



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 11, 2017

GOV. MSG. NO. 1294

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 11, 2017, the following bill was signed into law:

SB288 SD2 HD2 CD1

RELATING TO SELF-SERVICE STORAGE
FACILITIES
ACT 180 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO SELF-SERVICE STORAGE FACILITIES.

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

1 SECTION 1. The legislature finds that Hawaii adopted its
2 self-service storage facilities laws in 1984 and that the laws
3 have remained virtually unchanged during the intervening thirty-
4 three years. Consequently, the State's self-service storage
5 facilities laws do not adequately reflect or support current
6 self-service storage facilities businesses, including the
7 facility owners and storage unit occupants.

8 The legislature also finds that since the enactment of the
9 self-service storage facility laws, technological advances such
10 as electronic mail and internet websites have changed the ways
11 that self-service storage facilities owners and occupants can,
12 and in many instances prefer, to communicate with one another
13 and exchange necessary information. The inability of owners and
14 occupants under current law to communicate through these modern
15 forms of communication reduces efficiency and is burdensome on
16 all parties. Therefore, it is necessary to update these laws to
17 allow owners and occupants to effectively make use of modern
18 communications.



1 The legislature also finds that self-service storage
2 facilities owners are ill-equipped under the law to deal
3 efficiently with delinquent occupants who leave motor vehicles
4 or boats stored at the facilities. Motor vehicle and boat
5 liens, which involve titled property, are more complicated than
6 the usual self-storage lien circumstances that facilities owners
7 typically encounter, which can lead to unnecessary delays and
8 confusion. Therefore, the legislature further finds that
9 allowing self-service storage facilities owners, after providing
10 appropriate notice, to tow motor vehicles and boats belonging to
11 delinquent occupants would provide a workable solution for
12 facilities owners.

13 Accordingly, the purpose of this Act is to modernize the
14 self-service storage facilities laws to:

- 15 (1) Allow self-service storage facility owners to tow
16 motor vehicles and boats after sixty or more days of
17 delinquency; provided that owners provide delinquent
18 occupants with appropriate notice;
- 19 (2) Reflect the modern needs of the industry by allowing
20 self-service storage facility owners to publish
21 notices of sales and send other notices to occupants



1 by electronic mail and other commercially reasonable
2 methods;

3 (3) Require any limitations on value provisions to be
4 provided for in the contract; and

5 (4) Require self-service storage facility owners to notify
6 occupants of the changes enacted by this Act.

7 SECTION 2. Chapter 507, Hawaii Revised Statutes, is
8 amended by adding a new section to part III to be appropriately
9 designated and to read as follows:

10 "§507- Occupant in default; motor vehicle or boat
11 removal. If an occupant is in default for sixty or more days
12 and the personal property stored in the leased space is a motor
13 vehicle or boat, the motor vehicle or boat shall be deemed to be
14 left unattended on private property without authorization of the
15 owner of the property and may be towed away, at the expense of
16 the owner of the motor vehicle or boat; provided that for
17 purposes of this section, a vehicle may be towed pursuant to
18 section 290-11; provided further that a towing company engaged
19 pursuant to this section shall be a towing company registered in
20 Hawaii. At least fifteen days prior to having the motor vehicle
21 or boat towed, the owner shall provide notice to the occupant,



1 stating the name, address, and contact information of the towing
2 company, by certified mail at the occupant's last known postal
3 address and by electronic mail at the occupant's last known
4 electronic mail address.

5 For purposes of applying section 290-11 to this section,
6 the term "vehicle" shall be deemed to correspond to the terms
7 "motor vehicle" and "boat".

8 SECTION 3. Section 507-61, Hawaii Revised Statutes, is
9 amended by adding one new definition to be appropriately
10 inserted and to read as follows:

11 "Electronic mail" means the transmission of information or
12 a communication by the use of a computer or other electronic
13 means sent to a person identified by a unique address and that
14 is received by that person."

15 SECTION 4. Section 507-61, Hawaii Revised Statutes, is
16 amended by amending the definition of "last known address" to
17 read as follows:

18 "Last known address", "last known postal address", or
19 "last known electronic mail address" means the postal or
20 electronic mail address provided by the occupant in the latest
21 rental agreement, or the postal or electronic mail address



1 provided by the occupant in a subsequent written notice of a
2 change of address."

3 SECTION 5. Section 507-63, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§507-63[+] Rent due; notice of default and lien. When
6 any part of the rent or other charges due from an occupant
7 remain unpaid for fifteen consecutive days, an owner may deny
8 the right of access to the occupant to the storage space at a
9 self-service storage facility; provided that ~~[notice is sent to~~
10 ~~the occupant's or last known address, postage prepaid,~~
11 ~~containing all of the following:]~~ the owner shall provide notice
12 at the occupant's last known electronic mail address and last
13 known postal address, postage prepaid. The notice shall
14 contain:

- 15 (1) A statement of the owner's claim showing the sums due
16 at the time of the notice and the date when the sums
17 became due~~[-]~~;
18 (2) A statement that the occupant is in default of the
19 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 sums due are not paid within fifteen days of the notice[-]; and

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

SECTION 6. Section 507-64, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~§507-64[~~§~~] **Notice of lien.** If a notice has been sent, as required by section 507-63, and the total sum due has not been paid as specified in the notice, the owner may deny an occupant access to the space, enter the space, and remove any property found in the space to a place of safekeeping; provided that the owner shall send a notice of lien to the [~~occupant,~~ ~~addressed to the~~] occupant's [~~last known address,~~ postage



1 ~~prepaid, a notice of lien]~~ last known electronic mail address
2 and last known postal address, postage prepaid, which shall
3 state ~~[all of the following]~~ :

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

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

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

14 SECTION 7. Section 507-65, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§507-65 Final demand and notice of sale.** If both notices
17 have been sent, as required by sections 507-63 and 507-64, and
18 the total sum due has not been paid as specified in the two
19 prior notices, the owner may prepare for the sale of the
20 occupant's property. The owner shall ~~[then]~~ send to the
21 ~~[occupant, addressed to the]~~ occupant's last known electronic



1 mail address and last known address, by certified mail, postage
2 prepaid:

3 (1) A notice of final demand and sale which shall state
4 ~~[all of the following]~~:

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

7 (B) That the occupant's right to use the designated
8 storage space has been terminated[-] i

9 (C) That the occupant no longer has access to the
10 stored property[-] i

11 (D) That the stored property is subject to a lien and
12 the amount of the lien[-] i

13 (E) That the property will be sold to satisfy the
14 lien after a specified date which is not less
15 than thirty days from the date of mailing the
16 notice unless prior to the specified date, the
17 lien is paid in full[-] i

18 (F) That any excess proceeds of the sale over the
19 lien amount of costs of sale will be retained by
20 the owner and may be reclaimed by the occupant,
21 or claimed by another person, at any time for a



1 period of one year from the sale and that
2 thereafter the proceeds will go to the State
3 under chapter 523A[-]; and

4 (G) That if the proceeds of sale do not fully cover
5 the amount of lien and costs, the occupant will
6 be held liable for any deficiency[-]; and

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

10 SECTION 8. Section 507-66, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§507-66 Method of sale.** (a) [~~Fifteen~~] No sooner than
13 fifteen days after sending the final demand and notice of sale,
14 pursuant to section 507-65(1), the owner shall cause an
15 advertisement of the sale [~~shall~~] to be [published]:

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

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



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

5 (b) The sale shall be conducted in a commercially
6 reasonable manner~~[, and, after]~~, which shall include a sale
7 conducted on an online website that customarily conducts self-
8 storage lien sales. After deducting the amount of the lien and
9 costs, the owner shall retain any excess proceeds of the sale on
10 the occupant's behalf. The occupant, or any other person having
11 a court order or other judicial process against the property,
12 may claim the excess proceeds, or a portion thereof sufficient
13 to satisfy the particular claim, at any time within one year of
14 the date of sale. Thereafter, the owner shall pay any remaining
15 excess proceeds to the State as provided in chapter 523A."

16 SECTION 9. Section 507-70, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[+]§507-70[+] **Self-storage contracts.** (a) Each contract
19 for the rental or lease of individual storage space in a self-
20 service storage facility shall be in writing and shall contain,
21 in addition to the provisions otherwise required or permitted by



1 law to be included, a statement that the occupant's property
2 will be subject to a claim of lien and may be sold to satisfy
3 the lien if the rent or other charges due remain unpaid for
4 fifteen consecutive days and that such actions are authorized by
5 this part.

6 (b) This part shall not apply, and the lien authorized by
7 this part shall not attach, unless the rental agreement or
8 supporting documentation requests, and provides space for, the
9 occupant to give the name ~~[and]~~, address, and telephone number
10 of another person to whom notices required to be given under
11 this part may be sent. If ~~[both]~~ an address ~~[and]~~, an
12 alternative address, and an alternative telephone number are
13 provided by the occupant, notices pursuant to sections 507-63 or
14 507-64 shall be sent to both addresses~~[-]~~ and by contact at the
15 alternative telephone number. If both addresses and an
16 alternative telephone number are provided by the occupant, the
17 owner shall send the final demand and notice of sale, pursuant
18 to section 507-65, to both addresses by certified mail, postage
19 prepaid~~[-]~~, and contact the occupant at the alternative
20 telephone number. Failure of an occupant to provide an



1 alternative address shall not affect an owner's remedies under
2 this part or under any other provision of law.

3 (c) If the contract entered into between the owner and the
4 occupant contains a provision placing a limit on the value of
5 property that may be stored in the occupant's space, this limit
6 shall be the maximum value of the stored property; provided that
7 the provision is printed in bold type or underlined in the
8 contract. The limit on the value of property shall not be less
9 than \$1,000. The contract may provide that the occupant may
10 increase the limit on the value of property with the written
11 permission of the owner."

12 SECTION 10. An owner of a self-service storage facility
13 shall notify each occupant of the self-service storage facility
14 regarding the changes to the self-service storage facility law
15 pursuant to sections 2 through 9 of this Act. Each owner shall
16 update the rental agreements modified pursuant to this Act and
17 obtain the initials of the occupants under each rental
18 agreement.

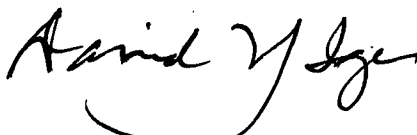
19 SECTION 11. This Act does not affect rights and duties
20 that matured, penalties that were incurred, and proceedings that
21 were begun before its effective date.



1 SECTION 12. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 13. This Act shall take effect upon its approval.
4

APPROVED this 11 day of JUL , 2017

A handwritten signature in black ink, appearing to read "David Ige", with a stylized flourish at the end.

GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.



President of the Senate



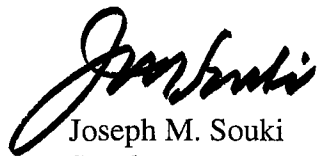
Clerk of the Senate

SB No. 288, SD 2, HD 2, CD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives