

Nebraska Lien Law Chapter 76 Self-Service Storage Facilities Act Sections 76-1601 – 76-1609

76-1601. Act, how cited.

Sections <u>76-1601</u> to <u>76-1609</u> shall be known and may be cited as the Self-Service Storage Facilities Act.

76-1602. Terms, defined.

For purposes of the Self-Service Storage Facilities Act:

- (1) Commercially reasonable sale means a sale that (a) is conducted at the self-service storage facility or on a publicly accessible web site that conducts lien sales and (b) is attended by at least three persons who appear personally, online, by telephone, or by any other method;
- (2) Default means the failure to perform on time any obligation or duty set forth in a rental agreement;
- (3) Electronic mail means an electronic message or an executable program or computer file that contains an image of a message that is transmitted between two or more computers or electronic terminals and includes electronic messages that are transmitted within or between computer networks;
- (4) Emergency means any sudden, unexpected occurrence or circumstance at or near a self-service storage facility that requires immediate action to avoid injury to persons or property at or near the self-service storage facility, including, but not limited to, a fire;
- (5) Last-known address means the postal address or electronic mail address provided by an occupant in a rental agreement or the postal address or electronic mail address provided by the occupant in a subsequent written notice of a change of address;
- (6) Leased space means the individual storage space at a self-service storage facility which is rented to an occupant pursuant to a rental agreement;
- (7) Occupant means a person entitled to the use of leased space at a self-service storage facility under a rental agreement or his or her successors or assigns;
- (8) Operator means the owner, operator, lessor, or sublessor of a self-service storage facility or an agent or any other person authorized to manage the facility. Operator does not include a

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warehouseman if the warehouseman issues a warehouse receipt, bill of lading, or other document of title for the personal property stored;

- (9) Personal property means movable property not affixed to land. Personal property includes, but is not limited to, goods, wares, merchandise, motor vehicles, watercraft, household items, and furnishings;
- (10) Property which has no commercial value means property offered for sale in a commercially reasonable sale that receives no bid or offer;
- (11) Rental agreement means any written agreement or lease that establishes or modifies the terms, conditions, or rules concerning the use and occupancy of a self-service storage facility;
- (12) Self-service storage facility means any real property used for renting or leasing individual storage spaces in which the occupants customarily store and remove their own personal property on a self-service basis; and
- (13) Verified mail means any method of mailing offered by the United States Postal Service that provides evidence of the mailing.

76-1603. Operator; duty.

- (1) An operator shall not knowingly permit a leased space at a self-service storage facility to be used for residential purposes.
- (2) An occupant shall not use a leased space for residential purposes.

76-1604. Entry for inspection or repair.

An occupant, upon reasonable request from the operator, shall allow the operator to enter a leased space for the purpose of inspection or repair. If an emergency occurs, an operator may enter a leased space for inspection or repair without notice to or consent from the occupant.

76-1605. Operator; lien on personal property; rental agreement; contents.

- (1) The operator of a self-service storage facility and the operator's heirs, executors, administrators, successors, and assigns shall have a lien upon all of an occupant's personal property located at the self-service storage facility for delinquent rent, late fees, labor, or other charges incurred pursuant to a rental agreement and for expenses incurred for preservation, sale, or disposition of the personal property. The lien established by this subsection shall have priority over all other liens except for tax liens and liens or security interests of any lienholder or security interest holder of record on such personal property that are perfected or recorded prior to, on, or after the date on which the personal property is placed in a leased space.
- (2) The lien described in subsection (1) of this section attaches on the date on which personal property is placed in a leased space.
- (3) The rental agreement shall contain a statement, in bold type, advising the occupant:
- (a) Of the existence of the lien; and

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- (b) That personal property stored in the leased space may be sold to satisfy the lien if the occupant is in default.
- (4) If the rental agreement specifies a limit on the value of personal property that the occupant may store in the leased space, such limit shall be deemed to be the maximum value of the personal property in the occupant's leased space.

76-1606. Default; deny access.

If any part of the rent or other charges due from the occupant are in default, the operator shall have the right to deny the occupant access to the leased space at the self-service storage facility.

76-1607. Default for more than forty-five days; enforcement of lien; procedure; advertisement; sale; application of proceeds; rights of purchaser; notices; liability of operator.

- (1) If an occupant is in default for a period of more than forty-five days, the operator may enforce the lien granted in section <u>76-1605</u> by selling the occupant's stored personal property for cash. Sale of the occupant's personal property may be by public or private proceedings. Such personal property may be sold as a unit or in parcels, by way of one or more contracts, at any time or place, and on any terms as long as the sale is a commercially reasonable sale. The operator may otherwise dispose of any property which has no commercial value.
- (2) Before conducting a sale under this section, the operator shall:
- (a) At least forty-five days before the sale, send notice of default to the occupant by verified mail or electronic mail pursuant to subdivision (8)(a) of this section. The notice of default 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 which shall become due before the date of sale, and the date such additional charges shall become due;
- (iii) A demand for payment of the charges due within a specified time, which shall not be less than ten days after the date of the notice;
- (iv) A statement that unless the claim is paid within the time stated, the contents of the occupant's leased space will be sold after a specified time; and
- (v) The name, street address, and telephone number of the operator or a designated agent whom the occupant may contact to respond to the notice; and
- (b) At least seven days before the sale, advertise the time, place, and terms of the sale in any commercially reasonable manner. The manner of advertisement is deemed commercially reasonable if at least three independent bidders attend the sale in person or online at the time and place advertised. A copy of the advertisement of sale shall be provided at least seven days before the sale to the holder of any lien or security interest of record on the personal property being sold.

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- (3) The operator may buy the occupant's personal property at any public sale held pursuant to this section.
- (4) If the personal property subject to the operator's lien is a vehicle, watercraft, or trailer and rent and other charges remain unpaid for sixty days, the operator may have the vehicle, watercraft, or trailer towed from the self-service storage facility. The operator shall not be liable for any damages to the vehicle, watercraft, or trailer once the tower takes possession of the property. Removal of any vehicle, watercraft, or trailer from the self-service storage facility shall not release the operator's lien.
- (5) At any time before a sale is held under this section or before a vehicle, watercraft, or trailer is towed under this section, the occupant may pay the amount necessary to satisfy the lien and redeem the occupant's personal property.
- (6) If a sale is held under this section, the operator shall:
- (a) Apply the proceeds of the sale in the following order:
- (i) To satisfy the actual expenses incurred in conducting the sale, including the costs for notice and advertisement of the sale, in an amount not to exceed five hundred dollars;
- (ii) To satisfy the obligations secured by the lien or security interest of any lienholder or security interest holder of record; and
- (iii) To satisfy the operator's lien; and
- (b) Hold the balance of the proceeds remaining after the disbursements described in subdivision (6)(a) of this section, if any, for delivery on demand to the occupant for a period of one year after the date of such sale. The operator shall have no liability to any party for excess proceeds paid to the occupant. After the one-year period, any remaining proceeds shall be considered abandoned property to be reported and paid to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act.
- (7) A purchaser in good faith of any personal property sold pursuant to this section to satisfy the lien granted in section <u>76-1605</u> takes the property free and clear of any rights of persons against whom the lien was valid. If the property is a vehicle, watercraft, or trailer, such sale shall extinguish any lien or security interest in the property of any holder of such lien or security interest to whom notice of the sale was sent in compliance with this section.
- (8)(a) Notices to the occupant under subdivision (2)(a) of this section shall be sent to the occupant's last-known address by verified mail or electronic mail. Notices sent by verified mail shall be deemed delivered when deposited with the United States Postal Service if they are properly addressed with postage prepaid. Notices sent by electronic mail shall be deemed delivered when an electronic message is sent to the last-known address provided by the occupant. If the operator sends notice by electronic mail and receives an automated message stating that the electronic mail cannot be delivered, the operator shall send notice by verified mail to the occupant's last-known address with postage prepaid.

- (b) The copy of the advertisement of sale provided to the holder of any lien or security interest of record under subdivision (2)(b) of this section shall be sent to the last-known address of the lienholder or security interest holder by United States mail. The copy of the advertisement shall be deemed delivered when deposited with the United States Postal Service if it is properly addressed with postage prepaid.
- (9) If the operator complies with the requirements of this section, the operator's liability:
- (a) To the occupant shall be limited to the net proceeds received from the sale of the occupant's personal property less any proceeds paid to the holders of any lien or security interest of record on the personal property being sold; and
- (b) To the holders of any lien or security interest of record on the personal property being sold shall be limited to the net proceeds received from the sale of any personal property covered by the holder's lien or security interest.

76-1608. Occupant's care, custody, and control of personal property.

Unless the rental agreement specifically provides otherwise and until a lien sale under section <u>76-</u><u>1607</u>, the exclusive care, custody, and control of all personal property stored in a leased space remains vested in the occupant.

76-1609. Act; how construed.

The Self-Service Storage Facilities Act does not impair the power of the parties to a rental agreement to create rights, duties, or obligations that do not arise from the act. The rights provided to an operator by the act are in addition to all other rights provided by law to a creditor against a debtor.