Upon fulfillment of the notification and advertisement  
15 requirements of this section, sale of the personal property shall be permitted,  
16 provided the following conditions are met

17 (A) An owner that fulfills the notice and advertisement requirements  
18 of this section may sell personal property stored in a storage space, subject to  
19 the following conditions:

20 ~~(A) The sale of the personal property shall take place~~

1 ~~(i) the sale occurs not sooner than 15 days after the first~~  
2 publication under subdivision (3) of this section;

3 ~~(B) Any sale of the personal property under this chapter shall~~  
4 conform

5 ~~(ii) the sale conforms to the terms of all the notifications required~~  
6 ~~under this section; or, if the sale will not or does not take place as provided~~  
7 ~~for in the notifications, then the owner makes subsequent notifications shall be~~  
8 ~~made in the same manner as the original notifications had been made.~~  
9 consistent with this section;

10 ~~(C) Any sale of the personal property shall be~~

11 ~~(iii) the sale is held at the self-storage facility, or at the nearest~~  
12 ~~suitable place, or on a publicly accessible website; and~~

13 ~~(D) Any sale of the personal property shall be~~

14 ~~(iv) the sale is performed in a commercially reasonable manner,~~  
15 ~~meaning the owner sells the goods in the usual manner in any recognized~~  
16 ~~market therefor, at the price current in such market at the time of the sale; or~~  
17 ~~otherwise sold in conformity with.~~

18 (B) For purposes of this section:

19 (i) A sale is commercially reasonable if it conforms to

20 commercially reasonable practices within a recognized market for the goods or

21 ~~among dealers in the type of goods sold, however,~~

1 ~~(ii) The sale of more goods than apparently necessary to~~  
2 ~~ensure satisfaction of the~~ satisfy an occupant's obligation is not commercially  
3 reasonable unless necessary due to the nature of the goods being sold or the  
4 manner in which they are customarily sold.

5 ~~(iii) The fact that an owner could obtain a better price could have~~  
6 ~~been obtained by sale at a different time or by a different method from that~~  
7 ~~selected by the owner is not of itself sufficient to establish that the sale was not~~  
8 ~~made in a commercially reasonable manner.~~

9 ~~(E)(C) Any~~ Except as provided in subdivision (7) of this section, an  
10 owner shall conduct a sale or disposition of a motor vehicle shall be performed  
11 pursuant to 23 V.S.A. chapter 21 and any a sale or disposition of a vessel,  
12 snowmobile, or all-terrain vehicle shall be performed pursuant to 23 V.S.A.  
13 chapter 36.

14 (7) Towing.

15 (A) If rent, charges, fees, or expenses remain unpaid after 60 days, an  
16 owner may have a vehicle, vessel, snowmobile, trailer, or all-terrain vehicle  
17 towed away by a towing company.

18 (B) An owner has no liability to any person for having property  
19 towed or for damage to the property after the towing company takes  
20 possession of the property.

21 ~~(6)(8) Right of satisfaction~~

1 ~~(A) Before any sale of personal property pursuant to this chapter,~~  
2 the occupant may ~~pay~~ redeem the property by paying the amount necessary to  
3 satisfy the lien ~~in full~~ and the reasonable expenses incurred under this section,  
4 and ~~thereby redeem the personal property.~~

5 (B) Upon receipt of ~~such~~ payment, the owner shall return the  
6 personal property, and thereafter ~~the owner shall have no liability~~ is not liable  
7 to any person with respect to ~~such~~ the personal property.

8 ~~(7)~~(9) Proceeds in excess of lien amount.

9 (A) ~~In the event of sale under this section, the~~ An owner that sells  
10 property pursuant to this section:

11 (i) may satisfy the owner's lien from the proceeds of the sale, ~~but;~~  
12 and

13 (ii) shall hold the balance, if any, for delivery on demand to the  
14 occupant.

15 (B) If the occupant does not claim the balance of the proceeds ~~such~~  
16 ~~funds shall be paid over,~~ the owner shall deliver the balance without interest to  
17 the Treasurer of the State of Vermont in accordance with 27 V.S.A. chapter 14.

18 ~~(8)~~(10) Rights of other lienholders. The holder of any perfected lien or  
19 security interest on personal property stored in the storage unit and registered  
20 with the Vermont Secretary of State may take possession of its lien property  
21 ~~at any time prior to sale or other disposition.~~

1 ~~(9)(11) Rights of purchasers. A purchaser in good faith of the personal~~  
2 ~~property sold to satisfy a lien, as provided elsewhere in this chapter, takes the~~  
3 ~~property free of any rights of persons against whom the lien was valid, despite~~  
4 ~~noncompliance by the owner with the requirements of this chapter.~~

5 (12) Disposal of personal property. If an owner complies with the  
6 requirements of this section and a qualified buyer does not purchase the  
7 property offered for sale, the owner may dispose of the property without  
8 liability.

9 (13) Liability. An owner that has complied with the applicable  
10 provisions of this chapter is not liable to an occupant, lienholder, or any other  
11 person.

12 § 3906. SCOPE; SUPPLEMENTAL NATURE OF ACT

13 (a) If an owner issues a warehouse receipt, bill of lading, or other  
14 document of title for the personal property stored in a self-storage facility, the  
15 owner and the occupant are subject to Title 9A and this chapter does not apply.

16 (b) Nothing in this chapter shall be construed in any manner to impair or  
17 affect the right of parties to create liens by special contract or agreement, nor  
18 shall it in any manner affect or impair other liens arising at common law or in  
19 equity, or by any statute in this State.

1 ~~Sec. 2. EFFECTIVE DATE~~

2 ~~This act shall take effect on July 1, 2020.~~

3 *Sec. 1. 9 V.S.A. chapter 98 is amended to read:*

4 *CHAPTER 98. STORAGE UNITS*

5 *§ 3901. DEFINITIONS*

6 *As used in this chapter, the following terms shall have the following*  
7 *meanings:*

8 *(1) “Default” means the violation or failure to perform a duty or*  
9 *obligation created in this chapter or in a rental agreement.*

10 *(2) “Electronic mail” means the transmission of information through*  
11 *computer or other electronic means, or a communication sent to a person*  
12 *identified by a unique electronic address.*

13 *(3) “Last known address” means ~~that~~ the mailing address, and the e-*  
14 *mail address if applicable, provided by the occupant in ~~the~~ a rental agreement*  
15 *or ~~the address provided by the occupant~~ in a subsequent written notice of a*  
16 *change of address.*

17 *(4)(A) “Late fee” means a fee or charge assessed for an occupant’s*  
18 *failure to pay rent or other fees, charges, or expenses when due.*

19 *(B) “Late fee” does not include:*

20 *(i) interest on a debt;*

1                    (ii) reasonable expenses, fees, or charges incurred in the  
2                    collection of unpaid rent or expenses; or

3                    (iii) fees or charges associated with the enforcement of any other  
4                    remedy provided by law or a rental agreement.

5                    ~~(2)(5)~~ “Occupant” means a person, successor, assignee, agent, or  
6                    representative entitled to the use of the storage space in a self-storage facility  
7                    under a rental agreement to the exclusion of others.

8                    ~~(3)(6)~~ “Owner” means the owner, operator, lessor, or sublessor of a  
9                    self-storage facility, an agent, or any other person authorized by the owner to  
10                    manage the facility or to receive rent from an occupant under a rental  
11                    agreement.

12                    (7) “Personal information” means written information about a person  
13                    that is not publicly available and that readily identifies that person or is  
14                    closely associated with that person, including a Social Security number, credit  
15                    or debit card information, a bank account number, medical information, or  
16                    passport information.

17                    ~~(4)(8)~~ “Personal property” means movable property not affixed to land,  
18                    and includes goods, merchandise, and household items.



1           ~~(5)(9)~~ “Rental agreement” means ~~any~~ a written agreement that  
2           establishes or modifies the terms, conditions, rules, or any other provision  
3           concerning the use and occupancy of ~~a self-storage facility~~ storage space.

4           ~~(6)(10)(A)~~ “Self-storage facility” means ~~any~~ real property designed and  
5           used for the purpose of renting or leasing individual storage space to  
6           ~~occupants~~ an occupant who are to have access to such space for the purpose of  
7           ~~storing and removing personal property~~.

8           ~~(B)~~ A self-storage facility is not a “warehouse” as used in ~~Article 7~~  
9           ~~of the Uniform Commercial Code (U.C.C.) as codified in Title~~ defined in 9A §  
10          ~~7-102~~. ~~If an owner issues any warehouse receipt, bill of lading, or other~~  
11          ~~document of title for the personal property stored, the owner and the occupant~~  
12          ~~are subject to the U.C.C., and this act does not apply~~.

13          (11) “Storage space” means the individual space at a self-storage  
14          facility that is rented to an occupant under a rental agreement.

15          § 3902. RESIDENTIAL PURPOSES

16          ~~(a) No occupant shall~~ An occupant shall not use storage space at a self-  
17          storage facility for residential purposes.

18          ~~(b) No owner shall~~ An owner shall not knowingly permit the use of a  
19          storage space at a self-storage facility to be used for residential purposes.

20          § 3903. DISCLOSURES

1           (a) *A rental agreement shall contain the following:*

2                   (1) ~~The the name and address of the owner and occupant;~~

3                   (2) ~~The the actual monthly occupancy charge, rent, or lease amount for~~  
4 ~~the storage space provided, expressed in dollars;~~

5                   (3) ~~An itemization of other charges imposed or which may be imposed in~~  
6 ~~connection with~~

7                           (A) ~~disclosure of the charges the owner may impose for the~~  
8 ~~occupancy;~~

9                           (B) ~~a description of the charges;~~

10                          (C) ~~whether the charges are mandatory or optional;~~ and

11                          (D) ~~the amount of each charge, expressed in dollars;~~

12                   (4) ~~A statement of a provision that states:~~

13                           (A) ~~whether property stored in the leased storage space is or is not~~  
14 ~~insured by the owner against loss or damage; and~~

15                           (B) ~~of the requirement that the occupant must provide his or her own~~  
16 ~~insurance for any property stored; and~~

17                   (5) ~~A statement advising notice to an occupant that:~~

18                           (A) ~~the occupant of the existence of the lien created by this chapter,~~  
19 ~~this chapter creates a lien on property stored in the storage space;~~

1           (B) ~~that~~ the owner may sell the property stored in the leased storage  
2 space may be sold to satisfy the lien, ~~and~~;

3           (C) that the owner shall not be is not liable for damage, loss, or  
4 alienation of items of sentimental nature or value; and

5           (D) if the owner offers notice by electronic mail, the occupant may  
6 elect to receive notice by electronic mail only by indicating the election in the  
7 rental agreement.

8           (b) If a rental agreement contains a limit on the value of property that may  
9 be stored in a storage space, the limit is deemed to be the maximum value of  
10 the property in the storage space and the maximum liability of the owner for  
11 any claim.

12           (c)(1) An owner may impose a late fee of not more than \$20.00 or  
13 20 percent of a rental payment, whichever is greater, for each service period  
14 that an occupant does not pay the rent, charges, fees, or expenses when due.

15           (2) An owner shall not impose a late fee if the occupant pays the rent,  
16 charges, fees, and expenses in full not later than five days after the due date.

17           (3) An owner shall not impose a late fee unless the amount of the fee  
18 and the conditions for imposing that fee are stated in the rental agreement.

1        (d) Except as otherwise provided in a rental agreement, an occupant has  
2        the exclusive care, custody, and control of property in a storage space until the  
3        property is sold or otherwise disposed pursuant to this chapter.

4        (e) The disclosures required under subdivisions (a)(4) and (a)(5) and  
5        subsections (b)–(d) of this section shall be written in bold type and of a font  
6        size equal to or greater than the general text of the agreement.

7        § 3904. LIEN

8        ~~The owner of a self-storage facility~~

9        (a) An owner has a possessory lien upon all personal property located in a  
10       storage space at a self-storage facility for:

11        (1) rent;

12        (2) labor; or

13        (3) late fees or other charges, present or future, in relation to relating to  
14       the personal property; and

15        (4) for expenses relevant to its preservation or expenses reasonably  
16       incurred in its arising from the preservation or sale of the property pursuant to  
17       this chapter.

18        (b) The lien created in this section attaches as of the date the personal  
19       property is brought to or placed in a regular storage space at a self-storage

1 ~~facility in accordance with the provisions of a valid~~ an occupant stores  
2 personal property in a storage space pursuant to a rental agreement.

3 § 3905. ENFORCEMENT OF LIEN

4 ~~In the event of a default under the terms of a rental agreement, the lien~~  
5 ~~created under this chapter may be enforced in accordance with the provisions~~  
6 ~~of this section~~ If an occupant defaults under a rental agreement, the owner may  
7 enforce the lien created in section 3904 of this title pursuant to this section.

8 (1) ~~First notice of default. Not~~ Not sooner than seven days after a  
9 ~~default, the owner shall notify the occupant shall be notified of the default by~~  
10 ~~regular mail or electronic mail sent to his or her~~ the occupant's last known  
11 address.

12 (2) ~~Second notice of default.~~

13 (A) ~~Not~~ Not sooner than 14 days after mailing ~~of the first notice, the~~  
14 ~~owner shall notify the occupant shall be notified of the default by certified~~  
15 ~~mail, first-class mail with a certificate of mailing, or electronic mail sent to his~~  
16 ~~or her~~ the occupant's last known address.

17 (B) If the owner sent the second notice of default to the occupant by  
18 electronic mail and does not receive a response, return receipt, or delivery  
19 confirmation from the same electronic mail address within two days, then

1 before proceeding with a sale the owner shall send the notice to the occupant  
2 either by certified mail or by first-class mail with a certificate of mailing.

3 (C) The second notice shall contain the following:

4 (A)(i) An itemized statement of the owner's claim showing the sum  
5 due at the time of the notice and the date when the sum became due.

6 (B)(ii) A brief and general description of the personal property  
7 subject to the lien. ~~There shall be no requirement~~ An owner is not required to  
8 describe the specific contents of a storage space in a self-storage facility  
9 beyond stating that it is the contents of a specific storage space in a specific  
10 self-storage facility rented by a specific occupant.

11 (C)(iii) A notice of denial of access to the personal property, if  
12 such denial is permitted under the terms of the rental agreement.

13 (D)(iv) A demand for payment within a specified time not less  
14 than ~~fifteen~~ 15 days after the mailing of the second notice of default.

15 (E)(v) A conspicuous statement that unless the claim is paid in full  
16 within the time stated in the notice, the personal property will be advertised for  
17 sale and sold according to law.

18 (3) Advertisement. Except as otherwise provided in subdivision (C) or  
19 (D) of this subdivision (3):

1           (A) ~~After the expiration of the time given in the second notice under~~  
2           ~~subdivision (2) of this section, the owner shall publish an advertisement of the~~  
3           ~~sale shall be published once a week for two consecutive weeks in the print or~~  
4           ~~electronic version of a newspaper of general circulation where the self-storage~~  
5           ~~facility is located.~~

6           (B) ~~The advertisement shall contain the following:~~

7           ~~(A)(i) A a brief and general description of the personal property as~~  
8           ~~provided in subdivision (2)(B) of this section;~~

9           ~~(B)(ii) The the address of the self-storage facility; and~~

10           ~~(iii) the number, if any, of the space where the personal property is~~  
11           ~~located;~~

12           ~~(iv) the name of the occupant; and~~

13           ~~(v) the time, place, and manner of the sale.~~

14           (C) ~~The time, place, and manner of the sale. If there is no newspaper~~  
15           ~~of general circulation where the self-storage facility is located, the owner shall~~  
16           ~~post the advertisement shall be posted at least 15 days before the date of the~~  
17           ~~sale at the town hall where the self-storage facility is located in such fashion~~  
18           ~~the same manner as the auction sales of real property are posted.~~

19           (D) ~~A sale or other disposition of goods as provided for in this~~  
20           ~~chapter shall not be defeated or deemed not in compliance with this provisions~~

1 ~~of this chapter if the owner attempted, but was not able to obtain personal~~  
2 ~~service on those persons entitled to notice or if the certified mail return receipt~~  
3 ~~is not signed by the person to whom notice must be sent, unless the owner fails~~  
4 ~~to publish in accordance with this section. As an alternative to the~~  
5 ~~advertisement required in subdivisions (A)–(C) of this subdivision (3), an~~  
6 ~~owner may advertise the sale of personal property in a commercially~~  
7 ~~reasonable manner. For purposes of this subdivision (D), a manner of~~  
8 ~~advertisement is commercially reasonable if three or more independent bidders~~  
9 ~~attend or view the sale.~~

10 (4) ~~Notice to other lienholders. Before the expiration of the time given~~  
11 ~~in the second notice under subdivision (2) of this section, the owner shall~~  
12 ~~determine whether the occupant owns any personal property subject to an~~  
13 ~~active lien registered with the Vermont Secretary of State. If any such lien~~  
14 ~~exists, the owner shall notify the lienholder shall be notified by certified mail~~  
15 ~~not less than 21 days prior to the sale of the property. ~~Such~~ The notice shall~~  
16 ~~include the following:~~

17 (A) ~~A statement describing the property to be sold. There shall be no~~  
18 ~~requirement to describe the specific contents of a storage space in a self-~~  
19 ~~storage facility beyond stating that it is the contents of a specific storage space~~  
20 ~~in a specific self-storage facility rented by a specific occupant.~~

21 (B) ~~A statement of the lienholder's rights under this chapter.~~



1           (C) *A statement of the time, place, and manner of the sale of the*  
2 *property.*

3           (5) *Delivery. For purposes of this chapter:*

4           *(A) notice by regular mail or first-class mail with a certificate of*  
5 *mailing is delivered when deposited with the U.S. Postal Service if the mail is*  
6 *properly addressed to the occupant's last known address and postage is*  
7 *prepaid; and*

8           *(B) notice by electronic mail is delivered when properly addressed*  
9 *and sent to an occupant's last known electronic mail address.*

10          ~~*(6) Sale. Upon fulfillment of the notification and advertisement*~~  
11 ~~*requirements of this section, sale of the personal property shall be permitted,*~~  
12 ~~*provided the following conditions are met*~~

13           *(A) An owner that fulfills the notice and advertisement requirements*  
14 *of this section may sell personal property stored in a storage space, subject to*  
15 *the following conditions:*

16           ~~*(A) The sale of the personal property shall take place*~~

17           *(i) the sale occurs not sooner than 15 days after the first*  
18 *publication under subdivision (3) of this section;*

19           ~~*(B) Any sale of the personal property under this chapter shall*~~  
20 ~~*conform*~~

1                    (ii) the sale conforms to the terms of all the notifications required  
2                    under this section. ~~If; or, if the sale will not or does not take place as provided~~  
3                    ~~for in the notifications, then the owner makes subsequent notifications shall be~~  
4                    ~~made in the same manner as the original notifications had been made.~~  
5                    consistent with this section;

6                    (iii) subject to subdivision (6)(C) of this section, the owner does  
7                    not knowingly sell personal information contained in the storage space;

8                    ~~(C) Any sale of the personal property shall be~~

9                    (iv) the sale is held at the self-storage facility, or at the nearest  
10                   suitable place, or on a publicly accessible website;

11                   ~~(D) Any sale of the personal property shall be~~

12                   (v) the owner does not purchase personal property at the sale; and

13                   (vi) the sale is performed in a commercially reasonable manner,  
14                   meaning the owner sells the goods in the usual manner in any recognized  
15                   market therefor, at the price current in such market at the time of the sale; or  
16                   otherwise sold in conformity with.

17                   (B) For purposes of subdivision (6)(A)(v) of this section:

18                   (i) A sale is commercially reasonable if it conforms to  
19                   commercially reasonable practices within a recognized market for the goods or  
20                   among dealers in the type of goods sold; however,

1           (ii) ~~the~~ The sale of more goods than apparently necessary to  
2 ~~ensure satisfaction of the~~ satisfy an occupant's obligation is not commercially  
3 ~~reasonable unless necessary due to the nature of the goods being sold or the~~  
4 ~~manner in which they are customarily sold.~~

5           (iii) The fact that an owner could obtain a better price could have  
6 ~~been obtained by sale at a different time or by a different method from that~~  
7 ~~selected by the owner is not of itself sufficient to establish that the sale was not~~  
8 ~~made in a commercially reasonable manner.~~

9           (C)(i) If an owner has a reasonable belief that storage space contains  
10 the personal information of an occupant or clients, customers, or others with  
11 whom the occupant does business, the owner shall not hold a lien sale of the  
12 personal information and may destroy the personal information without  
13 liability to any person.

14           (ii) Before taking possession of any personal property sold, a  
15 purchaser shall acknowledge that if any of the contents contain personal  
16 information, the purchaser will return the personal information to the owner,  
17 which the owner may destroy without liability to any person.

18           (E)(D) Any Except as provided in subdivision (7) of this section, an  
19 owner shall conduct a sale or disposition of a motor vehicle shall be  
20 performed pursuant to 23 V.S.A. chapter 21 and any a sale or disposition of a

1 *vessel, snowmobile, or all-terrain vehicle shall be performed pursuant to*  
2 *23 V.S.A. chapter 36.*

3 *(7) Towing.*

4 *(A) If rent, charges, fees, or expenses remain unpaid after 51 days, an*  
5 *owner may have a vehicle, vessel, snowmobile, trailer, or all-terrain vehicle*  
6 *towed away by a towing company.*

7 *(B) Not later than five days after having personal property towed*  
8 *pursuant to this subdivision (7), an owner shall notify the occupant by regular*  
9 *mail or electronic mail at the occupant's last known address and shall include*  
10 *the name, address, and telephone number of the towing company.*

11 *(C) An owner has no liability to any person for having property*  
12 *towed or for damage to the property after the towing company takes possession*  
13 *of the property.*

14 *(6)(8) Right of satisfaction.*

15 *(A) Before ~~any~~ a sale of personal property pursuant to this chapter,*  
16 *the occupant may ~~pay~~ redeem the property by paying the amount necessary to*  
17 *satisfy the lien ~~in full~~ and the reasonable expenses incurred under this section,*  
18 *and thereby redeem the personal property.*

1            (B) Upon receipt of ~~such~~ payment, the owner shall return the  
2            personal property, and thereafter ~~the owner shall have no liability~~ is not liable  
3            to any person with respect to ~~such~~ the personal property.

4            ~~(7)~~(9) Proceeds in excess of lien amount.

5            (A) ~~In the event of sale under this section, the~~ An owner that sells  
6            property pursuant to this section:

7            (i) may satisfy the owner's lien from the proceeds of the sale, ~~but;~~  
8            and

9            (ii) shall hold the balance, if any, for delivery on demand to the  
10           occupant.

11           (B) If the occupant does not claim the balance of the proceeds ~~such~~  
12           funds shall be paid over, the owner shall deliver the balance without interest to  
13           the Treasurer of the State of Vermont in accordance with 27 V.S.A. chapter 14.

14           ~~(8)~~(10) Rights of other lienholders. The holder of any perfected lien or  
15           security interest on personal property stored in the storage unit and registered  
16           with the Vermont Secretary of State may take possession of its liened property  
17           at any time prior to sale or other disposition.

18           ~~(9)~~(11) Rights of purchasers. A purchaser in good faith of the personal  
19           property sold to satisfy a lien, ~~as provided elsewhere in this chapter,~~ takes the

1 *property free of any rights of persons against whom the lien was valid, despite*  
2 *noncompliance by the owner with the requirements of this chapter.*

3 *(12) Disposal of personal property. If an owner complies with the*  
4 *requirements of this section and a qualified buyer does not purchase the*  
5 *property offered for sale, the owner may dispose of the property without*  
6 *liability.*

7 *(13) Liability. An owner that has complied with the applicable*  
8 *provisions of this chapter is not liable to an occupant, lienholder, or any other*  
9 *person.*

10 § 3906. *SCOPE; SUPPLEMENTAL NATURE OF ACT*

11 *(a) If an owner issues a warehouse receipt, bill of lading, or other*  
12 *document of title for the personal property stored in a self-storage facility, the*  
13 *owner and the occupant are subject to Title 9A and this chapter does not apply.*

14 *(b) Nothing in this chapter shall be construed in any manner to impair or*  
15 *affect the right of parties to create liens by special contract or agreement, nor*  
16 *shall it in any manner affect or impair other liens arising at common law or in*  
17 *equity, or by any statute in this State.*

18 \* \* \*

19 *Sec. 2. EFFECTIVE DATE*

20 *This act shall take effect on July 1, 2020.*