

SENATE BILL REPORT

SB 5844

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 2, 2006

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

Brief Description: Changing provisions relating to self-service storage units.

Sponsors: Senator McAuliffe.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/2/06 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5844 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Hewitt, Honeyford, Keiser and Prentice.

Staff: John Dziedzic (786-7784)

Background: When rent for a unit in a self-service storage facility is more than 14 days past due, the storage facility owner has the right to terminate the rental or lease agreement and place a lien on the personal property stored in the unit. The owner must notify the renter in writing, by first class mail, of the amount due and that a lien may be placed on the stored property if the amount due remains unpaid for another 14 days or more. If the rent remains unpaid after the date specified in the first notice, the owner must notify the renter, by certified mail, that the stored property, other than personal papers and effects, will be sold or disposed of on a date at least 14 days later, but not less than 42 days after the date rent was first past due.

The owner must allow the renter at least six months to reclaim personal papers and effects, and any excess amount received from the sale of the renter's personal property. If the property has a value of \$300 or more, a lien sale must be conducted in a commercially reasonable manner. Property having a value of less than \$300, and unclaimed personal papers and effects, must be disposed of in a reasonable manner. The owner must provide an accounting of the property's disposition to the renter at his or her last known address.

A person claiming a right to the property may stop the sale or disposition by paying the amount needed to satisfy the lien, plus the owner's costs of complying with this statute. The owner must then retain the property, pending a court order directing the disposition of the property.

Summary of Substitute Bill: The first notice described in the statute is clarified to be a preliminary lien notice, and the second notice is identified as a notice of final lien sale or

notice of final disposition. References to personal effects are deleted and replaced with personal photographs. Reasonable manner and commercially reasonable manner are defined. The order of expenses to which the proceeds of a lien sale are applied is clarified.

A person claiming a right to the property to be sold or disposed of may stop the sale or disposition by paying the amount needed to satisfy the lien, and one month's rent. If the court order is not obtained within 30 days, the claimant must pay the monthly rental charge.

Substitute Bill Compared to Original Bill: The bill as referred to committee was not considered.

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.

Testimony For: The bill was worked on by the interested parties during and after last session to reach this agreed language, which makes needed clarifications on how to deal with abandoned property and property left behind when a renter refuses to pay the contractually required rent.

Testimony Against: None.

Who Testified: PRO: Alan Ameche, Terry Kohl, Patrick Reilly, WA Self-Storage Assn.; Duane Love, Auctioneer; Alvin Banks, tenant.