S-1784.2

SUBSTITUTE SENATE BILL 5554

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators McAuliffe, Clements and Kohl-Welles) READ FIRST TIME 02/22/07.

- 1 AN ACT Relating to self-service storage facilities; and amending
- 2 RCW 19.150.010, 19.150.040, 19.150.060, 19.150.070, 19.150.080, and
- 3 19.150.100.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 19.150.010 and 1988 c 240 s 2 are each amended to read 6 as follows:
 - ((For the purposes of this chapter, the following terms shall have the following meanings:)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Self-service storage facility" means any real property designed and used for the purpose of renting or leasing individual storage space to occupants who are to have access to the space for the purpose of storing and removing personal property on a self-service basis, but does not include a garage or other storage area in a private residence. No occupant may use a self-service storage facility for residential purposes.
- 17 (2) "Owner" means the owner, operator, lessor, or sublessor of a 18 self-service storage facility, his or her agent, or any other person

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authorized by him or her to manage the facility, or to receive rent from an occupant under a rental agreement.

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- (3) "Occupant" means a person, or his or her sublessee, successor, or assign, who is entitled to the use of the storage space at a self-service storage facility under a rental agreement, to the exclusion of others.
- (4) "Rental agreement" means any written agreement or lease which establishes or modifies the terms, conditions, rules or any other provision concerning the use and occupancy of a self-service storage facility.
- (5) "Personal property" means movable property not affixed to land, and includes, but is not limited to, goods, merchandise, furniture, and household items.
- (6) "Last known address" means that address provided by the occupant in the latest rental agreement, or the address provided by the occupant in a subsequent written notice of a change of address.
- (7) "Reasonable manner" means to dispose of personal property by donation to a not-for-profit charitable organization, removal of the personal property from the self-service storage facility by a trash hauler or recycler, or any other method that in the discretion of the owner is reasonable under the circumstances.
- (8) "Commercially reasonable manner" means a public sale of the personal property in the self-storage space. The personal property may be sold in the owner's discretion on or off the self-service storage facility site as a single lot or in parcels. If five or more bidders are in attendance at a public sale of the personal property, the proceeds received are deemed to be commercially reasonable.
- 28 (9) "Costs of the sale" means reasonable costs directly incurred by
 29 the delivering or sending of notices, advertising, accessing,
 30 inventorying, auctioning, conducting a public sale, removing, and
 31 disposing of property stored in a self-service storage facility.
- 32 **Sec. 2.** RCW 19.150.040 and 1988 c 240 s 5 are each amended to read 33 as follows:

When any part of the rent or other charges due from an occupant remains unpaid for fourteen consecutive days, an owner may terminate the right of the occupant to the use of the storage space at a selfservice storage facility by sending a <u>preliminary lien</u> notice to the

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occupant's last known address, and to the alternative address specified in RCW 19.150.120(2), by first class mail, postage prepaid, containing all of the following:

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- (1) An itemized statement of the owner's claim showing the sums due at the time of the notice and the date when the sums become due.
- (2) A statement that the occupant's right to use the storage space will terminate on a specified date (not less than fourteen days after the mailing of the notice) unless all sums due and to become due by that date are paid by the occupant prior to the specified date.
- 10 (3) A notice that the occupant may be denied or continue to be 11 denied, as the case may be, access to the storage space after the 12 termination date if the sums are not paid, and that an owner's lien, as 13 provided for in RCW 19.150.020 may be imposed thereafter.
- 14 (4) The name, street address, and telephone number of the owner, or 15 his or her designated agent, whom the occupant may contact to respond 16 to the notice.
 - Sec. 3. RCW 19.150.060 and 1996 c 220 s 1 are each amended to read as follows:

If a notice has been sent, as required by RCW 19.150.040, and the total sum due has not been paid as of the date specified in the preliminary lien notice, the lien proposed by this notice attaches as of that date and the owner may deny an occupant access to the space, enter the space, inventory the goods therein, and remove any property found therein to a place of safe keeping. The owner shall then serve by personal service or send to the occupant, addressed to the occupant's last known address and to the alternative address specified in RCW 19.150.120(2) by certified mail, postage prepaid, a notice of final lien sale or final notice of ((disposal)) disposition which shall state all of the following:

- (1) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property.
- (2) That the stored property is subject to a lien, and the amount of the lien accrued and to accrue prior to the date required to be specified in subsection (3) of this section.
- (3) That <u>all</u> the property, other than personal papers and personal ((effects)) photographs, may be sold to satisfy the lien after a

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specified date which is not less than fourteen days from the date of 1 2 mailing the <u>final</u> lien sale notice, or a minimum of forty-two days after the date when any part of the rent or other charges due from the 3 occupants remain unpaid, whichever is later, unless the amount of the 4 5 lien is paid. The owner is not required to sell the personal property within a maximum number of days of when the rent or other charges first 6 7 became due. If the total value of property in the storage space is less than three hundred dollars, the owner may, instead of sale, 8 dispose of the property in any reasonable manner, subject to the 9 restrictions of RCW 19.150.080(4). After the sale or other disposition 10 pursuant to this section has been completed, the owner shall provide an 11 12 accounting of the disposition of the proceeds of the sale or other 13 disposition to the occupant at the occupant's last known address and at 14 the alternative address.

- (4) That any excess proceeds of the sale or other disposition under RCW 19.150.080(2) over the lien amount and <u>reasonable</u> costs of sale will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of six months from the sale and that thereafter the proceeds will be turned over to the state as abandoned property as provided in RCW 63.29.165.
- (5) That any personal papers and personal ((effects)) photographs will be retained by the owner and may be reclaimed by the occupant at any time for a period of six months from the sale or other disposition of property and that thereafter the owner may dispose of the personal papers and ((effects)) photographs in a reasonable manner, subject to the restrictions of RCW 19.150.080(3).
- 27 (6) That the occupant has no right to repurchase any property sold 28 at the lien sale.
- 29 **Sec. 4.** RCW 19.150.070 and 1988 c 240 s 8 are each amended to read 30 as follows:
- The owner, subject to RCW 19.150.090 and 19.150.100, may sell the property, other than personal papers and personal ((effects)) photographs, upon complying with the requirements set forth in RCW
- 55 photographs, upon comprying with the requirements set forth in RCV

34 19.150.080.

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35 **Sec. 5.** RCW 19.150.080 and 1996 c 220 s 2 are each amended to read as follows:

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(1) After the expiration of the time given in the <u>final</u> notice of lien sale pursuant to RCW 19.150.060, the property, other than personal papers and personal ((<u>effects</u>)) <u>photographs</u>, may be sold or disposed of in a reasonable manner <u>as provided in this section</u>.

- (2)(a) If the property has a value of three hundred dollars or more, the sale shall be conducted in a commercially reasonable manner, and, after ((deducting the amount of the lien and costs of sale)) applying the proceeds to costs of the sale and then to the amount of the lien, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within six months of the date of sale.
- 14 (b) If the property has a value of less than three hundred dollars, 15 the property may be disposed of in a reasonable manner.
 - (3) Personal papers and personal ((effects)) photographs that are not reclaimed by the occupant within six months of a sale under subsection (2)(a) of this section or other disposition under subsection (2)(b) of this section may be disposed of in a reasonable manner.
 - (4) No employee or owner, or family member of an employee or owner, may acquire, directly or indirectly, the property sold pursuant to subsection (2)(a) of this section or disposed of pursuant to subsection (2)(b) of this section, or personal papers and personal ((effects)) photographs disposed of under subsection (3) of this section.
 - (5) The owner is entitled to retain any interest earned on the excess proceeds until the excess proceeds are claimed by another person or are turned over to the state as abandoned property pursuant to RCW 63.29.165.
- ((6) After the sale or other disposition pursuant to this section
 has been completed, the owner shall provide an accounting of the
 disposition of the proceeds of the sale or other disposition to the
 occupant at the occupant's last known address and at the alternative
 address.))
- **Sec. 6.** RCW 19.150.100 and 1988 c 240 s 11 are each amended to read as follows:
- Prior to any sale pursuant to RCW 19.150.080, any person claiming a right to the ((goods)) personal property may pay the amount necessary

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to satisfy the lien ((and the reasonable expenses incurred for 1 2 particular actions taken pursuant to this chapter)) and one month's rent in advance. In that event, the ((qoods shall)) personal property 3 may not be sold, but ((shall)) must be retained by the owner ((subject 4 to the terms of this chapter)) pending a court order directing ((a 5 particular)) the disposition of the personal property. If such an 6 7 order is not obtained within thirty days of the original payment, the claimant must pay the monthly rental charge for the space where the 8 personal property is stored. If rent is not paid, the owner may sell 9 or dispose of the personal property in accordance with RCW 19.150.080. 10 The owner has no liability to a claimant who fails to secure a court 11 12 order in a timely manner or pay the required rental charge for any sale 13 or other disposition of the personal property.

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