

HOUSE BILL REPORT

HB 2814

As Passed Legislature

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

Brief Description: Regulating the disposal of property by self-storage facilities.

Sponsors: Representatives McMorris, D. Sommers, Schoesler, Thompson, Romero, Brown and Hargrove.

Brief History:

Committee Activity:

Commerce & Labor: 1/31/96, 2/1/96 [DP].

Floor Activity:

Passed House: 2/7/96, 87-10.

Passed Legislature.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 12 members: Representatives McMorris, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith; Horn and Lisk.

Staff: Pam Madson (786-7166).

Background: Current law creates a lien for rent, labor, or other charges necessary to preserve, sell, or dispose of personal property in a self-service storage unit. If rent for a self-service storage unit is not paid when due, the owner or lessor of the unit may proceed after a specified period to secure the unit, remove the personal property, and sell the property to recover unpaid rent and other associated charges.

If, in an action to enforce this lien, the renter was not personally served with notice of the lien sale, the renter may reclaim the property after the property is sold. The purchaser at a lien sale and a subsequent purchaser may be required to return the property to the renter if, within six months, the renter pays the original purchase price and costs incurred by the first purchaser.

If the renter receives notice of the lien sale by personal service, there is no right to repurchase property once it is sold at a lien sale.

If the renter's property is valued less than \$100, the property need not be disposed of at a sale, but in any reasonable manner.

Summary of Bill: The right of a person who rents a self-service storage unit to reclaim personal property sold at a lien sale for up to six months after sale is eliminated. If the renter's property is valued at \$300 or less, the property need not be disposed of by sale, but by any reasonable method.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: When self-service storage facility owners dispose of property from units for which the renter has failed to pay rent, the property is usually purchased by second-hand dealers who then sell the items through their own businesses. It is very difficult to track property for a period of six months after the sale. Washington is the only state that allows this six-month redemption period. Even though the renter must leave an address with the facility, this last known address may not be an address where the renter can be found for purposes of sending notices. Personal effects such as wedding pictures or discharge papers belonging to the renter are held by the facility for six months. It is other personal property that is subject to sale and redemption.

Testimony Against: None.

Testified: Joann Town, Public Storage; Mark Hall, Shurgard Storage Centers, Inc.; Don Daniels, Self Storage Association, Western Region; and Doug Bohlke, Shurgard Storage Centers.