

HOUSE BILL No. 2545

AN ACT concerning the self-service storage act; providing for sale of property not retrieved by an occupant after notice by an operator; allowing electronic signatures and electronic delivery for rental agreements upon consent by an occupant; defining "property that has no commercial value"; providing for the effectiveness of rental agreements when such agreements are not signed or delivered by an owner or by an occupant; specifying custody and control of abandoned or towed property; amending K.S.A. 58-814 and 58-818 and K.S.A. 2023 Supp. 58-816 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) If the occupant does not retrieve such occupant's personal property in the leased space for more than 45 days after the date of a notice of termination or non-renewal by the operator, the operator may sell the property as provided in subsection (b) without liability to any party. The notice of termination or non-renewal shall be prepared and delivered by the operator pursuant to the terms of the rental agreement to be effective.

(b) Prior to the sale of the personal property, the operator shall provide an additional notice to the occupant by first-class mail to the occupant's last known address stating that the operator may sell the personal property remaining in the leased space after a specified date unless the occupant removes such personal property. Such specified date shall be at least 45 days after the date of the notice of termination or non-renewal and at least 15 days after the date of the additional notice. If a notice of termination or non-renewal by the operator includes, in bold type, a statement that the operator may sell the personal property remaining in the leased space unless the occupant removes such property before a specified date at least 45 days after the date of the notice of termination or non-renewal, the operator shall not be required to provide such additional notice. If the operator has given written notice to the occupant by first-class mail or in the operator's notice of termination or non-renewal as provided by this subsection and the occupant has not removed the personal property by the specified date, the operator may sell the property. The operator may dispose of personal property that has no commercial value.

(c) Any proceeds remaining after the operator deducts rent, labor or other charges, and expenses reasonably incurred in the sale of the personal property shall be considered abandoned property to be reported and paid to the state treasurer in accordance with the uniform unclaimed property act.

(d) This section shall be a part of and supplemental to the self-service storage act.

Sec. 2. K.S.A. 58-814 is hereby amended to read as follows: 58-814. As used in the self-service storage act ~~the following words shall mean the following:~~

(a) ~~"Self-service storage facility" means any real property used for renting or leasing individual storage spaces in which the occupants themselves customarily store and remove their own personal property on a self-service basis~~ "Default" means the failure to perform on time any obligation or duty set forth in the rental agreement.

(b) ~~"Rental agreement" means any written statement that establishes or modifies the terms, conditions or rules concerning the use and occupancy of a self-service storage facility~~ "Electronic signature" means an electronic symbol or process that is attached to, or logically associated with, a rental agreement and executed or adopted by a person with an intent to accept, execute or amend the rental agreement.

(c) ~~"Leased space" means the individual storage space at the self-service facility which is rented to an occupant pursuant to a rental agreement~~ "Last known address" means that address provided by the occupant in the rental agreement or the address provided by the occupant in a subsequent written notice of a change of address.

(d) ~~"Occupant" means a person, a sublessee, successor or assign, entitled to the use of a leased space at a self-service storage facility under a rental agreement~~ "Late fee" means a fee or charge assessed by

an operator for an occupant's failure to pay rent when due. A "late fee" is not interest on a debt, nor is a late fee a reasonable expense that the operator may incur in the course of collecting unpaid rent in enforcing the operator's lien right pursuant to K.S.A. 58-814, et seq., and amendments thereto, or enforcing any other remedy provided by statute or contract.

(e) "Operator" means the owner, operator, lessor or sublessor of a self-service storage facility, an agent or any other person authorized to manage the facility, except that "operator" does not mean a warehouseman, unless the operator issues a warehouse receipt, bill of lading, or other document of title for the personal property stored. "Leased space" means the individual storage space at the self-service storage facility that is rented to an occupant pursuant to a rental agreement.

(f) "Personal property" means movable property, not affixed to land, and "personal property" includes, but is not limited to, goods, wares, merchandise, motor vehicles, watercraft, household items and furnishings. "Occupant" means a person, a sublessee, successor or assign, entitled to the use of a leased space at a self-service storage facility under a rental agreement.

(g) "Default" means the failure to perform on time any obligation or duty set forth in the rental agreement. "Operator" means the owner, operator, lessor or sublessor of a self-service storage facility, an agent or any other person authorized to manage the facility, except that "operator" does not mean a warehouseman, unless the operator issues a warehouse receipt, bill of lading, or other document of title for the personal property stored.

(h) "Last known address" means that address provided by the occupant in the rental agreement or the address provided by the occupant in a subsequent written notice of a change of address. "Personal property" means movable property, not affixed to land, and "personal property" includes, but is not limited to, goods, wares, merchandise, motor vehicles, watercraft, household items and furnishings.

(i) "Late fee" means a fee or charge assessed by an operator for an occupant's failure to pay rent when due. A late fee is not interest on a debt, nor is a late fee a reasonable expense that the operator may incur in the course of collecting unpaid rent in enforcing the operator's lien right pursuant to K.S.A. 58-814, et seq., and amendments thereto, or enforcing any other remedy provided by statute or contract. "Property that has no commercial value" means property offered for sale in a commercially reasonable sale that receives no bid or offer.

(j) "Rental agreement" means any written or electronic statement that establishes or modifies the terms, conditions or rules concerning the use and occupancy of a self-service storage facility.

(k) "Self-service storage facility" means any real property used for renting or leasing individual storage spaces in which the occupants themselves customarily store and remove their own personal property on a self-service basis.

Sec. 3. K.S.A. 2023 Supp. 58-816 is hereby amended to read as follows: 58-816. (a) The operator of a self-service storage facility has a lien on all personal property stored within each leased space for rent, labor or other charges, and for expenses reasonably incurred in its sale, as provided in the self-service storage act.

(b) For purposes of any claim or action against an operator involving a claim of damage to, or the loss of, personal property stored in a leased space pursuant to a rental agreement with the operator, the value of such personal property shall be limited by the maximum value of personal property permitted to be stored in the leased space under

the terms of the rental agreement.

(c) The rental agreement shall contain a statement, in bold type, advising the occupant:

(1) Of the existence of the lien;

(2) that property stored in the leased space may be sold to satisfy the lien if the occupant is in default;

(3) that any proceeds from the sale of the property that remain after satisfaction of the lien will be paid to the state treasurer if unclaimed by the occupant within one year after sale of the property; and

(4) of the claim limitation pursuant to subsection (b).

(d) The rental agreement shall include a query of the occupant as to whether the occupant wishes to designate an alternative contact to receive notices required by the ~~self-storage~~ *self-service storage* act and space to designate such alternative contact. Failure or refusal of an occupant to designate an alternative contact shall not affect an occupant's or operator's rights or remedies under the ~~self-storage~~ *self-service storage* act or under any other provision of law. The alternative contact, if any, shall not have any rights to access the leased space or to the personal property stored in the leased space unless expressly stated otherwise in the rental agreement.

(e) (1) Notwithstanding the failure to sign or deliver a rental agreement by the operator or occupant, the rental agreement shall be deemed to be effective if:

(A) The operator does not sign and deliver to the occupant a rental agreement that has been signed and delivered by the occupant to the operator and the operator accepts a payment of rent by the occupant for the leased space as provided in the rental agreement; or

(B) except as provided in subsection (f), the occupant does not sign and deliver to the operator a rental agreement that has been delivered to the occupant by the operator and the occupant takes or continues possession of the leased space or makes a payment of rent to the operator for the leased space as provided in the rental agreement.

(2) For rental agreements initially entered into on or after July 1, 2024, a rental agreement that the occupant does not sign and deliver to the operator shall be effective only if the rental agreement contains a statement, in bold type, advising the occupant of the provisions of paragraph (1)(B).

(f) If an occupant has affirmatively agreed to electronic delivery in writing, in either paper or electronic form, a rental agreement may be delivered electronically and may be accepted or executed by means of a manual, facsimile or electronic signature. The provisions of subsection (e)(1)(B) shall apply to a rental agreement delivered electronically only if an occupant has affirmatively agreed to electronic delivery in writing as provided by this subsection.

Sec. 4. K.S.A. 58-818 is hereby amended to read as follows: 58-818. Unless the rental agreement specifically provides otherwise and until a lien sale, *the towing of personal property or a sale or disposal of personal property not retrieved by the occupant* under the self-service storage act, the exclusive care, custody and control of all personal property stored in the leased self-service storage space remains vested in the occupant.

HOUSE BILL No. 2545—page 4

Sec. 5. K.S.A. 58-814 and 58-818 and K.S.A. 2023 Supp. 58-816 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the House, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.