Dear GASSA Members and operators:

As was discussed at the meeting yesterday, effective July 1, 2019, the Georgia Self-service facility Act was changed to provide for the clear right of self storage operators to charge monthly late fees to their customers.

Although the statute does not state WHEN the late fee is to be charged, the recommendation is that it should be charged at the same time the tenant is deemed to be in Default under its lease which is after the seventh calendar day of the month due (after 7 days late)

**Under the new law the late fee can be no more than $20.00 per month or 20% of the monthly rent, whichever is greater.**

Along with the change in the statute is a slight change to the terms of the rental agreement itself. The Change in lease language is as follows (new language is in red)

**OWNER HAS A STATUTORY LIEN, THAT IS A CLAIM OR SECURITY INTEREST ON ALL PERSONAL PROPERTY STORED IN OCCUPANT'S SPACE FOR RENT, FEES FOR THE LATE PAYMENT OF RENT, LABOR, OR OTHER CHARGES, PRESENT OR FUTURE, IN RELATION TO THE PERSONAL PROPERTY AND FOR ITS PRESERVATION OR EXPENSES REASONABLY INCURRED IN ITS SALE OR OTHER DISPOSITION PURSUANT TO THIS AGREEMENT. PERSONAL PROPERTY STORED IN OCCUPANT'S SPACE WILL BE SOLD OR OTHERWISE DISPOSED OF IF NO PAYMENT HAS BEEN RECEIVED FOR A CONTINUOUS THIRTY-DAY PERIOD AFTER DEFAULT. IN ADDITION, UPON OCCUPANT'S DEFAULT, OWNER MAY, WITHOUT NOTICE, DENY OCCUPANT ACCESS TO THE PERSONAL PROPERTY STORED IN OCCUPANT'S SPACE UNTIL SUCH TIME AS PAYMENT IS RECEIVED. IF ANY MONTHLY INSTALLMENT IS NOT MADE BY THE SEVENTH CALENDAR DAY AFTER THE RENT DUE DATE, OR IF ANY CHECK GIVEN IN PAYMENT IS DISHONORED BY THE FINANCIAL INSTITUTION ON WHICH IT IS DRAWN, THE OCCUPANT IS IN DEFAULT FROM DATE PAYMENT WAS DUE.**

It was discussed at the meeting whether notices should be sent to your tenants regarding the change. I wanted to make clear that if you are charging more then $20/20% or less than $20/20% - then yes, you must send your tenant notice of the change.

**If the $20/20% late fee is LESS than you are charging now, you must reduce your current late fee immediately to match the statutory rate of $20/20%.**

**If the $20/20% late fee is MORE than what you are charging now, you cannot charge the higher rate until after 30 days after the notice is provided to your customers.**

If you are already charging $20/20% no notice is required to be sent.

When asked if you need to send your tenants notice of the change in terms to the lease (the seven new words) you certainly can notify your current tenants of this new language, but you don’t need to. But you cannot charge more than $20/20% after July 1, 2019.