~~Indicates Matter Stricken~~

Indicates New Matter

POLLED OUT OF COMMITTEE

MAJORITY FAVORABLE WITH AMENDMENT

March 5, 2020

**S. 1041**

Introduced by Senator Climer

S. Printed 3/5/20--S.

Read the first time January 23, 2020.

**THE COMMITTEE ON LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (S. 1041) to amend Section 39‑20‑20, Code of Laws of South Carolina, 1976, relating to self‑service storage facility definitions, so as to add the definition, etc., respectfully

**REPORT:**

Has polled the Bill out with amendment, to wit:

Amend the bill, as and if amended, page 1, by striking all after the enacting words and inserting:

/SECTION 1. Section 39‑20‑20 of the 1976 Code is amended by adding appropriately lettered new items to read:

“( ) ‘Independent bidder’ means a bidder who is not related to and who has no controlling interest in, or common pecuniary interest with, the owner or any other bidder.

( ) ‘Late fee’ means any fee or charge assessed for an occupant’s failure to pay rent or other fees, charges, or costs when due. ‘Late fee’ does not include interest on a debt, expenses incurred in the collection of unpaid rent, expenses necessary for the preservation of personal property or expenses reasonably incurred in its sale or another disposition under this chapter, or costs associated with the enforcement of any other remedy provided by law or contract.”

SECTION 2. Section 39‑20‑30 of the 1976 Code is amended by adding appropriately lettered new subsections at the end to read:

“( ) An owner may impose a reasonable late fee if an occupant does not pay all rent, charges, fees, or expenses when due.

( ) An owner may not impose a late fee unless the amount of that fee and the conditions for imposing that fee are stated in the rental agreement.

( ) A late fee of twenty dollars or ten percent of the amount of each rental payment, whichever is greater, is considered reasonable and does not constitute a penalty. Any late fee imposed by an owner pursuant to this section must be in addition to any other remedy provided by law or contract.”

SECTION 3. Section 39‑20‑45(E) and (I) of the 1976 Code is amended to read:

“(E) After the expiration of the fifty‑day default period, the owner shall publish an advertisement of the public sale to the highest bidder once a week for two consecutive weeks in the print version and the digital version, if available, of a newspaper of general circulation where the self‑service storage facility is located and in any other commercially reasonable manner. The manner of advertisement is considered commercially reasonable if at least three independent bidders attend or view the sale in person or online at the time and place advertised.

(I) If no one purchases the property at the public sale and if the owner has complied with the foregoing procedures, the owner may otherwise dispose of the property and shall notify the occupant of the action taken. Any sale or disposition of the personal property must be held at the self‑service storage facility, ~~or~~ at the nearest suitable place to where the personal property is held or stored, or online.”

SECTION 4. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 23, 2020**

**State Expenditure**

This bill allows owners of self-storage facilities to impose a late fee and provides for certain online notifications relating to the enforcement of liens. As it does not create any new or additional responsibilities for any state agencies, this bill will have no impact on the general fund, federal funds, or other funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 39‑20‑20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SELF‑SERVICE STORAGE FACILITY DEFINITIONS, SO AS TO ADD THE DEFINITION OF “LATE FEE”; TO AMEND SECTION 39‑20‑30, RELATING TO LIENS AND DENIAL OF ACCESS TO PERSONAL PROPERTY, SO AS TO PROVIDE THAT AN OWNER MAY IMPOSE CERTAIN LATE FEES; TO AMEND SECTION 39‑20‑45, RELATING TO THE ENFORCEMENT OF LIENS, SO AS TO PROVIDE FOR CERTAIN ONLINE NOTIFICATIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 39‑20‑20 of the 1976 Code is amended by adding an appropriately lettered item at the end to read:

“( ) ‘Late fee’ means any fee or charge assessed for an occupant’s failure to pay rent or other fees, charges, or costs when due. ‘Late fee’ does not include interest on a debt, expenses incurred in the collection of unpaid rent, expenses necessary for preservation of personal property or expenses reasonably incurred in its sale or other disposition under this chapter, or costs associated with the enforcement of any other remedy provided by law or contract.”

SECTION 2. Section 39‑20‑30 of the 1976 Code is amended by adding appropriately lettered subsections at the end to read:

“( ) An owner may impose a reasonable late fee if an occupant does not pay all rent, charges, fees, or expenses when due.

( ) An owner may not impose a late fee unless the amount of that fee and the conditions for imposing that fee are stated in the rental agreement.

( ) A late fee of twenty dollars or twenty percent of the amount of each rental payment, whichever is greater, is considered reasonable and does not constitute a penalty. Any late fee imposed by the owner pursuant to this section must be in addition to any other remedy provided by law or contract.”

SECTION 3. Section 39‑20‑45(E) and (I) of the 1976 Code are amended to read:

“(E) After the expiration of the fifty‑day default period, the owner shall publish an advertisement of the public sale to the highest bidder once a week for two consecutive weeks in the print or digital version of a newspaper of general circulation where the self‑service storage facility is located or in any other commercially reasonable manner. The manner of advertisement is considered commercially reasonable if at least three independent bidders attend or view the sale in person or online at the time and place advertised.

(I) If no one purchases the property at the public sale and if the owner has complied with the foregoing procedures, the owner may otherwise dispose of the property and shall notify the occupant of the action taken. Any sale or disposition of the personal property must be held at the self‑service storage facility, ~~or~~ at the nearest suitable place to where the personal property is held or stored, or online.”

SECTION 4. This act takes effect upon approval by the Governor.

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