

Assembly Bill No. 182–Assemblyman Carrillo

CHAPTER.....

AN ACT relating to liens; authorizing owners of storage facilities to impose a reasonable late fee if rent for a storage space is not paid when due; authorizing the owner of a storage facility to deny an occupant access to his or her storage space if rent owed by the occupant remains unpaid for 10 days or more; revising various provisions governing liens of owners of storage facilities; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides that if rent for a storage space at a storage facility is due and unpaid, the owner of the storage facility has a lien on all personal property located in the storage space for the rent, labor or other charges incurred by the owner pursuant to a rental agreement and for those expenses reasonably incurred by the owner to preserve, sell or otherwise dispose of the personal property. (NRS 108.4753) Under existing law, the owner of the storage facility may sell this personal property to satisfy the lien. (NRS 108.4763, 108.477) **Section 3** of this bill authorizes the owner of a storage facility to impose a reasonable late fee for rent which is not paid when due if the rental agreement sets forth the amount of the late fee. Under **section 3**, a late fee is deemed to be reasonable if it is \$20 or 20 percent of the monthly rental amount, for each month of a late rental payment, whichever is greater. **Section 6** of this bill provides that if a late fee is imposed on an occupant of a storage space, the late fee is included in the owner’s lien.

Existing law prohibits a person from using a storage space at a storage facility as a residence and requires the owner of a storage facility to evict a person who is residing in a storage space. (NRS 108.475) Under existing law, a sheriff or constable of the county must remove the person from the storage space within 24 hours after receipt of an eviction order issued by a justice of the peace. (NRS 40.670) **Sections 5 and 9** of this bill repeal the requirement that the owner evict a person who is residing in a storage space at a storage facility.

Existing law provides that if any charges for rent or other items owed by the occupant of a storage space at a storage facility remain unpaid for 14 days or more, the owner of the storage facility may terminate the occupant’s right to use the storage space for which charges are owed after providing certain notice to the occupant. (NRS 108.476) Existing law further provides that if the occupant fails to pay the total amount due by the date specified in a notice of lien from the owner of a storage facility, the owner may deny the occupant access to the storage space. (NRS 108.4763) **Sections 7 and 8** of this bill remove the provisions of existing law authorizing the owner of a storage facility to deny access to a storage space and, instead, authorize the owner to deny access to a storage space for which an occupant owes any charge for rent or other items if the charge remains unpaid for 10 days or more.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 108 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *“Last known address” means the postal and electronic mail address, if any, provided by an occupant in the most recent rental agreement between the owner and the occupant, or the postal and electronic mail address, if any, provided by the occupant in a written notice sent to the owner with a change of the occupant’s address after the execution of the rental agreement.*

Sec. 3. *1. An owner may impose a reasonable late fee for each month that an occupant does not pay rent for a storage space when due if the amount of late fee is stated in the rental agreement or an addendum to such an agreement.*

2. A late fee of \$20 or 20 percent of the monthly rental amount, whichever is greater, for each month of a late rental payment shall be deemed to be a reasonable late fee and shall not constitute a penalty.

3. A late fee imposed pursuant to this section is not interest on a debt or a cost incurred by an owner in enforcing the owner’s lien pursuant to NRS 108.4763 or enforcing any other remedy provided by any statute or contract.

4. As used in this section, “late fee” means a fee or charge assessed by an owner for an occupant’s failure to pay rent for a storage space when due.

Sec. 4. NRS 108.473 is hereby amended to read as follows:

108.473 As used in NRS 108.473 to 108.4783, inclusive, *and sections 2 and 3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 108.4731 to 108.4748, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 108.475 is hereby amended to read as follows:

108.475 *1. ~~It is unlawful to use a storage space at a facility for a residence. The owner of such a facility shall evict any person who uses a storage space at the facility as a residence in the manner provided for in NRS 40.760.~~ It is unlawful to use a storage space at a facility for a residence. The owner of such a facility shall evict any person who uses a storage space at the facility as a residence in the manner provided for in NRS 40.760.*

2. A facility shall not be deemed to be a warehouse or a public utility.



3. If an owner of a facility issues a warehouse receipt, bill of lading or other document of title for the personal property stored in a storage space at the facility, the owner and *the* occupant are subject to the provisions of NRS 104.7101 to 104.7603, inclusive, and the provisions of NRS 108.473 to 108.4783, inclusive, *and sections 2 and 3 of this act* do not apply.

Sec. 6. NRS 108.4753 is hereby amended to read as follows:

108.4753 1. The owner of a facility and the owner's heirs, assignees or successors have a possessory lien, from the date the rent for a storage space at the facility is due and unpaid, on all personal property, including protected property, located in the storage space for the rent, *late fees imposed pursuant to section 3 of this act*, labor or other charges incurred by the owner pursuant to a rental agreement and for those expenses reasonably incurred by the owner to preserve, sell or otherwise dispose of the personal property.

2. Any lien created by a document of title for a motor vehicle or boat has priority over a lien attaching to that motor vehicle or boat pursuant to NRS 108.473 to 108.4783, inclusive.

Sec. 7. NRS 108.476 is hereby amended to read as follows:

108.476 1. *If any charges for rent or other items owed by the occupant remain unpaid for 10 days or more, the owner may deny the occupant access to the storage space at the facility for which charges are owed.*

2. If any charges for rent or other items owed by the occupant remain unpaid for 14 days or more, the owner may terminate the occupant's right to use the storage space at the facility, for which charges are owed, not less than 14 days after sending a notice by verified mail ~~hand~~ or, if available, *by* electronic mail to the occupant at his or her last known address and to the alternative address provided by the occupant in the rental agreement. The notice must contain:

(a) An itemized statement of the amount owed by the occupant at the time of the notice and the date when the amount became due;

(b) The name, address and telephone number of the owner or the owner's agent;

(c) A statement that the occupant's right to use the storage space will terminate on a specific date unless the occupant pays the amount owed to the owner; and

(d) A statement that upon the termination of the occupant's right to occupy the storage space and after the date specified in the notice, an owner's lien pursuant to NRS 108.4753, will be imposed.



~~{2. For the purposes of this section, “last known address” means the postal and electronic mail address, if any, provided by the occupant in the most recent rental agreement between the owner and occupant, or the postal and electronic mail address, if any, provided by the occupant in a written notice sent to the owner with a change of the occupant’s address after the execution of the rental agreement.}~~

Sec. 8. NRS 108.4763 is hereby amended to read as follows:

108.4763 1. After the notice of the lien is mailed by the owner, if the occupant fails to pay the total amount due by the date specified in the notice, the owner may:

(a) ~~{Deny the occupant access to the storage space.~~

~~{(b)}~~ Enter the storage space and remove the personal property within it to a safe place.

~~{(c)}~~ (b) Dispose of, but may not sell, any protected property contained in the storage space in accordance with the provisions of subsection 5 if the owner has actual knowledge of such protected property. If the owner disposes of the protected property in accordance with the provisions of subsection 5, the owner is not liable to the occupant or any other person who claims an interest in the protected property.

~~{(d)}~~ (c) If the personal property upon which the lien is claimed is a motor vehicle, boat or personal watercraft, and rent and other charges related to such property remain unpaid or unsatisfied for 60 days, have the property towed by any tow car operator subject to the jurisdiction of the Nevada Transportation Authority. If a motor vehicle, boat or personal watercraft is towed pursuant to this paragraph, the owner is not liable for any damages to such property once the tow car operator takes possession of the motor vehicle, boat or personal watercraft.

2. The owner shall send to the occupant a notice of a sale to satisfy the lien by verified *mail or, if available, by electronic* mail at the last known address of the occupant and at the alternative address provided by the occupant in the rental agreement at least 14 days before the sale. ~~{The}~~ *If the notice is sent by electronic mail and no confirmation of receipt is received, the* owner shall also send such notice to the occupant by ~~{electronic}~~ *verified* mail at the last known ~~{electronic mail}~~ address of the occupant . ~~{, if any.}~~ The notice must contain:

(a) A statement that the occupant may no longer use the storage space and no longer has access to the occupant’s personal property stored therein;



(b) A statement that the personal property of the occupant is subject to a lien and the amount of the lien;

(c) A statement that the personal property will be sold or disposed of to satisfy the lien on a date specified in the notice, unless the total amount of the lien is paid or the occupant executes and returns by verified mail, the declaration in opposition to the sale; and

(d) A statement of the provisions of subsection 3.

3. Proceeds of the sale over the amount of the lien and the costs of the sale must be retained by the owner and may be reclaimed by the occupant or the occupant's authorized representative at any time up to 1 year from the date of the sale.

4. The notice of the sale must also contain a blank copy of a declaration in opposition to the sale to be executed by the occupant if the occupant wishes to do so.

5. The owner may dispose of protected property contained in the storage space by taking the following actions, in the following order of priority, until the protected property is disposed of:

(a) Contacting the occupant and returning the protected property to the occupant.

(b) Contacting the secondary contact listed by the occupant in the rental agreement and returning the protected property to the secondary contact.

(c) Contacting any appropriate state or federal authorities, including, without limitation, any appropriate governmental agency, board or commission listed by the occupant in the rental agreement pursuant to NRS 108.4755, ascertaining whether such authorities will accept the protected property and, if such authorities will accept the protected property, ensuring that the protected property is delivered to such authorities.

(d) Destroying the protected property in an appropriate manner which is authorized by law and which ensures that any confidential information contained in the protected property is completely obliterated and may not be examined or accessed by the public.

Sec. 9. NRS 40.760 is hereby repealed.

