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# A BILL FOR AN ACT

RELATING TO SELF-STORAGE FACILITIES.

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

1           SECTION 1. Chapter 507, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4           "§507-     Occupant in default; motor vehicle or boat  
5 removal. (a) If an occupant is in default for sixty or more  
6 days and the personal property stored in the leased space is a  
7 motor vehicle or boat, the owner may have the personal property  
8 towed or removed from the self-service storage facility in lieu  
9 of a sale. Prior to having the vehicle towed, the owner must  
10 provide notice to the occupant stating the name, address, and  
11 contact information of the towing company.  
12           (b) The owner shall not be liable for any damage to the  
13 personal property towed or removed from the self-storage  
14 facility once the property is in the possession of a third  
15 party."



1 SECTION 2. Section 507-61, Hawaii Revised Statutes, is  
2 amended by adding two new definitions to be appropriately  
3 inserted and to read as follows:

4 "E-mail" means the transmission of information or a  
5 communication by the use of a computer or other electronic means  
6 sent to a person identified by a unique address and that is  
7 received by that person.

8 "Verified mail" means any method of mailing that is offered  
9 by the United States Postal Service or a private delivery  
10 service that provides evidence of the mailing."

11 SECTION 3. Section 507-61, Hawaii Revised Statutes, is  
12 amended by amending the definition of "last known address" to  
13 read as follows:

14 "Last known address" means the postal or e-mail address  
15 provided by the occupant in the latest rental agreement, or the  
16 postal or e-mail address provided by the occupant in a  
17 subsequent written notice of a change of address."

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

20 "[+]§507-63[+] Rent due; notice of default and lien. When  
21 any part of the rent or other charges due from an occupant



1 remain unpaid for fifteen consecutive days, an owner may deny  
 2 the right of access to the occupant to the storage space at a  
 3 self-service storage facility; provided that ~~[notice is sent]~~  
 4 the owner shall send a notice to the occupant's last known  
 5 address, by e-mail or first-class mail, postage prepaid,  
 6 ~~[containing]~~ that contains all of the following:

7 (1) A statement of the owner's claim showing the sums due  
 8 at the time of the notice and the date when the sums  
 9 became due ~~[ ]~~ i

10 (2) A statement that the occupant is in default of the  
 11 rental agreement ~~[ ]~~ i

12 (3) A statement that the occupant's right to use the  
 13 storage space will be denied unless and until all sums  
 14 due are paid by the occupant ~~[ ]~~ i

15 (4) A notice that the occupant has been denied access to  
 16 the storage space and that an owner's lien, as  
 17 provided for in section 507-62, may be imposed if all  
 18 sums due are not paid within fifteen days of the  
 19 notice ~~[ ]~~ ; and

20 (5) The name, street address, ~~[and]~~ telephone number, or  
 21 e-mail address of the owner, or a designated agent,



1           whom the occupant may contact to respond to the  
2           notice."

3           SECTION 5. Section 507-64, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "~~[+]§507-64[+]~~ Notice of lien. If a notice has been sent,  
6 as required by section 507-63, and the total sum due has not  
7 been paid as specified in the notice, the owner may deny an  
8 occupant access to the space, enter the space, and remove any  
9 property found in the space to a place of safekeeping; provided  
10 that the owner shall send a notice of lien to the ~~[occupant,~~  
11 ~~addressed to the]~~ occupant's last known address, by e-mail or  
12 first class mail, postage prepaid, ~~[a notice of lien]~~ which  
13 shall state all of the following:

- 14           (1) That the occupant's right to use the storage space has  
15           terminated and that the occupant no longer has access  
16           to the stored property~~[-]~~;
- 17           (2) That the stored property is subject to a lien, and the  
18           amount of the lien~~[-]~~; and
- 19           (3) That the owner will seize and take possession of the  
20           property to satisfy the lien after a specified date  
21           which is not less than fifteen days from the date of



1 mailing the notice unless the amount of the lien is  
2 paid."

3 SECTION 6. Section 507-65, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "§507-65 Final demand and notice of sale. If both notices  
6 have been sent, as required by sections 507-63 and 507-64, and  
7 the total sum due has not been paid as specified in the two  
8 prior notices, the owner may prepare for the sale of the  
9 occupant's property. The owner shall then send, to the  
10 [~~occupant, addressed to the~~] occupant's last known address, by  
11 e-mail or first-class mail, postage prepaid:

12 (1) A notice of final demand and sale, which shall state  
13 all of the following:

14 (A) That the sums due for rent and charges demanded  
15 have not been paid[-];

16 (B) That the occupant's right to use the designated  
17 storage space has been terminated[-];

18 (C) That the occupant no longer has access to the  
19 stored property[-];

20 (D) That the stored property is subject to a lien and  
21 the amount of the lien[-];



- 1 (E) That the property will be sold to satisfy the
- 2 lien after a specified date which is not less
- 3 than thirty days from the date of mailing the
- 4 notice unless prior to the specified date, the
- 5 lien is paid in full[-];
- 6 (F) That any excess proceeds of the sale over the
- 7 lien amount of costs of sale will be retained by
- 8 the owner and may be reclaimed by the occupant,
- 9 or claimed by another person, at any time for a
- 10 period of one year from the sale and that
- 11 thereafter the proceeds will go to the State
- 12 under chapter 523A[-]; and
- 13 (G) That if the proceeds of sale do not fully cover
- 14 the amount of lien and costs, the occupant will
- 15 be held liable for any deficiency[-]; and
- 16 (2) An itemized statement of the owner's claim showing all
- 17 sums due at the time of the notice and the date when
- 18 sums became due."

19 SECTION 7. Section 507-66, Hawaii Revised Statutes, is  
 20 amended to read as follows:



1           "§507-66 Method of sale. (a) [~~Fifteen~~] Not sooner than  
2 fifteen days after sending the final demand and notice of sale,  
3 pursuant to section 507-65(1), an advertisement of the sale  
4 shall be [~~published~~]:

5           (1) Published once a week for two weeks consecutively in a  
6 newspaper of general circulation published in the  
7 judicial district where the sale is to be held[~~-~~]; or  
8           (2) Disseminated in any other commercially reasonable  
9 manner; provided that at least three independent  
10 bidders participate in the sale.

11 The advertisement shall include a general description of the  
12 goods, the name of the person on whose account they are being  
13 stored, the total sums due, and the name and location of the  
14 storage facility.

15           (b) The sale shall be conducted in a commercially  
16 reasonable manner[~~-~~ and, ~~after~~], which shall include a sale  
17 conducted on an online website that customarily sells property  
18 resulting from an occupant's default. After deducting the  
19 amount of the lien and costs, the owner shall retain any excess  
20 proceeds of the sale on the occupant's behalf. The occupant, or  
21 any other person having a court order or other judicial process



1 against the property, may claim the excess proceeds, or a  
2 portion thereof sufficient to satisfy the particular claim, at  
3 any time within one year of the date of sale. Thereafter, the  
4 owner shall pay any remaining excess proceeds to the State as  
5 provided in chapter 523A."

6 SECTION 8. Section 507-70, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "[+]§507-70[+] Self-storage contracts. (a) Each contract  
9 for the rental or lease of individual storage space in a self-  
10 service storage facility shall be in writing and shall contain,  
11 in addition to the provisions otherwise required or permitted by  
12 law to be included, a statement that the occupant's property  
13 will be subject to a claim of lien and may be sold to satisfy  
14 the lien if the rent or other charges due remain unpaid for  
15 fifteen consecutive days and that such actions are authorized by  
16 this part.

17 (b) This part shall not apply, and the lien authorized by  
18 this part shall not attach, unless the rental agreement or  
19 supporting documentation requests, and provides space for, the  
20 occupant to give the name and address of another person to whom  
21 notices required to be given under this part may be sent. If





1 both an address and an alternative address are provided by the  
2 occupant, notices pursuant to sections 507-63 or 507-64 shall be  
3 sent to both addresses. If both addresses are provided by the  
4 occupant, the owner shall send the final demand and notice of  
5 sale, pursuant to section 507-65, to both addresses by  
6 [~~certified~~] verified mail, postage prepaid. Failure of an  
7 occupant to provide an alternative address shall not affect an  
8 owner's remedies under this part or under any other provision of  
9 law.

10 (c) For the purpose of determining any liability of the  
11 owner of the self-service storage facility, if a rental  
12 agreement specifies a limit on the monetary value of personal  
13 property that may be stored in an occupant's space, that limit  
14 shall be deemed the maximum value of the personal property  
15 stored in the occupant's storage space.

16 (d) Any late fee charged by the owner shall be provided  
17 for in the rental agreement. No late fee shall be collected  
18 unless it is written in the rental agreement or as an addendum  
19 to the agreement. An owner may impose a reasonable late fee for  
20 each month that an occupant does not pay rent when due. A late  
21 fee of twenty dollars or twenty per cent of the monthly rental



1 amount, whichever is greater, for each late rental payment shall  
2 be deemed reasonable and shall not constitute a penalty."

3 SECTION 9. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun before its effective date.

6 SECTION 10. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 11. This Act shall take effect on July 1, 2112.



**Report Title:**

Self-Service Storage Facilities; Owner

**Description:**

Authorizes the owner of self-storage facilities to tow a motor vehicle or boat if an occupant is in default for sixty or more days. Authorizes limits in rental agreements on the liability of the owner of self-service storage facilities based on the monetary value of the stored property and allows owner to send notices by e-mail, publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees.  
(HB2716 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

