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April 28, 2025

Via electronic mail

The Honorable Chip Curry
Chair
Joint Committee on Housing & Economic Development
Maine State Senate
Cross Building, Room 206
100 State House Station
Augusta, ME 04333

The Honorable Traci Gere
Chair
Joint Committee on Housing & Economic Development
Maine House of Representatives
Cross Building, Room 206
100 State House Station
Augusta, ME 04333

**RE:** LD 1391

Dear Chair Curry, Chair Gere, and Members of the Maine Joint Committee on Housing & Economic Development:

The Self Storage Assocation (SSA) respectfully requests your support for LD 1391<sup>1</sup> to modernize the *Maine Self-Service Storage Act.*<sup>2</sup> The proposed amendments would update the statute to reflect current operational realities. Many of the provisions of the bill have already been adopted in other states like California and Illinois.

The important legislation will be considered by the Joint Committee on Housing and Economic Development on May 2, 2025, and the SSA urges your favorable support.

<sup>&</sup>lt;sup>1</sup> https://legislature.maine.gov/LawMakerWeb/summary.asp?ID=280098051

<sup>&</sup>lt;sup>2</sup> 10 M.R.S. §§ 1371-1378

## I. Introduction to Self Storage & LD 1391

By way of background, in self storage the operator and tenant have a commercial landlord-tenant relationship. A broad swath of consumers use self storage for a variety of reasons. Once a unit size is selected, a consumer signs the rental agreement, the contract that governs the relationship between the operator and the tenant. All rental agreements are month-to-month tenancies that renew only upon the mutual desire of both parties. In other words, tenants can simply vacate if they are unable or unwilling to pay for the leased space. Most tenancies are successful for both parties; goods are stored, and rent is timely paid.

Forty-nine states, including Maine, have a self storage lien law. Self storage lien laws provide a comprehensive process for addressing situations in which self storage tenants fail to pay their rent; however, it has been several years since it was last updated. LD 1391 is intended to address a few gaps in the existing statutory scheme as outlined in more detail below.

## II. Electronic Delivery and Acceptance

First, the legislation confirms that self storage rental agreements may be delivered and accepted electronically. This is settled law in Maine<sup>3</sup> but it is not completely clear in the storage act. This amendment confirms its already existing application to self storage rental agreements<sup>4</sup> as follows:

7. Rental agreement. "Rental agreement" means any written agreement, which may be delivered and accepted electronically, that establishes or modifies the terms, conditions or rules concerning the use and occupancy of a self-service storage facility. [emphasis to amendment language added].<sup>5</sup>

## III. Confirmation of Legal Status of Unsigned Agreements

Second, the bill borrows from the Illinois Self-Service Storage Act<sup>6</sup> and the California Self-Service Storage Facilities Act<sup>7</sup> regarding the legal effect of an unsigned rental agreement.<sup>8</sup>

Rental agreements, the leases that govern the commercial landlord-tenant relationship, are the backbone of a self storage business. For the vast majority of customers, the owner has an executed rental agreement that clearly outlines the rights and responsibilities of both parties.

<sup>&</sup>lt;sup>3</sup> See 10 M.R.S. § 9407.

<sup>&</sup>lt;sup>4</sup> LD 1391, page 1, lines 14-15.

<sup>&</sup>lt;sup>5</sup> *Id*.

<sup>&</sup>lt;sup>6</sup> 770 ILCS 95/2 (D).

<sup>&</sup>lt;sup>7</sup> Cal Bus & Prof Code § 21715.5.

<sup>&</sup>lt;sup>8</sup> LD 1391, page 1, lines 24-29.

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In certain discrete circumstances, however, the owner may be unable to obtain a signed rental agreement. For example, the owner may acquire a storage facility and seek to move the existing customers to the owner's rental agreement. In another example, an owner may modify the terms of an existing rental agreement when state law is amended to reflect the new law.

In both examples, despite their best efforts, storage owners may struggle to get some customers to sign new rental agreements. Even though these customers continue to use their storage space, they do not respond to multiple requests to sign either a physical or electronic copy of the rental agreement. The lack of a signed rental agreement creates uncertainty for owners, particularly if eventually the customer fails to pay. LD 1391 would resolve this issue by providing certainty for owners regarding the enforceability of an unsigned rental agreement.<sup>9</sup>

In addition to California and Illinois, Georgia, <sup>10</sup> Idaho, <sup>11</sup> Kansas, <sup>12</sup> Utah, <sup>13</sup> and Virginia <sup>14</sup> all have similar provisions currently in law. Further, Arkansas <sup>15</sup> and Tennessee <sup>16</sup> approved analogous legislation during the 2025 session that take effect later this year.

## IV. Disposition of Property After Termination or Nonrenewal of Rental Agreement

Third, the bill cleans up the section regarding disposition of property following the termination or nonrenewal of the rental agreement by either the occupant or operator. These clarifying amendments would make that section of Maine law like California<sup>17</sup> and Illinois.<sup>18</sup>

Importantly, this provision is not intended to upend the existing process to deal with nonpayment issues. That entire section of the law remains intact and operative. This proposed amendment is intended to address a different issue that the law currently does not address, namely nonmonetary defaults, or the failure by the occupant to comply with core provisions of the rental agreement outside of the payment obligation.

For example, an occupant may use the storage facility for illicit purposes such as storage and/or production of illicit substances. This activity is expressly prohibited. Currently, the operator is within their rights to send that individual a notice of termination and nonrenewal for the failure to comply with the rental agreement. The issue becomes if that occupant does not voluntarily comply with the notice. Since there is no underlying debt obligation in the hypothetical, the current law

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<sup>&</sup>lt;sup>9</sup> LD 1391, page 1, lines 24-29.

<sup>&</sup>lt;sup>10</sup> O.C.G.A. § 10-4-218 (a).

<sup>11</sup> Idaho Code § 55-2304 (a).

<sup>&</sup>lt;sup>12</sup> K.S.A. § 58-816 (e)(1).

<sup>&</sup>lt;sup>13</sup> Utah Code Ann. § 38-8-6 (1)(2)(3).

<sup>&</sup>lt;sup>14</sup> Va. Code Ann. § 55.1-2901 (D)(1)(2).

<sup>15</sup> See https://legiscan.com/AR/bill/HB1652/2025.

<sup>&</sup>lt;sup>16</sup> See https://legiscan.com/TN/bill/SB0559/2025

<sup>17</sup> Cal Bus & Prof Code § 21712.4.

<sup>&</sup>lt;sup>18</sup> 770 ILCS 95/7.

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does not provide the operator with any assistance to address the issue. Currently, there is no remedy attached to the right. This proposed amendment would fix that.

Additionally, this amendment would also address the issue wherein the occupant provides the owner with the notice of their intention to vacate but does not timely remove all their belongings from the unit. This would provide a direct path for owners to handle those situations as well.

As noted above, nearly identical provisions not only passed the Illinois and California legislatures but did so without one "no" vote at either the committee level or on the floor.

### California:

### Voting Records

Chamber	Vote	Date	Yea	Nay	NV	Abs	Total	Result
Assembly	AB 1916 Maienschein Concurrence in Senate Amendments	2024-06-17	74	0	0	5	79	Passed
Senate	Consent Calendar 2nd AB1916 Maienschein	2024-06-13	37	0	0	3	40	Passed
Senate	Do pass as amended, and be ordered to the Consent Calendar	2024-06-04	11	0	0	0	11	Passed
Assembly	AB 1916 Malenschein Consent Calendar Second Day Regular Session	2024-03-18	74	0	0	6	80	Passed
Assembly	Do pass. To Consent Calendar	2024-03-12	10	0	0	2	12	Passed

### Illinois:

## **Voting Records**

Chamber	Vote	Date	Yea	Nay	NV	Abs	Total	Result
House	Third Reading in House	2024-05-20	106	0	2	0	108	Passed
Senate	Third Reading in Senate	2024-04-12	59	0	0	0	59	Passed

Additionally, Georgia, <sup>19</sup> Kansas, <sup>20</sup> Idaho, <sup>21</sup> and Utah<sup>22</sup> all have similar provisions currently in law. Further, Arkansas<sup>23</sup> and Tennessee<sup>24</sup> approved similar legislation during the 2025 session that take effect later this year. Similar legislation is being considered in Massachusetts<sup>25</sup> during the 2025 session.

### V. Online Auctions

Fourth, in the event of nonpayment, it would explicitly permit auctions to be conducted online in addition to in-person at the facility. The law currently states:

<sup>&</sup>lt;sup>19</sup> O.C.G.A. § 10-4-218 (b)(c).

<sup>&</sup>lt;sup>20</sup> K.S.A. 58-817a.

<sup>&</sup>lt;sup>21</sup> Idaho Code § 55-2306(7)(b).

<sup>&</sup>lt;sup>22</sup> Utah Code Ann. § 38-8-3 (2)(a)(b)(c).

<sup>&</sup>lt;sup>23</sup> See https://legiscan.com/AR/bill/HB1652/2025.

<sup>&</sup>lt;sup>24</sup> See https://legiscan.com/TN/bill/SB0559/2025

<sup>&</sup>lt;sup>25</sup> See https://malegislature.gov/Bills/194/SD2293.

**4. Location of sale.** A sale under this section shall be held at the self-service storage facility or at the nearest suitable place to where the personal property is stored.<sup>26</sup>

The amendment would just add the word "online." This provision would explicitly give the owner flexibility where to hold the sale. Online sales can expand the audience of potential bidders by allowing bidders to submit bids without attending a one-day sale in person. More bidders increase the likelihood of higher bids, which benefits for the former occupant as it further relieves their debt obligation to the storage owner. Online auctions can also allow owners to return units to inventory more quickly rather than waiting for multiple delinquent tenants to justify the time and cost of a live auction. Some owners feel in person, onsite is better for their specific facility while others believe online auctions provide greater access to additional bidders that drive bids and is appropriate for their facility.

This proposed amendment is law in more than 45 other states and would ensure its status in Maine.<sup>27</sup>

### VI. Notification Method for Prohibited Items

Fifth, it would permit owners to notify occupants by email in discrete situations wherein the occupant is storing prohibited items that are dangerous or harmful, including instances where an occupant may be storing food in the unit. This is generally prohibited because it attracts animals and insects. The law currently states as follows:

Occupant not to store certain goods. An occupant is prohibited from storing goods that have a dangerous, harmful, offensive or noxious impact on the self-service storage facility or its surroundings or are a nuisance to self-service storage facility occupants, the operator or operator's employees.

- A. If the operator has reason to believe that an occupant is storing goods that have resulted in a condition described in this subsection, the operator may remove and dispose of the goods thus causing that condition.
- **B.** Before disposing of goods under this subsection, the operator shall:
- (1) Notify the occupant of the condition by regular mail at the occupant's last known address or other address set forth by the occupant in the rental agreement. . .<sup>28</sup> [emphasis added].

<sup>&</sup>lt;sup>26</sup> 10 M.R.S. § 1375 (4).

<sup>&</sup>lt;sup>27</sup> LD 1391, page 1, line 33 & line 37.

<sup>&</sup>lt;sup>28</sup> 10 M.R.S. § 1373 (3)(A)(B).

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As noted above, the law only permits the owner to notify the occupant for these infractions via regular mail. This amendment would permit the owner to notify the occupant by email before the items were removed. Importantly, this amendment would not require an occupant to receive these limited-scope notices exclusively by email. Rather, it would just create an additional option.

## VII. Right to Designate Address for Notices

Sixth, some operators, especially multi-store operators, prefer to have occupants notify them at a central corporate address instead of mailing correspondence to the facility itself. Currently, the law requires an occupant to send all notices to the facility as follows:

A. Notices sent to the operator must be sent to the self-service storage facility where the occupant's property is stored. . . <sup>29</sup>

The amendment would permit the owner to specify a different address in the rental agreement, if the operators wished to do so.<sup>30</sup> However, the operator would not be required to do so.

### VIII. Conclusion

Thank you for the opportunity to submit these comments. The SSA respectfully requests your support for LD 1391 to provide commonsense modernization for Maine's storage owners.

Respectfully submitted,

# Daniel Bryant

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CC: The Honorable John "Jack" E. Ducharme III, Representative - House District 71
 Charlie Soltan, Esq., Soltan & Bass LLC
 Maine Self Storage Assocation Board of Directors

<sup>&</sup>lt;sup>29</sup> 10 M.R.S. § 1375 (10)(A).

<sup>&</sup>lt;sup>30</sup> LD 1391, page 2, lines 2-3.