

Approved 2-22-89 Jayne Aylward, Chm.
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS

The meeting was called to order by Representative Jayne Aylward at
Vice-Chairperson

1:31 ~~am~~/p.m. on February 7, 1989 in room 526-S of the Capitol.

All members were present except: Representative Jenkins
Representative Peterson
Representative Wagnon

Committee staff present: Mary Torrence, Revisor of Statutes' Office
Mary Galligan, Kansas Department of Legislative Research
Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

PROPOSERS

Representative Debara Schauf
Gary Lillich, Mulvane, Kansas
Barry Shalinsky, State Treasurer's Office
Charles & Shirley Dirck, U-Cram-It-Storage

OPPOSERS

Robert Scrinopskie, Apollo Mini-Storage
Ralph Stewart, Mini-Warehouse Limited

Representative Aylward called the meeting to order at 1:31 p.m.

HB 2138 and HB 2142

Representative Schauf, co-author of the bills, made the introduction of the concerns prompting the bills, Attachment No. 1.

Gary Lillich testified in support of the bills citing concerns with the act. problems not covered, important points in the bill, rationale for the bill and recommendations for changes, Attachment No. 2.

Barry Shalinsky testified that HB 2138 would provide greater likelihood that tenants' property would more likely be held for claim after satisfying outstanding liens and a central registry (HB 2142) would guarantee forms being distributed to all operators, Attachment No. 3.

In response to a question from the committee regarding a fiscal note, Mr. Shalinsky stated assumption the county clerks' offices would be responsible pending the number of facilities in the jurisdiction. Additionally, he was unaware of any case law with respect to the rights and liabilities of the proprietor versus the lessor and any succeeding interests.

Section 3 details the claim of right the state treasurer's office has over any property in self-storage facilities.

The treasurer's office would be asking the legislature to make the changes -

1. More stringent requirements prior to sale would yield less proceeds over which the state treasurer would have jurisdiction.
2. A central registry would enable the state treasurer's office to obtain reports more easily and be able to hold proceeds for the rightful owners.

Robert Scrinopskie opposed the bills and distributed copies of the rental agreement and the second notice used by his company, Attachment No. 4 and Attachment No. 4A. He argued the notice procedures outlined in the bills would entail additional work and personnel, a burdensome expense.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal and State Affairs,
room 526-S, Statehouse, at 1:33 ~~xxx~~ p.m. on February 7, 1989

Ralph Stewart also opposed the bills. He described notice procedures used by his company.

Charles and Shirley Dirck, Haysville, submitted written testimony in opposition to both bills, Attachment No. 5.

Representative Sprague moved to approve the minutes of the January 13, 19 & 26th, 1989, meetings. Representative Jones seconded the motion which carried on unanimous voice vote.

The meeting adjourned at 2:12 p.m. The next meeting of the committee will be February 9, 1989, at 1:30 p.m. in Room 526-S.

STATE OF KANSAS

DEBARA K. SCHAUF
REPRESENTATIVE, EIGHTY-FIRST DISTRICT
SEDGWICK AND SUMNER COUNTIES
P.O. BOX 68
MULVANE, KANSAS 67110
(316) 777-4608



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: GOVERNMENTAL ORGANIZATION
LOCAL GOVERNMENT
INSURANCE

HOUSE BILLS 2138 & 2142

RE: SELF STORAGE UNIT REGULATION AND LICENSING

MADAM CHAIRMAN AND MEMBERS OF THE COMMITTEE:

THIS BILL WAS INTRODUCED AT THE REQUEST OF MR. GARY LILLICH FROM DERBY, KANSAS WHO IS CONSTITUENT OF REPRESENTATIVE BAKER. HE IS PRESENT HERE TODAY TO OFFER TESTIMONY IN SUPPORT OF THE BILLS.

IN ADDITION TO MR LILLICH, I HAVE COPIES OF TESTIMONY FROM MR & MRS MIKE DIRK WHO ARE OWNERS OF A STORAGE UNIT FACILITY IN HAYSVILLE, KANSAS WHICH IS IN MY DISTRICT. WHILE THEY ARE GENERALLY SUPPORTIVE OF SOME PROVISIONS IN THE SELF-SERVICE STORAGE ACT AS A PROTECTION FOR TENANTS, THEY ARE VERY CONCERNED ABOUT SOME OF THE PROVISIONS CONTAINED IN THE BILL AS DRAFTED. THEIR CONCERNS ARE EXPRESSED IN THEIR TESTIMONY WHICH I HAVE HAD CIRCULATED FOR YOUR STUDY. DUE TO ILLNESS, SHIRLEY DIRK WAS UNABLE TO ATTEND THE HEARING TODAY, BUT DID FAX UP A COPY OF HER REMARKS.

I WANT TO THANK YOU FOR YOUR CONSIDERATION OF THIS MATTER AND ASK THAT YOU WORK WITH ME TO REFINE THE BILL AS DRAFTED SO IT WILL OFFER THE NECESSARY PROTECTION TO TENANTS OF SELF-SERVICE STORAGE FACILITIES WITHOUT BEING UNNECESSARILY RESTRICTIVE ON THE PERSONS WHO OWN AND OPERATE THE UNITS.

HOUSE FEDERAL & STATE AFFAIRS
February 7, 1989
Attachment No. 1

February 7, 1989

To: Federal & State Affairs Committee

From: Gary Lillich
P. O. Box D
Mulvane, KS 67110-0404

RE: HB 2138 and HB 2142 (amending self-service storage act)

PLEASE SUPPORT HB 2138 and HB 2142.

Changes are needed in the self-service storage act (SSSA) to better protect the rights of occupants. Some close friends we know lost many valuable items, personal papers, and irreplaceable keepsakes without knowing it could or would happen. While their situation involved some unique circumstances (prepayment of rent, a change of owners, and a trip overseas), other occupants who have lost personal belongings in a storage unit have questioned the fairness of the system.

The rental cost for a 10' by 20' storage unit is about \$50.00 per month. Over a 5-year period, an occupant would pay \$3,000.00 in rent. It seems very unfair that after collecting \$3,000 in rent, an operator can legally sell personal possessions worth \$10,000.00 for \$50 or \$100 to collect two months rent and yet not have to make even one simple phone call or make sure the occupant has been notified.

Realizing that there have been situations in the past where the rights of occupants have been abused and the act has been abused in Kansas, a few SSS occupants, former occupants, and concerned citizens have banded together to form ARSSO (Advocates for the Rights of Self-service Storage Occupants). Our goal is to help protect the rights of occupants under the SSSA and work to make it more fair to occupants. We want a law that is workable for the SSS operators, but yet provides more protection for occupants--one that can be enforced, with enforcement provisions.

We commend the operators who are very conscientious and will do everything possible under the sun to protect the occupant and his belongings. (One operator said the last thing he wants to do is to sell someone else's property--he'd rather cut off his right arm first.) Unfortunately, some operators will do no more than the bare minimum absolutely required by law. Worse yet, a few operators have allegedly failed even to do that.

CONCERNS WITH CURRENT ACT AND PROBLEMS NOT COVERED:

- (1) Change of Ownership -- No protection for occupant.
 - (a) "Last known address" not transferred.
 - (b) Prepayment of rent not honored by new owner.
 - (c) Old lease--should it be honored?
 - (d) No transfer of records needed to protect the occupants.

- (2) No procedure when "last known address" not available.
- (3) Death of occupant -- are the rights of the family and heirs protected?
- (4) No enforcement provisions or penalties for failing to follow the act.
- (5) Procedure unclear in certain situations.
 - (a) When can operator cut lock?
 - (b) When can operator enter unit and start going through the contents?
 - (c) When can operator dispose of contents having "no commercial value"?
- (6) No encouragement for operator to read the act.
- (7) No protection for personal papers, and items of a clear sentimental value.

OUR SEARCH FOR AN INDUSTRY ASSOCIATION OR SPOKESMAN

Before suggesting changes to the SSSA of 1983, I talked to several people involved with the act in 1983 (former Senator Tom Rehorn, who introduced the bill, Robert Hanson, Robert Branson, and others). I also talked to a few current operators of SSS facilities in the Wichita area. In trying to find an industry association to which we could express our concerns to, I found no state or regional group but did find the national Self-Service Storage Association. (Unfortunately, only a small number from Kansas are members.) Attached is a copy of a letter to the Association which included some of our concerns and questions (green sheets). To date, I have not received a response, even after several phone calls to their office in Arkansas.

IMPORTANT POINTS IN BILL

Regardless of how the final bills are written, here are a few points that are important:

- (1) Some form of enforcement should be available, especially to see that the agreements and lien procedures comply.
- (2) An operator should make at least some effort to make sure that the occupant has been notified, that the occupant knows what will happen if he doesn't respond. If the operator doesn't know if the occupant knows about the impending lien sale, he should contact a second alternate contact person who knows the occupant.
- (3) The rights to privacy in his unit should be protected for the occupant. Exceptions should be specified in the act.
- (4) Change of ownership should be covered in the act to protect the occupants.
- (5) Provisions for death of the occupant should be covered to protect his heirs and family.

- (6) Personal papers and other items that cannot be replaced should be protected for the benefit of the occupant.
- (7) Penalties should be provided for violations.

RATIONALE FOR HB 2142

Licensing, as included in HB 2142, may not be popular with all operators. However, here are some desired results of HB 2142:

- (1) Provide a list of facilities to aid in the enforcement of the Disposition of Unclaimed Property Act, by the State Treasurer's office.
- (2) Encourage operators to be aware of the act and its procedures, and hopefully, to read and understand it.
- (3) Provide a mechanism to enforce the act as it applies to agreements.
- (4) Encourage the operator to define his lien enforcement procedure in advance so it complies with the act.
- (5) Provide an information source that can answer questions regarding the act, and provide information assistance to occupants.

RECOMMENDATIONS FOR CHANGES IN HB 2138:

- (1) Include a section to protect the occupant from further collection action, possibly: "In enforcing his lien, and having a lien sale, the operator shall waive his right to collect more rent later from the occupant."
- (2) Line 208: insert 'at no charge' so the phrase reads : "... for retrieval at no charge by the occupant... ."
- (3) The results of the sale, whether by public auction or private proceedings, should be available to anyone involved. Some language on accountability of the proceeds of the sale should be included. Between lines 173 and 174, insert the following: "(3) The operator shall keep records during and after the lien sale which shall include the date of the sale, unit number, full name of occupant, full name of purchaser (if sold as a unit or if less than four purchasers), total amount received for the unit contents, total rent due, pro rata cost of advertising and conducting the sale, deposit retained, and the balance for delivery to the occupant or the state treasurer, and the date such funds should be paid to the state treasurer. Such records shall be available to the occupant or his representative, all bidders participating in the sale, and officials representing the Unclaimed Property Division of the state treasurer's office. Such records shall be kept for a minimum of two years following the lien sale."

RECOMMENDATIONS FOR CHANGES IN HB 2142:

We would recommend a state office, possibly the Secretary of State to act as the licensing agency. It would seem easier and more consistent for one staff to review the agreements and lien enforcement procedures than to have it done by over 400 different local staffs.

OTHER IDEAS TO CONSIDER

There are several concerns for which we don't have a recommendation. Some of these include:

- (1) Suppose a lien sale ad does not fully comply (doesn't mention SALE or bids, doesn't include terms, etc.). How should that be handled?
- (2) Suppose an operator's extra charges are excessive, thus not "reasonable." Should he be allowed to do that? Could "reasonable" charges be defined? Also, should an operator be allowed to divert the cost of holding a lien sale from the unit where he loses money to one where excess funds are available?
- (3) Information received shows that since the act was passed in 1983, no operator has reported any excess funds as "unclaimed property," to the state treasurer as required in the act. Assuming they exist, should an effort be made to collect those? Would an amnesty program work to take care of it?
- (4) Automobiles, motorcycles, motorhomes, and trailers are not mentioned in the act. Because they are covered under KSA 58-208 through 58-214, some operators are not sure exactly how they should be handled.

THANK YOU

Please consider changes to protect the rights of occupants. We feel they are necessary. Perhaps someday these changes will help save someone from losing irreplaceable keepsakes.

Thank you for your consideration.

Respectfully submitted,

Gary Lillich

14 Madapalla Court
Derby, KS 67037
January 10, 1989

Self-Service Storage Association
P.O. Box 110
Eureka Springs, AR 72632-0110

Gentlemen:

Thank you for sending information on your association. As an occupant, I am not eligible for membership in SSSA, but I still have a great concern about the law concerning self-service storage.

I wish that all storage operators would belong to your association. Recently, we have become aware of several abuses of occupants and the state law in Kansas, and have a great concern that the selfish acts of a few operators may make life more difficult for those operators who try to respect the law and the feelings of occupants. Although I don't know who all your members are, I'm sure non-members are the main problem.

Please send a copy of your model law. Was the Kansas law patterned after your 'model law'? I have a copy of the Self-Service Storage Act (KSA 58-813 through 58-819). I'm not sure if the current law needs to be changed but there are several situations that have caused problems in the past, or could cause problems in the future. We would appreciate knowing how certain situations would be covered under the Kansas Self-Service Storage Act.

Under current Kansas law:

(1) If a new owner (operator) takes over a storage complex, but is not given the "last known address" of the occupant of a unit, how can he legally enforce his lien on the contents? What procedure must he follow before he can sell the contents? Is the old owner required to turn over the records necessary to protect the rights of the occupants?

(2) If an occupant pays the operator for a year's rent in advance, and the old owner (operator) sells out or is foreclosed on, is the new operator required to honor the old lease and rent payments?

(3) Section 58-817(g) allows an operator to deny the occupant access to the leased space if the occupant is in default. When is he allowed to do this? Also, does this allow him to destroy the occupant's lock to put on a new lock? Note: some storage units have two places to lock, others only have one.

(4) Section 58-818 gives exclusive custody to the occupant. When does the operator first have the right to enter the unit: the first day the occupant is in default; to prepare a list for the ad (58-817 (b)(3)); or to prepare the items for sale?

(5) When can an operator dispose of the property having "no commercial value"? Some operators do this before a sale, while making a list of the contents. Others do it after the sale, still others leave that up to the buyer of the contents.

(6) What is meant by "restricted mail"? Restricted delivery or certified only?

(7) Suppose an occupant suddenly went overseas for an emergency, will be gone for 2-3 months, and failed to prepay his rent. Does the law require an operator to know the occupant has received the notice? In other words, does he have to receive a return receipt before he sells the contents?

(8) If an owner (operator) refuses or fails to follow the procedure specified in 58-817, and sells or takes the contents without notifying the occupant, is this considered an offense? If so, does Kansas law specify a penalty for failure to follow the Self-Service Storage Act?

(9) Section 58-816 requires the rental agreement to contain a statement advising the occupant of the lien. What are the provisions to enforce that? Is there any penalty for an operator who chooses not to include that in his agreement?

(10) Some operators have allegedly gone through a unit before a sale, picked out the items they wanted, then left the 'junk' items for people to bid on. (The bidder cannot know what was supposed to be there. Furthermore, the occupant probably won't be there to help, either because he doesn't know about the impending sale, or cannot come up with the rent due so doesn't even bother to check on the unit.) Does Kansas law provide a penalty for an operator who does this?

(11) The operator is required to hold any excess funds for the account of the the occupant for one year, then turn it over to the state treasurer. If an occupant doesn't ask about it, who enforces that?

(12) If an owner (operator) is aware that an occupant has died, thus cannot respond to a notice, how would the interest of the occupant's heirs be protected?

(13) Nothing in the law seems to protect personal items and papers which have no commercial value (for example, pictures, birth certificates, wedding memorabilia, cancelled checks, letters, funeral memorabilia, etc.) but would have a great sentimental value to the occupant. Some operators dispose these as "any property which has no commercial value." Other operators feel they need to save them for a year, others save them forever. Is there a standard law or practice on that?

(14) One operator advertises the sale in a newspaper with low circulation, thus few bidders even know about it. Is it legal for him to call a friend, ask him to bid \$25, when he knows the contents are worth over \$10,000? Is there anything to keep an operator from being the only bidder?

Please consider these questions and answer as many as you can. I realize that there are a lot of questions here regarding the Self-Service Storage Act. We have tried to find an association or regional group here in Kansas to which we could address these concerns. However, your association was the only one we found. Could you recommend an industry spokesman in Kansas?

If you need further information, please write or call me at (316) 788-5801. Thank you for your help.

Sincerely,

Gary Lillich

TESTIMONY OF BARRY M. SHALINSKY, ADMINISTRATIVE ASSISTANT
TO STATE TREASURER JOAN FINNEY, BEFORE THE HOUSE FEDERAL
AND STATE AFFAIRS COMMITTEE, FEBRUARY 7, 1989

RE: HB 2138 and HB 2142

The Office of the State Treasurer is supportive of the intent of HB 2138 and HB 2142. Under current laws governing self-service storage facilities, there are provisions that unclaimed property be turned over to the State Treasury after being held by a self-service storage operator for one year. There would be no change in that provision under HB 2138.

However, to the extent that procedures are tightened concerning notice of sale of property to cover delinquent rent, more occupants will be aware that their property is at risk, and therefore, a greater likelihood that all property rightfully belonging to an occupant will be preserved for them to claim it, once outstanding liens are satisfied. These results are in keeping with the intent of the Self-Service Storage Act and the Disposition of Unclaimed Property Act--to get property to its rightful owner.

Frankly, current laws do not provide adequate protections for occupants of self-service storage facilities whose property has been sold. Nearly 5,000 holders of unclaimed property have reported and remitted unclaimed property to the State Treasurer. There are not any self-service storage facilities among those holders of property reporting, despite the fact that numerous

sales of property by operators of these facilities have undoubtedly occurred.

Although there are penalties for non-compliance with reporting requirements under the Disposition of Unclaimed Property Act, the act is essentially self-enforcing. The State Treasurer has obtained lists of potential holders of unclaimed property from various state agencies, such as Human Resources and the Secretary of State. Report forms are sent annually to potential holders.

Compliance with reporting requirements is good among businesses subject to auditing and regulation by state agencies. Hence, insurance companies, financial institutions and utilities are reasonably accurate and prompt in meeting reporting requirements. Compliance among unregulated holders is more sporadic. Self-service storage operators are among those who are simply not in compliance with reporting and remittance requirements.

To the extent that HB 2142 provides for licensing of self-service storage facilities, this will guarantee that the State Treasurer will be able to obtain a list of operators of such facilities for the purpose of sending report forms to them. Undoubtedly, some are currently missed that do not appear on some other list. Having one central registry, such as the Secretary of State, would simplify the process of obtaining a list, vis-a-vis the State Treasurer having to request the information from hundreds of local units of government across the state.

APOLLO MINI-STORAGE
107 Madison
Topeka, Kansas 66607
(913) 233-8882

IF RENT IS NOT PAID IN ADVANCE BY THE 10th
OF EACH MONTH, ADD \$5.00 PER MONTH

RENTAL AGREEMENT

This Rental Agreement made between APOLLO MINI-STORAGE, a company doing business in Shawnee County, Kansas, hereinafter called the "Operator" and _____ hereinafter called the "Occupant",

WITNESSETH:

That Operator does hereby rent unto the Occupant locker-room number _____ in a building known as APOLLO MINI-STORAGE, 107 Madison, Topeka, Kansas, 66607 (913) 233-8882, to be used as a storage room for storing personal property (explosives and highly inflammable material and goods are not permitted to be stored upon such premises), for a period of _____ months, commencing on the 1st day of _____, 198 .

1. RENT. Occupant agrees to pay to the Operator as rent the sum of \$ _____ payable \$ _____ per month, throughout the term of this agreement, said rents to be paid in advance on the 1st day of each month. No refunds will be made if occupant vacates the leased premises or removes all personal property from leased premises prior to next rent due date. NO REFUNDS -- NO REFUNDS!

2. DEPOSIT. A deposit of \$ _____ paid in advance by the Occupant will be held by the Operator. The deposit will be refunded by mail to Occupant within one (1) week after vacating the premises, provided all rent has been paid and rented space is left clean and undamaged.

3. USE AND OCCUPANCY AND COMPLIANCE WITH LAW. Occupant expressly agrees and covenants that he will not use said rented premises for any unlawful purpose, and he will pay the rent each month as it becomes due; that he will keep said premises in good condition (usual wear and depreciation excepted). He will not store explosive or highly inflammable material or goods or any other item which would jeopardize the insurability of the building containing such locker room storage space on said premises without the written consent of the Operator; AND THAT HE WILL AT HIS OWN EXPENSE OBTAIN AND MAINTAIN HIS OWN INSURANCE ON THE PROPERTY STORED ON SAID PREMISES AND THAT THE OPERATOR SHALL NOT BE RESPONSIBLE FOR DAMAGE, IF ANY, TO SAID PROPERTY CAUSED BY FIRE, WATER, OR FROM ANY CAUSE WHATEVER; and that Operator shall have the right to enter into and upon said premise at all reasonable times for the purpose of inspecting the conditions thereof. The Occupant will pay to the Operator promptly any sums necessary for any repairs of rented space caused by the Occupant's negligence or misuse to the premises or the misuse or negligence of Occupant's licensees, invitees, or guests. Further that no alteration or improvements will be made by the Occupant without prior written consent of the Operator.

4. TERMINATION. Notwithstanding anything else herein contained to the contrary, either party may terminate this Rental Agreement with a ten (10) day prior written notice to the other. If notice to vacate has been given by either the Occupant or the Operator and the Occupant stays in the rented space past that date the Occupant will pay twice the daily rate as penalty. The Operator may terminate this Rental Agreement immediately if Occupant defaults under this agreement.

5. LIEN. OPERATOR HAS A LIEN ON ALL PERSONAL PROPERTY STORED WITHIN EACH RENTED SPACE FOR RENT, LABOR OR OTHER CHARGES, AND FOR EXPENSES REASONABLY INCURRED IN ITS SALE TO SATISFY LIEN IF OCCUPANT DEFAULTS. PROCEEDS OF SUCH SALE SHALL FIRST BE APPLIED TO SATISFY THE LIEN OF THE OPERATOR. THE BALANCE OF SUCH PROCEEDS, IF ANY, MAY BE HELD BY THE OPERATOR FOR A PERIOD OF SIX (6) MONTHS AFTER RECEIPT OF PROCEEDS OF THE SALE AND PAYMENT OF ALL COSTS OR

DELIVERY ON DEMAND TO THE OCCUPANT OR ANY OTHER RECORDED LIEN HOLDERS. ANY PROCEEDS FROM THE SALE OF THE PROPERTY WHICH REMAIN AFTER SATISFACTION OF THE LIEN WILL BE PAID TO THE STATE TREASURER IF UNCLAIMED BY THE OCCUPANT WITHIN ONE (1) YEAR AFTER SALE OF THE PROPERTY.

- (A) IF RENT OR CHARGES ARE THREE (3) DAYS OVERDUE THE OPERATOR MAY OVERLOCK THE RENTED SPACE. THE OPERATOR'S LOCK WILL BE REMOVED WHEN RENT AND OTHER CHARGES HAVE BEEN PAID BY MONEY ORDER, CASHIER'S CHECK OR AFTER A PERSONAL CHECK HAS CLEARED THE BANK.
- (B) IF THE OCCUPANT IS IN DEFAULT FOR A PERIOD OF MORE THAN FORTY-FIVE (45) DAYS, THE OPERATOR MAY THEN ENFORCE THE LIEN BY SELLING THE PROPERTY STORED IN THE LEASED SPACE FOR CASH. THE SALE OF THE PROPERTY STORED ON THE PREMISES MAY BE BY PUBLIC OR PRIVATE PROCEEDINGS AND MAY ALSO BE AS A UNIT OR IN PARCELS, OR BY WAY OF ONE OR MORE CONTRACTS AT ANY TIME OR PLACE, AND ON ANY TERMS AS LONG AS THE SALE IS COMMERCIALY REASONABLE. THE OPERATOR MAY OTHERWISE DISPOSE OF ANY PROPERTY WHICH HAS NO COMMERCIAL VALUE.
- (C) PRIOR TO SALE OF THE PROPERTY TO SATISFY THE OPERATOR'S LIEN NOTICE THEREOF SHALL BE GIVEN IN ACCORDANCE WITH K.S.A. 1982 SUPP. 84-7-101.

6. LIABILITY, INSURANCE, AND CARE OF PERSONAL PROPERTY.

NOTWITHSTANDING ANYTHING ELSE HEREIN CONTAINED TO THE CONTRARY OCCUPANT ACKNOWLEDGES THAT HE IS RENTING A SELF-SERVICE STORAGE SPACE FROM OPERATOR TO BE LOCKED BY OCCUPANT AND THAT THIS AGREEMENT DOES NOT CREATE ANY KIND OF A BAILOR-BAILEE RELATIONSHIP BETWEEN OCCUPANT AND OPERATOR. OPERATOR SHALL NOT BE RESPONSIBLE FOR LOOKING AFTER THE RENTED SPACE OR CARING FOR THE OCCUPANT'S PERSONAL PROPERTY STORED THEREIN. OPERATOR SHALL NOT BE LIABLE TO THE OCCUPANT OR OCCUPANT'S EMPLOYEES, PATRONS, OR VISITORS FOR ANY DAMAGE TO PERSONS OR PROPERTY CAUSED BY AN ACT OF NEGLIGENCE OF ANY OTHER OCCUPANT OF THE BUILDING OR BUILDINGS OF WHICH THE RENTED SPACE ARE A PART. OCCUPANT ACCEPTS THE RENTED SPACE IN THE PRESENT CONDITION AS SUITABLE FOR THE PURPOSE FOR WHICH THEY ARE RENTED AND ACCEPTS THE RENTED SPACE AS IS. OCCUPANT IS SOLELY RESPONSIBLE FOR SECURING AND PAYING FOR ANY INSURANCE COVERAGE ON HIS PERSONAL PROPERTY THAT HE DESIRES.

7. NOTIFICATION. Occupant agrees to notify Operator in writing of any change in Occupant's residential or business address or telephone number.

8. APPLICABLE LAW. This Rental Agreement is in accordance with the Kansas Self-Service Storage Act, K.S.A. 1982 Supp. 84-7-101, et seq.

Witness our hands in duplicate at Topeka, Kansas, on this _____ day of _____, 198__.

APOLLO MINI-STORAGE

By _____
Operator

By _____
Occupant

Locker Rental \$ _____
 Deposit \$ _____
 Total \$ _____
 (Misc. or Lock) \$ _____
 Total Received \$ _____

Address

City, State, Zip Code

Phone Number

Emergency Number

Person to Contact

Place of Employment

APOLLO MINI-STORAGE
107 Madison
Topeka, Kansas 66607
(913) 233-8882

SECOND NOTICE

Date: _____

Mr./Mrs. _____

Dear Mr./Mrs. _____:

Please refer to your copy of the Rental Agreement with Apollo Mini-Storage. CONTENTS OF OCCUPANT'S LEASED SPACES ARE SUBJECT TO THE OPERATOR'S LIEN. (K.S.A. 1983 Supp. 84-7-101.)

Pursuant to the terms thereof, you are in default in that you have failed to make your rental payments as due and the total amount presently delinquent is \$_____.

Pursuant to K.S.A. 1982 Supp. 84-7-101, et seq. demand is hereby made that you make such rental payment or payments on or before the _____ day of _____, 198__, which is a day not less than ten (10) days from the personal delivery of this notice or from the time when such notice should reach its destination according to due course of post if mailed.

Please be advised that pursuant to the foregoing Kansas law, should you fail to make such delinquent payment or payments on or before said date above-named, should you continue to be in default for in excess of forty-five (45) days, that the personal property which you have stored at the premises rented to you will be sold at

on the _____ day of _____, 198__ at _____ o'clock ____m. at public sale.

Again pursuant to K.S.A. 1982 Supp. 84-7-101, the proceeds of such sale shall be first applied to satisfy the lien rights of the operator of Apollo Mini-Storage and the balance, if any there may be, shall be held according to law for six (6) months for distribution to other valid lien claimants or to you. After such period, the proceeds shall then be disposed of according to law.

If there are extenuating circumstances which merit our consideration, you will please write to us in care of Apollo Mini-Storage, 107 Madison, Topeka, Kansas 66607 or telephone (913) 233-8882.

Very truly yours,

APOLLO MINI-STORAGE, operator

By: _____

CHARLES M. & SHIRLEY G. DIRCK
Owners: U-CRAM-IT-STORAGE
7530 So. Broadway
Wichita, Kansas 67233
(316) 522-3726

February 3, 1989

TO: Debara Schauf
Elizabeth Baker
State Representatives

Re: HOUSE BILL #2138 and HOUSE BILL #2142

As the operators of self-service storage facilities in Haysville, Kansas, we would like to address our concerns on the above stated bills.

HOUSE BILL NO. 2138

There are many aspects of this bill that disturb us. We agree that occupants of a leased space at a self-service storage facility have rights that SHOULD be protected...but many of the additions to this SELF-SERVICE STORAGE ACT outlined in this bill will only serve to protect the dead-beats and those that skip out on rents owed. We adamantly oppose any additions to this Act that prolong or make more difficult the handling of default situations.

It has been our experience as Operators, that those Occupants storing items of value make sure that we are informed of their current addresses, telephone numbers etc. They gladly give us the names of contact persons and employers. If these people have a problem with paying the rent, they call us and make payment arrangements - to protect their valuables. Other Occupants go to great lengths to keep current information from us. It is all too common that people remove everything of value from their rented unit, leaving it empty or (more often than not) full of trash, ruined mattresses, useless large appliances etc., they replace the lock as if they were still occupying the space and by the time we (the Operators) are allowed to cut the lock off, these people are long gone and have covered their tracks very well. The Operators loose the rent owed, we loose future rent as the units are tied up for months during the default process, we have to pay to have the trash etc. hauled away and disposed of, we loose all around.

It is also the rule rather than the exception that most of the smaller

HOUSE FEDERAL & STATE AFFAIRS

Attachment No. 5 2/7/89

February 3, 198

self storage units are full of items with no real monetary value. The Operators want the rent money. . . NOT the contents of the units. While we agree that Operators should make every effort to contact a defaulted occupant, it usually doesn't take very long to find out "MOVED, LEFT NO FORWARDING ADDRESS", "THIS PHONE HAS BEEN DISCONNECTED", "NO CURRENT TELEPHONE LISTING FOR THAT PARTY", "THAT PERSON NO LONGER WORKS HERE", "WE NO LONGER KNOW THE WHEREABOUTS OF THAT PERSON". Believe us, no matter how many follow up letters and phone calls we make . . . the response is still the same. Please don't add anything to this Act that will prolong the process further. We feel that the Act as it now stands gives adequate guidelines and restrictions to protect the best interests of both the Operator and Occupant.

We are also opposed to any part of this Act that would require the Operators to publish in the newspaper a specific Unit # and the Contents of that particular unit. This is an open invitation to theft.

#187-188 states that an Operator cannot damage the lock of the Occupant to deny access to the leased space. Sometimes this is unavoidable. You would not believe the contraptions we have found on the units . . . rigged so that our locks cannot work unless we remove the Occupants lock.

After 45 days, Operators NEED to be able to cut off the lock on a defaulted unit. If it is empty or full of trash, we can then go ahead and clean and rent the unit. If there are only a few items in the unit . . . we should be able to label them and move them to a common storage unit for this purpose and go ahead and rent the unit while we continue trying to contact the person who is in default about a lien sale.

#202-211 tells the Operator that if we cannot locate an Occupant who is in default, that we have got to go through the Occupants items, pick out anything that could be important or sentimental, store it for 1 year and be subject to a fine if we get rid of it!!! COME ON NOW If the Occupant doesn't care enough about his items to protect them. . . why make us his keeper? NO WAY !!!

We Agree that provisions need to be added to the SELF-STORAGE ACT to protect the Occupants interests should a storage facility change Operators. #231-#236 is good (the last paragraph is redundant).

#240-#246 is fine - but we feel from there on it is too complicated and restrictive and again, will only serve to protect dead beats and skip outs.



February 3, 1989

A new Operator should be able to carry out normal default procedures. We suggest that when a new Operatore takes over, he be required to send certified letters to all Occupants notifying them of the New Ownership and any changes in the Business Name, Place to pay rent, Who the new contact person will be etc. This would insure that all Occupants are aware of the changes and protect the Occupant and Operator alike.

HOUSE BILL # 2142

This Bill would require Operators of storage facilities to be licensed and pay yearly fees. We feel that this bill is unnecessary. The cost of paperwork, extra manpower needed to issue and monitor the licenses and to collect fees would offset any advantage to having such a bill passed. We feel it would be unenforcable and will add more headaches to business owners and the state alike. It is another way for bureaucracy to make something complex out of a simple matter.

Please consider our comments. We ask you not to pass Bill #2138 as it now stands. We ask you to defeat Bill #2142. Thank you.


Shirley Dirck

Charles M. Dirck

AS OWNERS AND OPERATORS OF SELF-SERVICE STORAGE FACILITIES IN KANSAS, WE AGREE WITH THE COMMENTS MADE BY CHARLES & SHIRLEY DIRCK IN THEIR LETTER OF FEBRUARY 3, 1989 CONCERNING BILL # 2138 AND BILL #2142.

PLEASE CONSIDER OUR VIEWPOINTS. WE ASK THAT YOU NOT PASS BILL #2138 IN ITS PRESENT FORM. WE ASK THAT DEFEAT BILL #2142.

THANK YOU.

BUSINESS NAME	BUSINESS ADDRESS	CITY	PHONE	OPERATOR SIGNATURE*
Economy Storage	133 Baughman	Wayneville	316 5221220	Carol Janning
U-Store-IT	6891 So. BROADWAY	HAYSVILLE	1-316-522-7227	Tom R. Murphy
Larney's Attic	107 N. James	HAYSVILLE	1-316-522-7248	Larney Larney
East Grand Storage	820 E Grand	HAYSVILLE	1-316-524586	M. C. Allen
Garrup Mini Storage	1500 Durdick	HAYSVILLE	524 6001	Gerald Janning
U-CRAN H. STORAGE	2830 So. Broadway	Wichita, Ks.	522 4746	Chul M. Smith

ABOVE LISTED BUSINESSES WERE CONTACTED AND HAVE GIVEN PERMISSION TO USE THEIR NAMES. NOT ALL WERE AVAILABLE TO SIGN THIS FORM DUE TO SHORT NOTICE AND SNOW CONDITIONS. IF NECESSARY, WE CAN GET THE SIGNATURES OF ALL PARTIES FOR THE RECORD.

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