

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 885

Short Title: Self-Serve Storage/Late Payments.

(Public)

Sponsors: Representatives Luebke; Alexander, Cole, Dockham, Easterling, Gardner, Mitchell, Mosley, Nesbitt, and Womble.

Referred to: Ways and Means.

April 1, 1999

A BILL TO BE ENTITLED

1 AN ACT TO PROTECT CONSUMERS BY REQUIRING CONTRACTS FOR THE
2 RENTAL OF SELF-SERVICE STORAGE TO CLEARLY STATE CERTAIN
3 TERMS REGARDING THE IMPOSITION OF LATE FEES, TO LIMIT THE RATE
4 OF LATE FEES, AND TO PROHIBIT INTERFERENCE WITH ACCESS TO THE
5 RENTED STORAGE UNIT DURING THE GRACE PERIOD.
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7 The General Assembly of North Carolina enacts:

8 Section 1. Chapter 66 of the General Statutes is amended by adding a new
9 Article to read:

10 **"ARTICLE 35.**

11 **"SELF-SERVICE STORAGE RENTAL AGREEMENTS.**

12 **"§ 66-280. Definitions.**

13 The definitions set forth in Article 4 of Chapter 44A of the General Statutes apply to
14 this Article.

15 **"§ 66-281. Contract requirements.**

16 The rental agreement for the storage of personal property in a self-service storage
17 facility shall state, in bold type of a minimum size of 10 points and conspicuously placed,
18 the terms regarding the imposition of late fees, the terms regarding any consequences of a
19 late payment, and the terms, if any, that pertain to the payment of court costs, attorneys'

1 fees, and any other costs associated with the payment of late fees or with judgment
2 against the consumer for late rental payments or late fees.

3 **"§ 66-282. Late fees; interference with access to storage prohibited.**

4 (a) In all rental agreements in which a definite time for the payment of the rent is
5 fixed, the late fee shall not exceed fifteen dollars (\$15.00) or fifteen percent (15%) of the
6 rental payment, whichever is less, and shall not be imposed by the self-service storage
7 business until the rental payment is 10 days or more late.

8 (b) A late fee under this section may be imposed only one time for each late rental
9 payment. A late fee for a specific late rental payment shall not be deducted from a
10 subsequent rental payment so as to cause the subsequent rental payment to be in default.

11 (c) The self-service storage business shall not engage in any activity that interferes
12 with the consumer's access to the rented self-service storage at least until the rental
13 payment is 10 days or more late.

14 **"§ 66-283. Violations.**

15 (a) If a self-service storage business fails to comply with the requirements of this
16 Article or fails to comply with the terms of the contract or any obligation arising from
17 this Article, then, upon written notice to the self-service storage business, the consumer
18 may void the contract.

19 (b) Any waiver by a consumer of any of the provisions of this Article shall be
20 deemed void and unenforceable by a self-service storage business.

21 (c) Upon complaint of any person that a self-service storage business has violated
22 the provisions of this Article, the superior court has jurisdiction to enjoin that defendant
23 from further violations.

24 (d) The violation of any provision of this Article shall constitute an unfair trade
25 practice under G.S. 75-1.1.

26 (e) The remedies provided in this section are in addition to any other remedies
27 provided for by law or in equity."

28 Section 2. This act becomes effective October 1, 1999, and applies to rental
29 agreements for self-service storage entered into on or after that date.