

JAN 27 2016

A BILL FOR AN ACT

RELATING TO SELF-STORAGE FACILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 507-61, Hawaii Revised Statutes, is
2 amended by adding two new definitions to be appropriately
3 inserted and to read as follows:

4 "E-mail" means the transmission of information or a
5 communication by the use of a computer or other electronic means
6 sent to a person identified by a unique address and that is
7 received by that person.

8 "Verified mail" means any method of mailing that is offered
9 by the United States Postal Service or a private delivery
10 service that provides evidence of the mailing."

11 SECTION 2. Section 507-61, Hawaii Revised Statutes, is
12 amended by amending the definition of "last known address" to
13 read as follows:

14 "Last known address" means the postal or e-mail address
15 provided by the occupant in the latest rental agreement, or the
16 postal or e-mail address provided by the occupant in a
17 subsequent written notice of a change of address."



SECTION 3. Section 507-63, Hawaii Revised Statutes, is amended to read as follows:

"~~[+]§507-63[+]~~ Rent due; notice of default and lien. When any part of the rent or other charges due from an occupant remain unpaid for fifteen consecutive days, an owner may deny the right of access to the occupant to the storage space at a self-service storage facility; provided that ~~[notice is sent]~~ the owner shall send a notice to the occupant's last known address, by e-mail or first-class mail, postage prepaid, ~~[containing]~~ that contains all of the following:

- (1) A statement of the owner's claim showing the sums due at the time of the notice and the date when the sums became due~~[-]~~;
- (2) A statement that the occupant is in default of the rental agreement~~[-]~~;
- (3) A statement that the occupant's right to use the storage space will be denied unless and until all sums due are paid by the occupant~~[-]~~;
- (4) A notice that the occupant has been denied access to the storage space and that an owner's lien, as provided for in section 507-62, may be imposed if all



1 sums due are not paid within fifteen days of the
2 notice~~[-]~~; and

3 (5) The name, street address, ~~[and]~~ telephone number, and
4 e-mail address of the owner, or a designated agent,
5 whom the occupant may contact to respond to the
6 notice."

7 SECTION 4. Section 507-64, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "~~[§]~~**\$507-64**~~[§]~~ **Notice of lien.** If a notice has been sent,
10 as required by section 507-63, and the total sum due has not
11 been paid as specified in the notice, the owner may deny an
12 occupant access to the space, enter the space, and remove any
13 property found in the space to a place of safekeeping; provided
14 that the owner shall send a notice of lien to the ~~[occupant,~~
15 ~~addressed to the]~~ occupant's last known address, by e-mail or
16 first class mail, postage prepaid, ~~[a notice of lien]~~ which
17 shall state all of the following:

18 (1) That the occupant's right to use the storage space has
19 terminated and that the occupant no longer has access
20 to the stored property~~[-]~~;



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(2) That the stored property is subject to a lien, and the amount of the lien[-]; and

(3) That the owner will seize and take possession of the property to satisfy the lien after a specified date which is not less than fifteen days from the date of mailing the notice unless the amount of the lien is paid."

SECTION 5. Section 507-65, Hawaii Revised Statutes, is amended to read as follows:

"§507-65 Final demand and notice of sale. If both notices have been sent, as required by sections 507-63 and 507-64, and the total sum due has not been paid as specified in the two prior notices, the owner may prepare for the sale of the occupant's property. The owner shall then send, to the ~~[occupant, addressed to the]~~ occupant's last known address, by e-mail or first-class mail, postage prepaid:

(1) A notice of final demand and sale, which shall state all of the following:

(A) That the sums due for rent and charges demanded have not been paid[-]; i



- 1 (B) That the occupant's right to use the designated
2 storage space has been terminated[-] i;
- 3 (C) That the occupant no longer has access to the
4 stored property[-] i;
- 5 (D) That the stored property is subject to a lien and
6 the amount of the lien[-] i;
- 7 (E) That the property will be sold to satisfy the
8 lien after a specified date which is not less
9 than thirty days from the date of mailing the
10 notice unless prior to the specified date, the
11 lien is paid in full[-] i;
- 12 (F) That any excess proceeds of the sale over the
13 lien amount of costs of sale will be retained by
14 the owner and may be reclaimed by the occupant,
15 or claimed by another person, at any time for a
16 period of one year from the sale and that
17 thereafter the proceeds will go to the State
18 under chapter 523A[-] i; and
- 19 (G) That if the proceeds of sale do not fully cover
20 the amount of lien and costs, the occupant will
21 be held liable for any deficiency[-] i; and



(2) An itemized statement of the owner's claim showing all sums due at the time of the notice and the date when sums became due."

SECTION 6. Section 507-66, Hawaii Revised Statutes, is amended to read as follows:

"§507-66 Method of sale. (a) [~~Fifteen~~] Not sooner than fifteen days after sending the final demand and notice of sale, pursuant to section 507-65(1), an advertisement of the sale shall be [~~published~~]:

(1) Published once a week for two weeks consecutively in a newspaper of general circulation published in the judicial district where the sale is to be held~~[-]~~; or

(2) Disseminated in any other commercially reasonable manner; provided that at least three independent bidders participate in the sale.

The advertisement shall include a general description of the goods, the name of the person on whose account they are being stored, the total sums due, and the name and location of the storage facility.

(b) The sale shall be conducted in a commercially reasonable manner~~[-and, after]~~, which shall include a sale



1 conducted on an online website that customarily conducts self-
2 storage lien sales. After deducting the amount of the lien and
3 costs, the owner shall retain any excess proceeds of the sale on
4 the occupant's behalf. The occupant, or any other person having
5 a court order or other judicial process against the property,
6 may claim the excess proceeds, or a portion thereof sufficient
7 to satisfy the particular claim, at any time within one year of
8 the date of sale. Thereafter, the owner shall pay any remaining
9 excess proceeds to the State as provided in chapter 523A."

10 SECTION 7. Section 507-70, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[~~§~~507-70~~§~~] **Self-storage contracts.** (a) Each contract
13 for the rental or lease of individual storage space in a self-
14 service storage facility shall be in writing and shall contain,
15 in addition to the provisions otherwise required or permitted by
16 law to be included, a statement that the occupant's property
17 will be subject to a claim of lien and may be sold to satisfy
18 the lien if the rent or other charges due remain unpaid for
19 fifteen consecutive days and that such actions are authorized by
20 this part.



1 (b) This part shall not apply, and the lien authorized by
2 this part shall not attach, unless the rental agreement or
3 supporting documentation requests, and provides space for, the
4 occupant to give the name and address of another person to whom
5 notices required to be given under this part may be sent. If
6 both an address and an alternative address are provided by the
7 occupant, notices pursuant to sections 507-63 or 507-64 shall be
8 sent to both addresses. If both addresses are provided by the
9 occupant, the owner shall send the final demand and notice of
10 sale, pursuant to section 507-65, to both addresses by
11 [~~certified~~] verified mail, postage prepaid. Failure of an
12 occupant to provide an alternative address shall not affect an
13 owner's remedies under this part or under any other provision of
14 law.

15 (c) For the purpose of determining any liability of the
16 owner of the self-service storage facility, if a rental
17 agreement specifies a limit on the monetary value of personal
18 property that may be stored in an occupant's space, that limit
19 shall be deemed the maximum value of the personal property
20 stored in the occupant's space."



1 (d) Any late fee charged by the owner shall be provided
2 for in the rental agreement. No late fee shall be collected
3 unless it is written in the rental agreement or as an addendum
4 to the agreement. An owner may impose a reasonable late fee for
5 each month that an occupant does not pay rent when due. A late
6 fee of twenty dollars or twenty per cent of the monthly rental
7 amount, whichever is greater, for each late rental payment shall
8 be deemed reasonable and shall not constitute a penalty."

9 SECTION 8. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 9. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 10. This Act shall take effect upon its approval.

15
INTRODUCED BY:


By Request



S.B. NO. 3033

Report Title:

Self-Service Storage Facilities; Owner

Description:

Authorizes limits in rental agreements on the liability of the owner of self-service storage facilities based on the monetary value of the stored property and allows owner to send notices by e-mail, publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

