

SENATE BILL REPORT

SB 5009

As Reported by Senate Committee On:
Commerce & Labor, January 26, 2015

Title: An act relating to self-service storage facilities.

Brief Description: Concerning self-service storage facilities.

Sponsors: Senators Hobbs, Braun and Conway.

Brief History:

Committee Activity: Commerce & Labor: 1/21/15, 1/26/15 [DPS].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5009 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Susan Jones (786-7404)

Background: Owners of self-service storage facilities have certain statutory rights when an occupant fails to pay any part of the rent or other charges due. If the occupant is six days late, the owner may deny access to the storage space. If the occupant is 14 days late, the owner may terminate the occupant's right to use the storage space and place a lien on all personal property in the space by sending a preliminary lien notice by postage prepaid first class mail to the occupant's last known address and to the alternative address as listed in the rental agreement. The lien can be enforced to cover rent, labor, late fees, costs of the sale incurred pursuant to the rental agreement, and expenses necessary for the preservation, sale, or disposition of personal property.

A lien attaches if the preliminary lien notice has been sent and the termination date as set forth in the preliminary lien notice passes without payment of amounts owed. Following attachment of the lien, the owner must serve the occupant, by personal service or by certified mail, a notice of final lien sale or disposition. The owner may sell the occupant's personal property if payment of amounts owed is not made by the date specified in the notice of final lien sale, which must be not less than 14 days from mailing the notice or 42 days after the date any part of the rent or other charges remain unpaid, whichever is later.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): Delivery of Notices. The owner may send the preliminary lien notice to an occupant by email. An owner may send notice of final lien sale or disposition by verified mail or by email. If the owner does not receive an email reply or receipt of delivery, the owner must send a second notice to the occupant's last known postal address by verified mail. Verified mail is any method of mailing that is offered by the U.S. Postal Service that provides evidence of mailing.

Requirements for Email Notice. Notice may be emailed only under the following conditions:

- the occupant expressly agrees to email notice;
- the rental agreement specifies in bold type that notices are given by email;
- the owner provides an email address from which notices are sent and directs the occupant to modify their email settings to allow email from that particular address; and
- the owner notifies the occupant of any change in the email address prior to the email address change.

Vehicle Towing Allowed. The notice of final lien sale or disposition must include a statement that any stored motor vehicles or boats may be towed or removed from the facility in lieu of sale. If the property stored by an occupant is a motor vehicle or boat and the occupant is in default for 60 or more days, the owner may have the vehicle or boat towed or removed from the facility in lieu of a sale. The owner must provide advance notice to the occupant of the towing company's contact information. The owner is not liable for any damage to the towed property once in possession of a third party.

Limit on Value. If a rental agreement contains a condition on the use of space that specifies a limit on the value of the personal property, the limit is the maximum value of the stored personal property for the limited purpose of the storage facility owner's liability.

EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE (Recommended Substitute): Changes the provision regarding limits on the value of personal property in a rental agreement to provide that if the rental agreement contains a condition on the use of space that specifies a limit on the value of the personal property, that limit is the maximum value of the stored personal property for the limited purpose of the storage facility owner's liability.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: The owners now have to send three notices by certified mail. Instead the bill allows sending notices by email. The mom and pop facilities don't deal with car titles so the bill lets a towing company handle that. Every aspect is positive for the industry. This bill passed out of committee last year. There is one amendment requested that makes it clear that the limit in a contract on the value is only

for purposes of owner's liability, which helps protect tenants from their insurance companies limiting the value for other purposes.

Persons Testifying: PRO: Donald Arsenault, Terry Kohl, Lynn Prather, WA Self Storage Assn.