



TESTIMONY

HB 2454

An Act concerning self-storage rental units

Whitney Damron  
On behalf of the  
Self Storage Association  
[www.selfstorage.org](http://www.selfstorage.org)

House Commerce, Labor and Economic Development Committee  
January 23, 2020

Good afternoon Chairman Tarwater and Members of the Committee:

I am Whitney Damron and I appear before you today in support of HB 2454 on behalf of the Self Storage Association. The Self Storage Association is a national trade organization headquartered in Alexandria, Virginia representing thousands of owners and operators of self-storage facilities in all fifty states.

Before you today is legislation making four changes to state statutes applying to the self-storage industry:

**1. Allow a self-storage operator to cause the removal of certain vehicles, watercraft or trailers consistent with how abandoned vehicles are dealt with in the public domain.**

Section 2. (i) will allow a self-storage facility to have such vehicles towed by a towing agency to their towing company's storage lot, where the owner may retrieve such vehicle as if it has been removed from a public street or property. Self-storage operators seek this right in order to remove such vehicles from their property in a timely manner and remove their requirement to be a caretaker for property for which they are no longer being compensated to store. It also alleviates storage operators from selling the vehicle, a process that many operators are not readily familiar with.

**2. Make damage loss limitations in contract enforceable in law.**

Section 1. (c) will allow contractual limitations on the value of stored items to be enforceable in court under contract law. Typically, a self-storage rental agreement will place a contractual limit on stored items to a value not greater than the maximum value permitted to be stored in the leased space under terms of the rental agreement. Some jurisdictions (e.g., courts) have not adhered to these limitations absent statutory authority. A self-storage operator may have good reason to limit the value of items stored in their facility, including limitations on their own insurance coverage and an interest in not having certain high-value items stored onsite that make theft difficult to discourage.

### **3. Amendments to the process for disposing of stored items.**

Section 2. (b)(3) will allow for a sale of property to be conducted in person or online. By allowing online participation in an auction, it is possible, if not likely that more people will participate in such auctions, which ultimately benefits the person with the stored items who is in default in their agreement with the self-storage operator.

### **4. Publication and notice requirements for sale of stored items.**

Section 2. (b)(3) will also allow a self-storage operator to provide public notice of an intent to sell property where the renter has defaulted on their agreement through a public notice in the official newspaper of jurisdiction (e.g., city or county) or (new language) in “any other commercially reasonable manner.” The definition is met if three or more independent bidders participate in the auction in person or online. The primary purpose of publication is to notify potential bidders, not the self-storage renter, as they receive statutory notice through mail, both USPS and e-mail, when available.

Current law, K.S.A. 58-817 allows for a self-storage operator to sell stored items if the occupant is in default for a period of 45 days or longer. State law requires notice by First Class Mail at the occupant’s last known address and by electronic mail if it has been provided. A second notice mailed not less than seven days after the initial notice with additional information must also be sent to the renter (e.g., contents subject to lien, operator’s claim for charges due, potential additional charges, demand for payment/timeframe, etc.).

Current law requires public notice in a newspaper of general circulation and HB 2434 expands the notice provision to allow for notice in “any other commercially reasonable manner.”

The Legislature amended notice provisions to the renter years ago to allow by First Class Mail and electronic notification. The primary purpose for the public notice of a sale is to generate interest in the sale, which potentially inures to the benefit of the renter, as any proceeds over and above the amount due to the self-storage facility is returned to the renter, not the self-storage facility. This provision will allow, for example, notice of a sale to be placed on online auction websites where the public can check to see what units are scheduled for auction and on what date. This will be helpful to both bidders and the content owners. In states that permit online advertising, these websites typically generate much more traffic than in-person auctions.

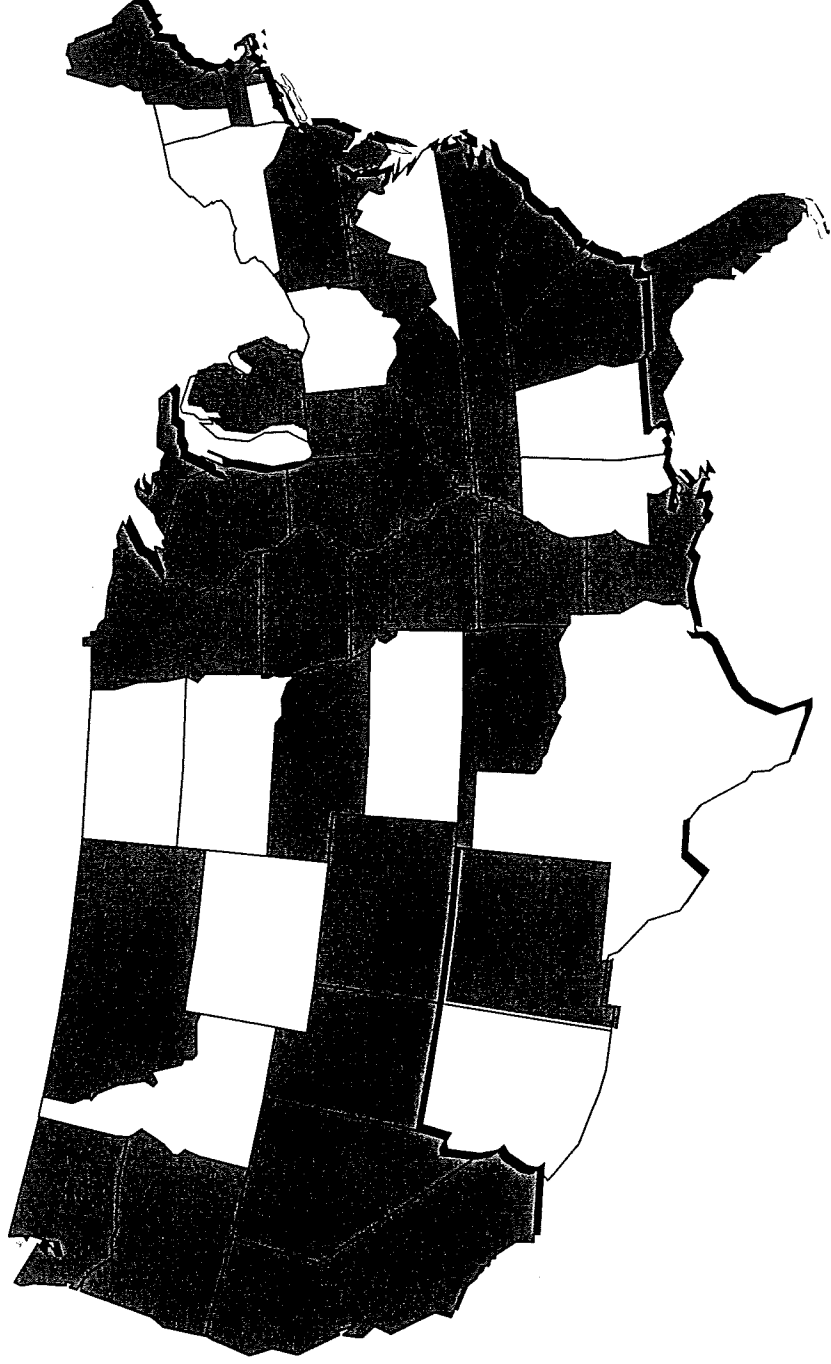
Included with my testimony are maps from all states that note where similar provisions have been enacted. You will see that all of these provisions are in statute in the four states surrounding Kansas.

Self-storage operators do not want to sell stored items to satisfy past due charges; they are in business to rent storage units and keep them rented. Unfortunately, there are times when a renter fails to adhere to their contractual obligations and an operator is forced to auction stored items to satisfy their bill. Kansas Law has prescribed a notice process and auction procedure that is beneficial to both the renter and the operator. These amendments are a balance between the two parties consistent with previous changes to these statutes and we respectfully ask for your favorable consideration of HB 2454.

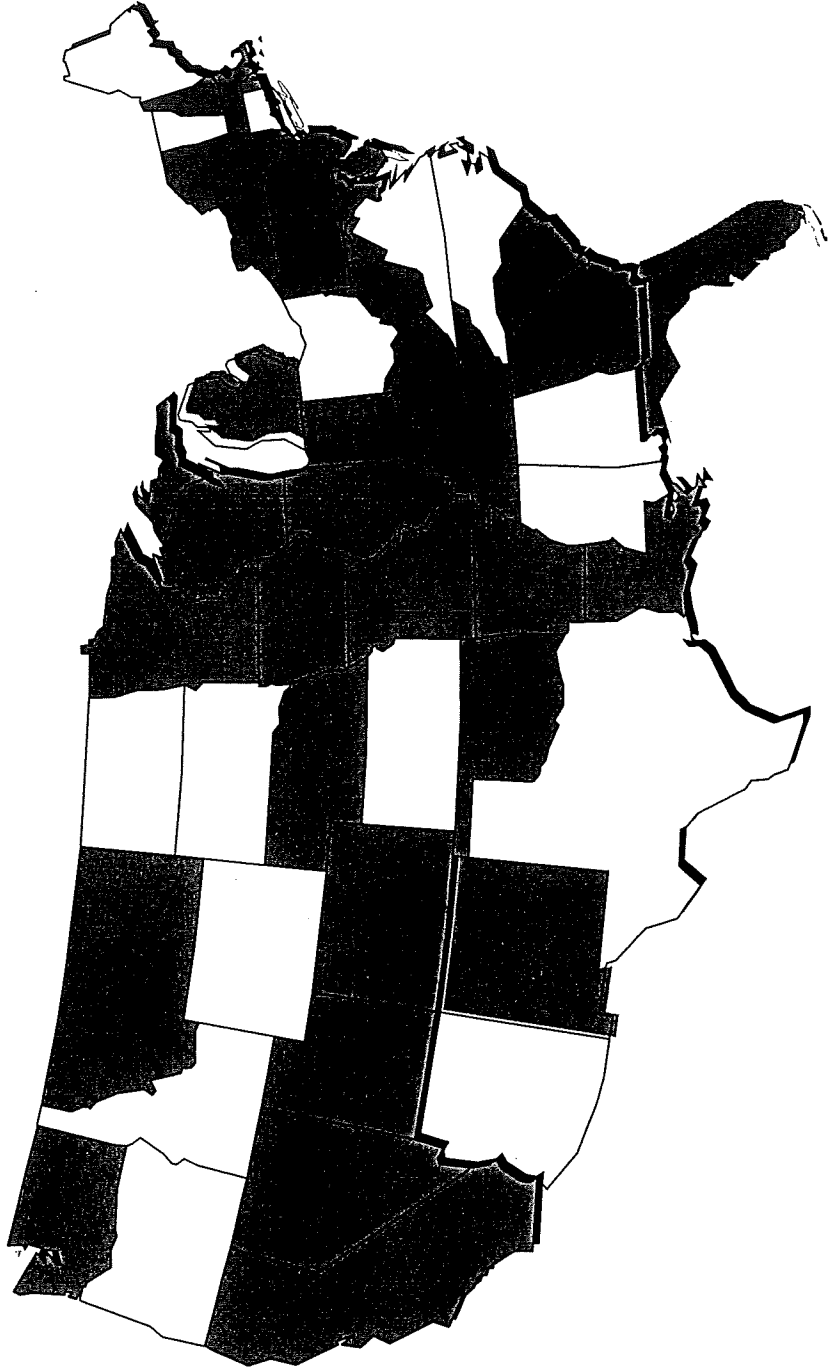
I would be pleased to stand for questions.

WBD  
Attachments

# Provides for simplified vehicle towing

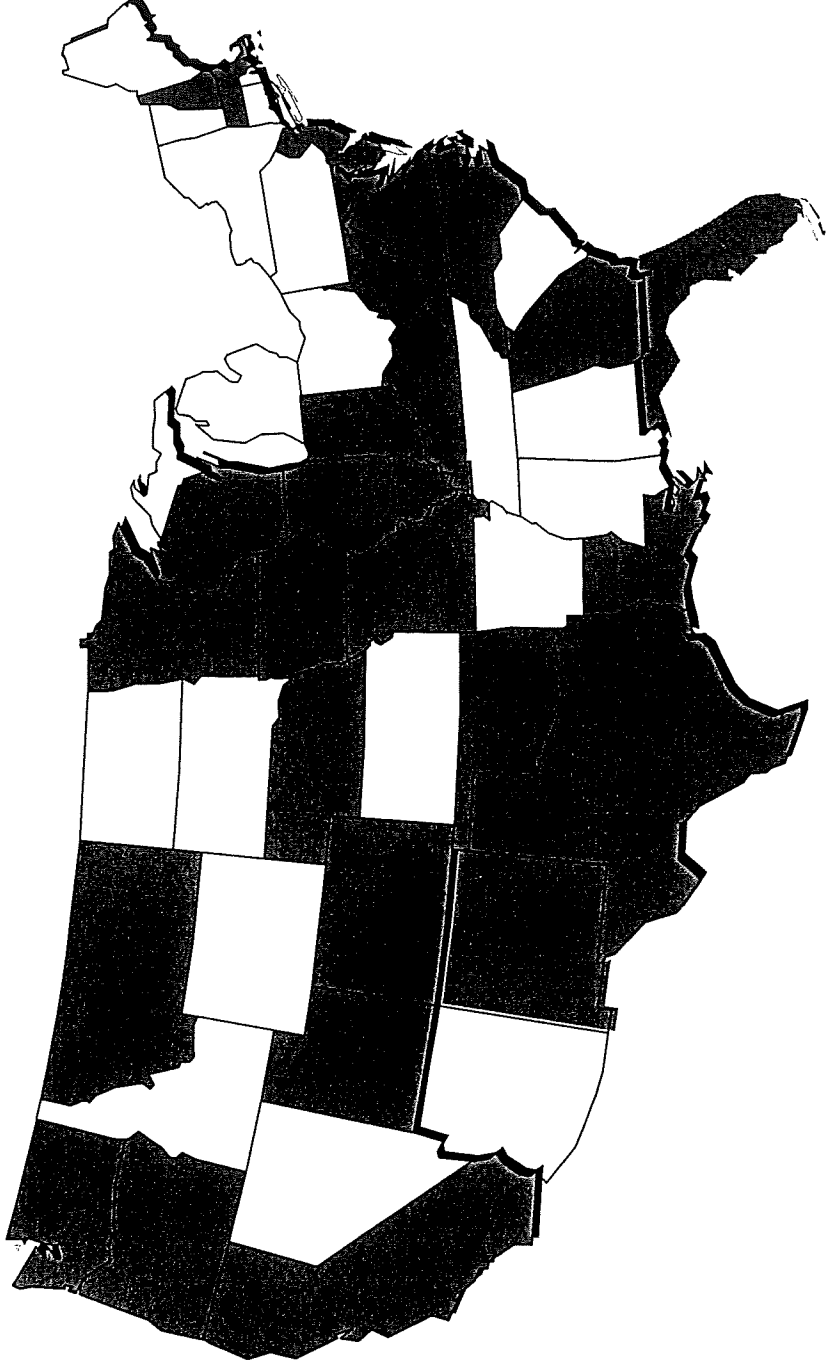


# Recognizes contractual value limitation



Also Hawaii

# Expressly allows online auctions



Also Hawaii