

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-70—sHB 5148
General Law Committee

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

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

This act makes several changes to the self-storage facility lien process, including adjusting notice requirements and allowing facility owners to (1) have motor vehicles, vessels, or trailers towed from their facilities under certain circumstances; (2) advertise the sale or disposition of a defaulting renter's personal property in additional publications and on certain auction websites; and (3) sell this property online.

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

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

TOWING OF MOTOR VEHICLES, VESSELS, OR TRAILERS

The act allows self-storage 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 existing law's lien 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).

LIEN NOTICE REQUIREMENTS

Existing law, unchanged by the act, requires a facility owner to give a defaulting renter written notice of his or her intention to satisfy a lien (i.e., sell the renter's property). Prior law required owners to also notify anyone who filed a valid security interest in the property with SOTS. The act limits this notice requirement to individuals who filed a valid security interest in the renter's name.

By law, this required notice must be (1) delivered in person or (2) sent by e-mail or registered or certified mail to the renter's last-known address. The act

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eliminates prior law's requirement that a notice sent by registered or certified mail have a return receipt request and instead requires it to have a unique U.S. Postal Service tracking number.

Under existing law, the notice must contain the following information:

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 the description of certain containers that cannot immediately be accessed need not include their contents);
3. a notice denying the renter access to the personal property (including the owner's contact information), if the denial is allowed under the rental agreement terms;
4. a payment deadline that cannot be sooner than 14 days after notice delivery;
5. a conspicuous statement that unless the debt is paid within 60 days after default, the owner will advertise the property and sell or dispose of it; and
6. the time and place of the sale or disposition.

The act additionally requires that (1) this notice is written in plain language and formatted simply, (2) the payment deadline is clearly visible, and (3) the sale or disposition information include the date when it will take place.

ONLINE SALES OF DEFAULTING RENTERS' PROPERTY

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

ADVERTISING OF SALES

The act expands the ways a facility owner may advertise the sale or disposition of a defaulting renter's personal property and reduces how often the advertisement must be published, from twice to once. Prior law allowed an owner to advertise in a newspaper of substantial circulation in the municipality where his or her facility is located. The act instead allows these advertisements to be either in print or online newspapers and decreases the required readership threshold to "general circulation." Additionally, the act allows owners to advertise on any publicly accessible, independent website that regularly conducts online personal property auctions.

The act also eliminates a requirement under prior law that an advertisement be posted at least 10 days before the sale or disposition in at least six conspicuous places in the neighborhood where the facility is located if there is no newspaper of substantial circulation where the facility is located.