

FINAL BILL REPORT

SHB 2661

C 61 L 08

Synopsis as Enacted

Brief Description: Allowing for reasonable self-storage facility late fees.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Green and Morrell).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

The Washington Self-Service Storage Facility Act (Act) governs the leasing and renting of individual storage units in self-service storage facilities. The Act requires that all rental and lease agreements be in writing. Owners must also comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property.

The Act applies to rental agreements entered into, extended, or renewed after June 9, 1988. All rental agreements entered into before June 9, 1988, and not extended or renewed after that date, remain valid.

Summary:

The owner of a self-service storage facility may charge a reasonable late fee if it is written in the rental agreement. A late fee of \$20 or 20 percent of the monthly rental amount, whichever is greater, is deemed reasonable and is not a penalty.

A late fee is defined as a fee or charge assessed by an owner of a self-service storage facility as an estimate of any loss incurred by an owner for an occupant's failure to pay rent when due. A late fee is not a penalty nor an interest on debt. Additionally, a late fee is not a reasonable expense which the owner may incur in the course of collecting unpaid rent, in enforcing the owner's lien rights, or enforcing any other remedy provided by law or contract.

The Act applies to rental agreements entered into, automatically extended, or automatically renewed after June 9, 1988. All rental agreements entered into before June 9, 1988, and not automatically extended or automatically renewed after that date, remain valid.

Votes on Final Passage:

House	95	1
Senate	49	0

Effective: June 12, 2008