

## Maryland Lien Law

### Commercial Law

#### Section 18-501

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§18-501.

(a) In this subtitle the following words have the meanings indicated.

(b) “Default” means the failure to perform on time any obligation or duty set forth in the rental agreement.

(c) “Last known address” means that address or electronic mail address provided by the occupant in the rental agreement or the address or electronic mail address provided by the occupant in a subsequent written notice of a change of address.

(d) “Leased space” means the individual storage space at the self-service facility which is rented to an occupant pursuant to a rental agreement.

(e) “Occupant” means a person, a sublessee, successor, or assign, entitled to the use of a leased space at a self-service storage facility under a rental agreement.

(f) (1) “Operator” means the owner, operator, lessor, or sublessor of a self-service storage facility, an agent, or any other person authorized to manage the facility.

(2) “Operator” does not include a warehouseman, unless the operator issues a warehouse receipt, bill of lading, or other document of title for the personal property stored.

(g) (1) “Personal property” means movable property, not affixed to land.

(2) “Personal property” includes goods, wares, merchandise, motor vehicles, watercraft, and household items and furnishings.

(h) “Rental agreement” means any written agreement that establishes or modifies the terms, conditions, or rules concerning the use and occupancy of a self-service storage facility.

(i) “Self-service storage facility” means any real property used for renting or leasing individual storage spaces in which the occupants themselves customarily store and remove their own personal property on a “self-service” basis.

(j) “Verified mail” means any method of mailing that is offered by the United States Postal Service or private delivery service that provides evidence of mailing.

§18-502.

(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.  
§18–503.

(a) The 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, as provided in this subtitle.

(b) The rental agreement shall contain a statement, in bold type, advising the occupant:

(1) Of the existence of the lien;

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

(3) That personal property stored in the leased space may be towed or removed from the self–service storage facility if:

- (i) The personal property is a motor vehicle or watercraft; and
- (ii) The occupant is in default for more than 60 days; and

(4) That a sale of personal property stored in the leased space to satisfy the lien if the occupant is in default may be advertised:

- (i) In a newspaper of general circulation in the jurisdiction where the sale is to be held;
- (ii) By electronic mail; or
- (iii) On an online Web site.

§18–504.

(a) (1) If the occupant is in default for a period of more than 60 days, the operator may enforce the lien by selling the personal property stored in the leased space at a public sale, for cash.

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

(b) (1) Before conducting a sale under subsection (a) of this section, the operator shall, subject to paragraph (2) of this subsection, notify the occupant of the default by hand delivery, verified mail, or electronic mail at the occupant’s last known address.

(2) (i) The operator may not notify the occupant of the default by electronic mail unless:

1. The rental agreement, or a written change to the rental agreement, specifies, in bold type, that notice may be given by electronic mail; and

2. The occupant provides the occupant’s initials next to the statement in the rental agreement specifying that notice of default may be given by electronic mail.

(ii) If the operator notifies the occupant of the default by electronic mail at the occupant's last known address and does not receive a response or a confirmation of delivery sent from the occupant's electronic mail address, the operator shall send a second notice of default to the occupant by verified mail to the occupant's last known postal address.

(3) 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 which shall become due before the date of sale, and the date those additional charges shall become due;

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

(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; and

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

(4) (i) Subject to subparagraph (ii) of this paragraph, at least 3 days before conducting a sale under this section, the operator shall advertise the time, place, and terms of the sale:

1. In a newspaper of general circulation in the jurisdiction where the sale is to be held;
2. By electronic mail; or
3. On an online Web site.

(ii) The operator may not advertise the sale in the manner provided under subparagraph (i)2 or 3 of this paragraph unless the occupant provides the occupant's initials next to the statement in the rental agreement required under § 18-503(b)(4) of this subtitle.

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

(d) (1) A sale under this section shall be held at the self-service storage facility where the personal property is stored.

(2) A sale under this section shall be deemed to be held at the self-service storage facility where the personal property is stored if the sale is held on an online auction Web site.

(e) (1) If a sale is held under this section, the operator shall:

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

(ii) Mail the balance, if any, by certified mail to the occupant or any other recorded lienholder at the last known address of the occupant or lienholder.

(2) (i) If the balance is returned to the operator after the operator mailed the balance in the manner required under paragraph (1)(ii) of this subsection, the operator shall hold the balance for 1 year after the date of sale for delivery on demand to the occupant or any other recorded lienholder.

(ii) After expiration of the 1 year period, the balance is presumed abandoned under § 17–307.1 of this article.

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

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

(2) Other lienholders.

(g) If the operator complies with the provisions of this subtitle, 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 that other lien.

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

(i) (1) (i) Notices sent to the operator shall be sent to the self-service storage facility where the occupant's personal property is stored by hand delivery or verified mail.

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

(2) Notices shall be deemed delivered when:

(i) Deposited with the United States Postal Service or a private delivery service, properly addressed as provided in subsection (b) of this section, with postage prepaid; or

(ii) Sent by electronic mail to the occupant's last known address.

(j) (1) If the occupant is in default for more than 60 days and the personal property stored in the leased space is a motor vehicle or watercraft, the operator may have the personal property towed or removed from the self-service storage facility in lieu of a sale authorized under subsection (a) of this section.

(2) The operator shall be immune from civil liability for any damage to the personal property towed or removed from the self-service storage facility under paragraph (1)

of this subsection that occurs after the person that undertakes the towing or removal of the personal property takes possession of the personal property.

(k) If a rental agreement specifies a limit on the value of personal property that may be stored in the occupant's leased space, the limit shall be deemed to be the maximum value of the stored personal property.

(l) (1) The operator may charge the occupant a reasonable late fee for each month the occupant does not pay rent when due.

(2) A fee under this subsection may not be more than the greater of:

(i) \$20 a month; or

(ii) 20% of the monthly rent for the leased space.

(3) The operator may not charge a fee under this subsection unless the operator discloses in the rental agreement:

(i) The amount of the fee; and

(ii) The timing for charging the fee.

(4) A fee under this subsection may be charged in addition to any other remedy provided by law or contract.

§18–505.

Unless the rental agreement specifically provides otherwise and until a lien sale under this subtitle, the exclusive care, custody, and control of all personal property stored in the leased self-service storage space remains vested in the occupant.

§18–506.

All rental agreements, entered into before July 1, 1983, which have not been extended or renewed after that date, shall remain valid and may be enforced or terminated in accordance with their terms or as permitted by any other statute or law of this State.

Maryland Lien Law

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