
OLR Bill Analysis

sHB 5148 (as amended by House "A")*

AN ACT CONCERNING SELF-SERVICE STORAGE FACILITIES AND REVISIONS TO CERTAIN STATUTES CONCERNING CONSUMER PROTECTION.

SUMMARY

By law, the owner of a self-service storage facility has a lien upon any personal property left in the facility by a renter who defaults on a rental agreement. Before selling or disposing of the property, the facility owner must follow certain specific procedures for, among other things, notifying the defaulting renter and advertising the sale.

This bill makes several changes to the self-storage facilities lien process, including allowing (1) facility owners to have motor vehicles, vessels, or trailers towed off the property under certain circumstances; (2) online sales; and (3) additional types of notices and advertisements for sales.

The bill also makes various minor, technical, and conforming changes in the consumer protection statutes.

*House Amendment "A" (1) eliminates the option of providing a notice by mail with a certificate of mailing, (2) requires a notice by registered or certified mail to have a unique U.S. Postal Service tracking number instead of a return receipt request, (3) adds requirements concerning the presentation of and information in the notice, and (4) makes conforming changes.

EFFECTIVE DATE: October 1, 2022, except the storage lien provisions and a home improvement contractor technical change (§ 6) are effective July 1, 2022.

MOTOR VEHICLES, VESSELS, OR TRAILERS

The bill allows facility owners to have motor vehicles, vessels, or

trailers towed from the facility by an insured towing service if rent, labor, or other valid charges related to the property are unpaid or unsatisfied for at least 60 days.

If the facility owner complies with this provision, then he or she does not need to comply with the existing law's notice requirements that apply specifically to motor vehicles and vessels (e.g., providing notice to the Department of Motor Vehicles or Secretary of the State (SOTS), as applicable, and following other specified procedures).

NOTICE REQUIREMENT

Existing law requires a facility owner to provide written notice to the defaulting renter, and anyone who filed a valid security interest in the property with SOTS, of the owner's intention to satisfy the lien (i.e., sell the property). The bill limits this notice requirement to those individuals who filed a valid security interest in the occupant's name.

Current law, requires notice to be sent by e-mail or registered or certified mail, return receipt requested, to the renter's last-known address. The bill eliminates the requirement for a notice by registered or certified mail to have a return receipt request and instead requires it to have a unique U.S. Postal Service tracking number.

Under current law, the notice must include:

1. an itemized statement of the owner's claim showing the amount due at the time of the notice and when it became due;
2. a description of the personal property subject to the lien sufficient to identify it (except certain containers that cannot immediately be accessed may be described without describing their contents);
3. if allowed under the rental agreement terms, a notice denying access to the personal property by the renter with the owner's contact information (i.e., name, street address, and telephone number);
4. a demand for payment within a specified time of at least 14 days

after the notice is delivered;

5. a conspicuous statement that unless the amount due is paid within 60 days after default, the owner will advertise the personal property for sale or disposition and will sell or dispose of the property; and
6. the time and place of the sale or disposition.

The bill (1) requires this notice to be in plain language and a simple format, (2) requires the payment demand period to be clearly visible, and (3) specifies that the timing information about the sale or disposition must include the date on which it will take place.

SALE LOCATION

The bill allows the sale or other disposition of an occupant's personal property to be held online. Current law requires sales to be held at the self-storage facility or the nearest suitable place convenient to where the property is stored.

ADVERTISEMENTS

The bill expands the ways a facility owner may advertise the sale or disposition of the personal property and reduces the number of times the advertisement must be published, from twice to once. Current law requires the owner to advertise in a newspaper of substantial circulation in the municipality where the facility is located. The bill allows the newspaper advertisement to be either in print or online and decreases the readership threshold to general circulation. Additionally, the bill allows an alternative advertisement method, by allowing the advertisement to be on any publicly accessible, independent Internet website that regularly conducts online personal property auctions.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 16 Nay 2 (03/15/2022)