



Arkansas Lien Law
Arkansas Code Annotated, Title 18, Property,
Subtitle 2. Real Property Chapter 16
Landlord and Tenant Subchapter 4 — Self-Service Storage Facilities

18-16-401. Definitions.

As used in this subchapter:

- (1) “Default” means the failure to timely perform an obligation of a rental agreement;
- (2) “Electronic mail” means an electronic message, a file, data, or other information that is transmitted:
 - (A) Between two (2) or more computers, computer networks, or electronic terminals; or
 - (B) Within or between computer networks;
- (3) “Electronic mail address” means a destination commonly expressed as a string of characters to which electronic mail may be sent or delivered;
- (4) “Last known address” means the address or electronic mail address provided by the occupant in:
 - (A) The rental agreement; or
 - (B) A subsequent written notice of a change of address;
- (5) “Leased space” means individual storage space at a self-service storage facility that is rented to an occupant under a rental agreement;
- (6) “Net proceeds” means the proceeds from the sale authorized upon a default under this subchapter after deduction for:
 - (A) Expenses incurred by the operator to exercise its rights under this subchapter, including without limitation attorney's fees, auctioneers' fees, postage, and publication costs;
 - (B) The debt owed by the occupant to the operator for leased space; and
 - (C) Charges related to preserving, assembling, advertising, and selling personal property under this subchapter;
- (7) “Occupant” means a person or entity entitled to the use of leased space at a self-service storage facility under a rental agreement;
- (8)

(A) "Operator" means:

- (i) The owner, operator, lessor, or sublessor of a self-service storage facility;
- (ii) An agent of the owner operator, lessor, or sublessor of a self-service storage facility; or
- (iii) Any other person authorized to manage a self-service storage facility.

(B) "Operator" does not include a warehouseman, unless the operator issues a warehouse receipt, bill of lading, or other document of title for storing personal property;

(9)

(A) "Personal property" means movable property not affixed to land.

(B) "Personal property" includes without limitation goods, wares, merchandise, motor vehicles, watercraft, and household items and furnishings;

(10) "Rental agreement" means a written agreement that establishes or modifies the terms, conditions, or rules concerning the use and occupancy of a self-service storage facility; and

(11) "Self-service storage facility" means real property used for renting or leasing leased space in which an occupant stores and removes personal property on a self-service basis.

18-16-402. Operator's lien on stored property.

(a)

(1) An operator of a self-service storage facility has a lien on all personal property stored within each leased space for rent, labor, or other charges and for expenses reasonably incurred in its sale or removal from a self-service storage facility under this subchapter.

(2) If the personal property is a motor vehicle, trailer, or watercraft, the lien shall include fees and expenses reasonably incurred by an operator to remove the personal property from a self-service storage facility under this subchapter.

(b) The lien provided for in this section attaches as of the date the personal property is brought to the self-service storage facility and shall be superior to any other lien or security interest except the following:

(1) A lien which is perfected and recorded in Arkansas in the name of the occupant, either in the county of the occupant's last known address or in the county where the self-service storage facility is located, prior to the date of the rental agreement;

(2) Any tax lien; and

(3) Any lienholder with a perfected security interest in the property.

(c) Nothing in this subchapter shall be construed to prohibit the occupant, operator, lienholder, or any other person or entity claiming an interest in the property stored in the leased space from applying to a court of competent jurisdiction to determine the validity of the lien or its priority.

18-16-403. Use for residential purposes.

(a) An operator may not knowingly permit a leased space at a self-service storage facility to be used for residential purposes.

(b) An occupant may not use a leased space for residential purposes.

18-16-404. Notice of lien.

A rental agreement shall contain a statement in bold type advising the occupant:

(1) Of the existence of the lien; and

(2) That property stored in the leased space may be sold or removed to satisfy the lien if the occupant is in default.

18-16-405. Access to leased space — Care of property.

(a) If an occupant is in default, the operator may deny the occupant access to the leased space.

(b)

(1) The exclusive care, custody, and control of all personal property stored in the leased self-service storage space remains vested in the occupant unless:

(A) The rental agreement specifically provides otherwise;

(B) A lien sale is conducted by the operator under this subchapter; or

(C) The personal property is a motor vehicle, trailer, or watercraft that is removed from the self-service storage facility by an operator of a tow vehicle.

(2) Entry of the leased space by the operator for the purpose of complying with this subchapter shall not constitute conversion nor impose any responsibility for the care, custody, and control of any of the personal property stored.

18-16-406. Default — Right to sell or remove property.

(a) If the occupant is in default for more than forty-five (45) days, the operator may enforce the lien by selling the personal property stored in the leased space at a public sale for cash.

(b)

(1) If the personal property subject to the lien is a motor vehicle, trailer, or watercraft, and the occupant is in default for at least sixty (60) days, the operator may remove the personal property instead of selling the property under subsection (a) of this section.

(2) If a motor vehicle, trailer, or watercraft is removed by a towing operator, the operator is not liable for the personal property or any damages to the personal property once the towing operator takes possession of the personal property.

18-16-407. Sale and removal procedure — Definitions.

(a) As used in this section:

(1) “Independent bidder” means a person, partnership, corporation, or any other entity that participates in the sale of personal property by:

(A) Making a monetary offer to purchase the personal property in person at the sale or online;

(B) Being physically present at the sale of the personal property for the purpose of purchasing the personal property; or

(C) Viewing the sale of personal property online for the purpose of purchasing the personal property; and

(2) "Commercially reasonable manner" means a manner in conformity with advertising practices among dealers in the type of personal property being sold or removed.

(b) Before conducting a sale or removal of personal property under § 18-16-406, the operator shall:

(1)

(A) Notify the occupant in writing of the default.

(B) Except as provided in subdivision (a)(1)(D) of this section, notice shall be sent by first class mail with certificate of mailing to the occupant at the occupant's last known address.

(C) The notice shall include:

(i) A statement that the contents of the occupant's leased space are subject to the operator's lien;

(ii) A statement of the operator's claim, indicating the charges due on the date of the notice, the amount of any additional charges that shall become due before the date of sale, and the date the additional charges shall become due;

(iii) A demand for payment of the charges due within a specified time, not less than fourteen (14) days after the date that the notice is sent;

(iv) A statement that unless the claim is paid within the time stated, the contents of the occupant's space will be sold at a specified time and place or removed from the self-service storage facility on a specified date;

(v) The name, street address, and telephone number of the operator or his or her designated agent whom the occupant may contact to respond to the notice; and

(vi) Designation of the date, time, and place where the contents will be sold or removed from the self-service storage facility unless the default is remedied before the sale or removal of the personal property.

(D) If an occupant provides an email address and gives permission to the storage facility to use the email address as a legal notification for the occupant's last known address, then the operator may use the email address to send the notice required by subdivision (a)(1)(C) of this section instead of sending the notice by first class mail with certificate of mailing;

(2)

(A) At least seven (7) days before the sale or removal of personal property:

(i) Publish one (1) advertisement announcing the sale or removal of personal property in a newspaper of general circulation in the county in which the storage facility is located; or

(ii) Advertise the sale or removal of personal property in a commercially reasonable manner.

(B) The advertisement of a sale of personal property is conducted in a commercially reasonable manner if at least three (3) independent bidders participate in the sale of the personal property; and

(3)

(A) Contact the circuit clerk in the county where the personal property is stored to determine the name and address of any holder of liens or security interests in the personal property being sold or removed.

(B)

(i) The operator shall notify by first class mail with certificate of mailing each holder of a lien or security interest of the time and place of the proposed sale or removal of the personal property at least ten (10) days before conducting the sale or removing the personal property.

(ii) The operator shall be required to notify the holder of a lien or security interest only if the lien or security interest is filed under the name of the occupant.

(c) At any time before a sale or removal of personal property under this section, the occupant may pay the amount necessary to satisfy the operator's lien and redeem the occupant's personal property.

(d) The sale under this subchapter shall be held at the self-service storage facility where the personal property is stored.

(e) A purchaser in good faith of any personal property sold under this subchapter takes the property free and clear of any rights of:

(1) Persons against whom the lien was valid; and

(2) Other lienholders.

(f) If the operator complies with the provisions of this subchapter, the operator's liability:

(1) To the occupant shall be limited to the net proceeds received from the sale of the personal property; and

(2) To other lienholders shall be limited to the net proceeds received from the sale of any personal property covered by the other liens or the amount owed to such lienholders, whichever is less.

(g) The operator shall retain a copy of all notices and return receipts required by subsection (b) of this section for six (6) months following the date of the lien sale or removal of the personal property from the self-service storage facility.

18-16-408. Disposition of sale proceeds.

(a) Proceeds from the sale shall be applied to satisfy the lien, and any surplus shall be disbursed as provided in subsection (b) of this section.

(b) If a sale is held under this subchapter, the operator shall:

(1) Satisfy the lien from the proceeds of the sale; and

(2) Hold the balance, if any, for delivery on demand to the occupant or any other recorded lienholders. If demand is not made within two (2) years after the date of the sale, the surplus shall escheat to the county.

18-16-409. Notices — Method of delivery.

(a) Unless otherwise specifically provided, all notices required by this subchapter shall be sent by first class mail with certificate of mailing.

(b)

(1) Notices sent to the operator shall be sent to the self-service storage facility where the occupant's property is stored.

(2) Notices to the occupant shall be sent to the occupant at the occupant's last known address.

(3) Notices shall be deemed delivered when deposited with the United States Postal Service, properly addressed as provided in § 18-16-407(b) with postage prepaid.

18-16-410. Limits on value of stored property.

If the rental agreement contains a specified limit on the value of property allowed to be stored in an occupant's storage space, the operator is not liable for a loss or damages to the property stored in the occupant's storage space that exceeds the specified limit.

18-16-411. Conditions and limitations for imposing late fees.

(a) If the amount of a late fee and the conditions for imposing a late fee are stated in the rental agreement or in an addendum to the rental agreement, the operator may impose a late fee on the occupant for each month the occupant does not pay rent when due that does not exceed the greater of:

(1) Thirty dollars (\$30.00) per month; or

(2) Twenty percent (20%) of the amount of monthly rent.

(b) Expenses incurred as a result of rent collection or lien enforcement by an operator may be charged to the occupant in addition to the late fees permitted by this section.

18-16-412. Disposal of personal information — Definition.

(a)

(1) As used in this section, "personal information" means information relating to a client, a customer, or a person with whom the occupant does business that readily identifies that person or is closely associated with the person, including without limitation a person's:

(A) Social Security number;

(B) Credit or debit card information;

(C) Bank account number;

(D) Medical information; or

(E) Passport information.

(2) "Personal information" does not include information that readily identifies or is closely associated with the occupant of the leased self-service storage space.

(b) If the operator has a reasonable belief that the leased self-service storage space contains personal information relating to clients, customers, or others with whom the occupant does business, the operator may, after an occupant is in default for a period of more than forty-five (45) days, inspect the contents of a leased self-service storage space to investigate for the presence of personal information without any liability to the occupant or any other person who claims an interest in the personal information.

(c) The operator:

(1) Shall not sell the personal information under § 18-16-406; and

(2) Shall destroy the personal information.

(d) An operator who complies with subsections (b) and (c) of this section is not liable to the occupant or any other person who claims an interest in the personal information.

18-16-413. Sale of a vehicle.

A self-service storage facility may sell a vehicle of a type subject to registration under the laws of this state using the procedure for the sale of a vehicle as provided in §§ 27-50-1202 and 27-50-1208 — 27-50-1210.