

HCS HB 1225 -- SELF-SERVICE STORAGE FACILITIES

SPONSOR: Love

COMMITTEE ACTION: Voted "Do Pass" by the Special Standing Committee on Small Business by a vote of 23 to 0.

This bill changes the definition of "last known address" to be a postal address or an electronic mail address and "public sale" to include a sale conducted on-line at a publicly assessable website. When a rental agreement contains a limit on the value of property stored in an occupant's space, that value is deemed to be the maximum value of the stored property and the maximum value of the liability of the owner for a claim for loss or damage to the stored property. Currently, if an occupant is in default for a period of more than 45 days, the operator may enforce the lien and sell the property stored in the leased space for cash. A first and second notice must be sent to the last known address of the occupant. The bill allows the sale to be advertised in a commercially reasonable manner.

The bill allows the owner of a storage facility to treat a vehicle, watercraft, or trailer as an abandoned vehicle and have it towed from the storage facility. The owner of the storage facility is not liable for any damages to the abandoned vehicle once the tower takes possession of the property.

PROPONENTS: Supporters say this bill updates the lien law, allows more current technology by allowing the options of using email addresses and Internet sales, and takes away the need to advertise in the newspaper since the required ad does not contain the name of the renter and provides no notice to any lien holder of the property in the storage unit. Eighteen states have already adopted legislation similar to this bill. This bill determines the method and time frame to contact a tenant to exercise their lien rights when a tenant is delinquent. The bill does not address boats or RVs. Vehicles are allowed to be towed. Many of the customers are in the process of moving and prefer an email address. The bill allows a self-storage owner to advertise the sale in other ways. Thirty years ago a newspaper ad was the only way to advertise. Today, not all areas have a newspaper. Newspaper ads do not bring new bidders to these auctions. Property sold at these auctions brings in approximately 30 cents on a dollar of rent due.

Testifying for the bill were Representative Love; and Missouri Self-Storage Owner's Association.

OPPONENTS: Those who oppose the bill say that newspaper advertisements give notice to the owner of the property and any

lien holder to the property.

Testifying against the bill were Doug Crews, Missouri Press Association.