SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR SENATE BILL 180

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO SELF-SERVICE STORAGE; Sf11→PROVIDING THAT THE LIMIT FOR THE MAXIMUM VALUE OF STORED PERSONAL PROPERTY ALLOWED FOR IN RENTAL AGREEMENTS IS DEEMED TO BE THE MAXIMUM VALUE OF THE STORED PERSONAL PROPERTY: ←Sf11 PROVIDING THAT AN ACTION TO SELL PROPERTY MAY BE TAKEN UPON FORTY-FIVE DAYS OF CONTINUOUS DEFAULT; ALLOWING THE IMPOSITION OF LATE FEES FOR RENTAL PAYMENTS IN DEFAULT; PROVIDING FOR AN ALTERNATIVE CONTACT IN A RENTAL AGREEMENT TO RECEIVE A NOTICE OF INTENT TO ENFORCE A .231570.1AIC March 8, 2025 (10:20am)

[bracketed material] = delete Amendments: new = LIEN; AMENDING REQUIREMENTS FOR THE POSTING OF NOTICE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 48-11-3 NMSA 1978 (being Laws 1987, Chapter 314, Section 3) is amended to read:

"48-11-3. RENTAL AGREEMENT.--

A. The rental agreement shall contain a notice stating that all articles stored under the terms of that agreement will be sold or otherwise disposed of under the terms and conditions of the Self-Service Storage Lien Act if the [tenant] occupant is in default. The agreement shall contain a disclosure provision stating the name and address of any lienholder with an interest in the property that is or will be stored in the self-service storage facility. The agreement shall also contain the address, telephone number and electronic address of the [tenant] occupant.

B. The rental agreement shall include a space for the occupant to designate an alternative contact, including the name and the postal or electronic address of the alternative contact, to receive the notice of intent to enforce a lien pursuant to Paragraph (2) of Subsection A of Section 48-11-7

NMSA 1978. The failure or refusal of an occupant to designate an alternative contact shall not affect an occupant's or owner's rights or remedies under the Self-Service Storage Lien Act or any other provision of law. The alternative contact, if

any, shall not have any rights to access the storage space or to the personal property stored in the storage space unless expressly stated in the rental agreement.

C. For a rental agreement entered into before the 2025 changes made to this section, the owner may comply with this section by sending a notice to the occupant by verified mail or electronic mail informing the occupant of the option to designate an alternative contact to receive the notice of intent to enforce a lien pursuant to Paragraph (2) of Subsection A of Section 48-11-7 NMSA 1978. The notice shall include a form for the occupant to designate an alternative contact, including the name and the postal or electronic address of the alternative contact, and an address where the occupant may return the completed form."

SECTION 2. Section 48-11-5 NMSA 1978 (being Laws 1987, Chapter 314, Section 5) is amended to read:

"48-11-5. LIEN ESTABLISHED.--When an owner has a lien, it is on all personal property located at the self-service storage facility for rent, <u>late fees for any rental payments in</u>

default, labor or other charges in relation to the personal property and for expenses necessary for its preservation or expenses reasonably incurred in its sale or other disposition pursuant to the provisions of the Self-Service Storage Lien

Act. The lien attaches as of the date the occupant goes into default and continues as long as the owner retains possession

of the personal property and until the default is corrected or a sale is conducted or the property is otherwise disposed of to satisfy the lien."

SECTION 3. Section 48-11-7 NMSA 1978 (being Laws 1987, Chapter 314, Section 7, as amended) is amended to read:

"48-11-7. ENFORCEMENT OF LIEN.--

A. An owner's lien, as provided under the Self-Service Storage Lien Act, for a claim that has become due may be satisfied as follows:

- (1) after the occupant has been in default continuously for a period of five days, the owner may deny the occupant access to the occupant's space for storage;
- (2) after the occupant has been in default continuously for a period of thirty days, the owner may enter the space and may remove the personal property within it to a safe place; provided that the owner has sent a notice of intent to enforce a lien, pursuant to Subsection B of this section, to the occupant [at the occupant's] and the alternative contact, if any, at the last known address of the occupant and alternative contact within five days of entering the space. The owner shall also give notice to all lienholders listed in the disclosure provision in the rental agreement; and
- (3) no action to sell [any] property as provided in the Self-Service Storage Lien Act shall be taken by an owner until the occupant has been in default continuously

for a period of [ninety] Sf13→forty-five←Sf13 Sf13→sixty←Sf13 days.

- B. The notice of intent to enforce a lien shall include:
- (1) an itemized statement of the owner's claim showing the sum due at the time of the notice and the date when the sum became due;
- (2) a brief and general statement of the personal property subject to the lien; [That description shall be] provided that the description is reasonably adequate to permit the person notified to identify the property, except that any container, including a trunk, valise or box that is locked, fastened, sealed or tied in a manner that deters immediate access to its contents, may be so described without describing its contents;
- (3) a notification of denial of access to the personal property that [notification shall provide] includes the name, street address and telephone number of the owner or the owner's designated agent whom the occupant may contact to respond to that notification;
- (4) a demand for payment within a specified time, not less than fifteen days after the delivery of the notice; and
- (5) a conspicuous statement that unless the claim is paid within the time stated in the notice, the
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personal property will be advertised for sale or other disposition and will be sold or otherwise disposed of to satisfy the owner's lien.

- C. All notices made pursuant to this section shall be by verified mail or electronic mail pursuant to the occupant's option at the time of entering into the current rental agreement.
- D. An owner shall provide written notice by verified mail to the [occupant's] last known address of the occupant or alternative contact or by electronic mail to the [occupant's] last known electronic address of the occupant or alternative contact. If an owner sends a notice by electronic mail and does not receive a response, return receipt or delivery confirmation from the electronic address to which the notice was sent within three business days after the day on which the notice was sent, the owner shall deliver a one-time notice by verified mail to the [occupant's] last known address of the occupant or alternative contact.
- E. After the expiration of the time given in the notice of intent to enforce a lien, the owner shall publish an advertisement of the sale or other disposition of the property once a week for two consecutive weeks in a newspaper of general circulation in the county where the self-service storage facility is located. The advertisement shall include:
 - (1) a brief and general description of the

personal property reasonably adequate to permit its identification as provided in Paragraph (2) of Subsection B of this section, the address of the self-service storage facility where the personal property is located and the name and last known address of the occupant; and

the time, place and manner of the sale or (2) other disposition; provided that the sale or disposition shall take place [not sooner than] at least fifteen days after the first publication.

If there is no newspaper of general circulation in the county where the self-service storage facility is located, the owner shall post the advertisement at least ten days prior to the sale or other disposition in at least six conspicuous places in the neighborhood where the self-service storage facility is located.

- $[\frac{Any}{A}]$ A sale or other disposition of the personal property shall conform to the terms of the notification as provided for in this section.
- [Any] A sale or other disposition of the personal property shall be held at the self-service storage facility or at the nearest suitable place within the county to where the personal property is held or stored or may be conducted on a publicly accessible online website.
- Before [any] <u>a</u> sale or other disposition of personal property pursuant to this section is made, the

occupant may pay the amount necessary to satisfy the lien and the reasonable expenses incurred under this section and thereby redeem the property. Upon receipt of the payment, the owner shall return the personal property and thereafter the owner shall have no liability to any person with regard to that personal property.

- I. A good faith purchaser takes the property free of any rights of an unsecured lienholder and free of any rights of a secured lienholder who has received notice by owner as provided in this section.
- In the event of a sale under this section, the J. owner may satisfy the owner's lien from the proceeds of the sale, subject to the rights of any prior lienholder who has not received notice. The lien rights of such prior lienholder are automatically transferred to the proceeds of the sale. If the sale was made in good faith and conducted in a reasonable manner, the owner shall not be subject to any surcharge for a deficiency in the amount of a prior secured lien, but shall hold the balance, if any, for delivery to the occupant, lienholder or other person in interest. If the occupant, lienholder or other person in interest does not claim the balance of the proceeds within two years of the date of sale, it shall become the property of the owner without further recourse by the occupant, lienholder or other person in interest.

- K. Nothing in this section affects the rights and liabilities of the owner, occupant or any other person if there is a willful violation of any of the provisions of the Self-Service Storage Lien Act. If the property subject to a lien described in this section is a vehicle, watercraft or trailer, the occupant is in default for a continuous sixty-day period and the owner chose not to sell the vehicle, the owner may have the vehicle towed from the self-storage facility by an independent towing carrier that is licensed by the department of transportation pursuant to the Motor Carrier Act. Within one day after the day on which a vehicle is towed, the owner shall send verified notice to the occupant's last known address or electronic address that states:
 - (1) the date the vehicle was towed; and
- (2) the address and telephone number of the person that towed the vehicle.
- L. An owner may charge and collect a late fee of no more than twenty dollars (\$20.00) for each month that the occupant's rental payment is in default."
- SECTION 4. Section 48-11-8 NMSA 1978 (being Laws 1987, Chapter 314, Section 8) is amended to read:
- "48-11-8. NOTICE--POSTING.--Each owner shall post in a prominent place in [his] the owner's office at all times a notice [which] that reads as follows:
 - "All articles stored under a rental agreement [which] that
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underscored material = new [bracketed material] = delete Amendments: new = →bold, blue, highlight←

have incurred unpaid charges for thirty days will be sold or otherwise disposed of to pay charges at the end of [ninety] forty-five days."."

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