

Debbie Bartuccio

From: Whitney Damron <wbdamron@gmail.com>
Sent: Friday, March 13, 2020 2:06 PM
To: Julia Lynn; Larry Alley; Tom Holland; Molly Baumgardner; John Doll; Bruce Givens; Rob Olson; Eric Rucker; Gene Suellentrop; Dinah Sykes; Mike Thompson
Cc: Debbie Bartuccio; Charles Reimer
Subject: HB 2454 - Self Storage Legislation; Proposed Amendment
Attachments: HB 2454 Amendment Self Storage Assn WDamron.pdf

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Madam Chair Lynn and Members of the Senate Committee on Commerce:

On behalf of the Self Storage Association, I wish to express my appreciation for the opportunity to present comments in support of HB 2454 this morning in Committee.

In advance of committee consideration, I would like to offer the following comments in response to committee questions and concerns expressed by the Kansas Press Association and their affiliate newspapers after consultation with client:

- Active Duty service members are protected by Federal Law from having their property sold at a lien sale. The storage operator must obtain a court order (which basically never happens). The operator faces civil and criminal liability for selling the property of an active duty service member.
- Colorado eliminated newspaper advertising requirements a few years ago and Nebraska never required it. Tenants in those states are not more likely to have their property sold at a lien sale.
- Newspaper advertising does not exist to provide notice to the tenant and/or family/friends. Notice is established through direct notice to the tenant as provided for under existing Kansas law that is not changed with HB 2454. The intent of the notice is to drive bidders to the sale.

We would not be opposed to an amendment to require self storage operators to request a third-party name on a rental agreement to contact (name/e-mail/phone/etc.) in case the renter cannot be located or does not respond to a notice of sale and make that a requirement for using alternative advertising of an intent to sell stored items.

I have attached a draft balloon amendment along these lines that should address concerns expressed by the opposition to this bill and also copied Committee Revisor Charles Reimer, as he may wish to wordsmith a bit.

Thank you for your consideration.

Please enjoy your weekend and remember to wash your hands.

Best regards.

Whitney Damron
On behalf of the Self Storage Association

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1 than 45 days, the operator may enforce the lien by selling the property
2 stored in the leased space for cash. Sale of the property stored on the
3 premises may be *conducted online or in person*, by public or private
4 proceedings and may also be as a unit or in parcels, or by way of one or
5 more contracts and at any time or place, and on any terms as long as the
6 sale is commercially reasonable. The operator may otherwise dispose of
7 any property ~~which that~~ has no commercial value.

8 (2) The proceeds of such sale shall then be applied to satisfy the lien,
9 with any surplus disbursed as provided in subsection (d).

10 (b) Before conducting a sale under subsection (a), the operator shall:

11 (1) Notify the occupant of the default by first-class mail at the
12 occupant's last-known address, and by electronic mail if the occupant has
13 provided an electronic mail address to the operator;

14 (2) send a second notice of default, not less than seven days after the
15 notice required by subsection (b)(1), by first-class mail to the occupant at
16 the occupant's last-known address, and by electronic mail if the occupant
17 has provided an electronic mail address to the operator. A second notice of
18 default shall include:

19 (A) A statement that the contents of the occupant's leased space are
20 subject to the operator's lien;

21 (B) a statement of the operator's claim, indicating the charges due on
22 the date of the notice, the amount of any additional charges ~~which that~~
23 shall become due before the date of release for sale and the date those
24 additional charges shall become due;

25 (C) a demand for payment of the charges due within a specified time,
26 not less than 10 days after the date of the notice;

27 (D) a statement that unless the claim is paid within the time stated,
28 the contents of the occupant's space will be sold after a specified time; and

29 (E) the name, street address and telephone number of the operator, or
30 a designated agent whom the occupant may contact to respond to the
31 notice.

32 (3) At least seven days before the sale, advertise the time, place and
33 terms of the sale in a newspaper of general circulation in the jurisdiction
34 where the sale is to be held *or in any other commercially reasonable*
35 *manner*. Such advertisement shall be in the classified section of the
36 newspaper, *if notice is placed in the newspaper. If at least three*
37 *independent bidders do not attend the sale in person or view the sale*
38 *online at the time and place advertised, the sale shall be canceled,*
39 *rescheduled and readvertised. Further notice to the occupant shall not be*
40 *required.*

41 (c) At any time before a sale under this section, the occupant may pay
42 the amount necessary to satisfy the lien and redeem the occupant's
43 personal property.

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if notice is provided by first class mail and by electronic mail
if available to the occupant and at least one other person to
whom the occupant has designated to receive notification
in their rental agreement at least seven days before a sale is
held.