
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 part III to be appropriately
3 designated 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; provided that prior to having the vehicle towed, the
10 owner shall provide notice to the occupant, stating the name,
11 address, and contact information of the towing company, at two
12 of the following: last known phone number, last known postal
13 address, or last known electronic mail address.

14 (b) The owner shall not be liable for any damage to the
15 personal property towed or removed from the self-service storage
16 facility pursuant to subsection (a) once the property is in the
17 possession of a third 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 "Electronic mail" means the transmission of information or
5 a communication by the use of a computer or other electronic
6 means sent to a person identified by a unique address and that
7 is 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 electronic mail
15 address provided by the occupant in the latest rental agreement,
16 or the postal or electronic mail address provided by the
17 occupant in a 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 provide notice at two of the following: last
5 known telephone number, last known postal address, or last known
6 electronic mail address. The notice to the occupant's last
7 known telephone number or last known address, by electronic mail
8 or first-class mail, postage prepaid, [~~containing~~] shall contain
9 all of the following:

- 10 (1) A statement of the owner's claim showing the sums due
11 at the time of the notice and the date when the sums
12 became due [-] ;
- 13 (2) A statement that the occupant is in default of the
14 rental agreement [-] ;
- 15 (3) A statement that the occupant's right to use the
16 storage space will be denied unless and until all sums
17 due are paid by the occupant [-] ;
- 18 (4) A notice that the occupant has been denied access to
19 the storage space and that an owner's lien, as
20 provided for in section 507-62, may be imposed if all



1 sums due are not paid within fifteen days of the
2 notice ~~[=]~~; and

3 (5) The name, street address, ~~[and]~~ telephone number, and
4 electronic mail address of the owner, or a designated
5 agent, whom the occupant may contact to respond to the
6 notice."

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

9 "[+]§507-64[+] **Notice of lien.** If a notice has been sent,
10 as required by section 507-63, and the total sum due has not
11 been paid as specified in the notice, the owner may deny an
12 occupant access to the space, enter the space, and remove any
13 property found in the space to a place of safekeeping; provided
14 that the owner shall provide a notice of lien at two of the
15 following: last known telephone number, last known postal
16 address, or last known electronic mail address. The owner shall
17 send a notice of lien to the ~~[occupant, addressed to the]~~
18 occupant's last known telephone number or last known address, by
19 electronic mail or first class mail, postage prepaid, [a notice
20 ~~of lien]~~ which shall state all of the following:



- 1 (1) That the occupant's right to use the storage space has
- 2 terminated and that the occupant no longer has access
- 3 to the stored property[-];
- 4 (2) That the stored property is subject to a lien, and the
- 5 amount of the lien[-]; and
- 6 (3) That the owner will seize and take possession of the
- 7 property to satisfy the lien after a specified date,
- 8 which is not less than fifteen days from the date of
- 9 mailing the notice unless the amount of the lien is
- 10 paid."

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

13 "§507-65 Final demand and notice of sale. If both notices
 14 have been sent, as required by sections 507-63 and 507-64, and
 15 the total sum due has not been paid as specified in the two
 16 prior notices, the owner may prepare for the sale of the
 17 occupant's property. The owner shall provide notice of final
 18 demand and notice of sale at two of the following: last known
 19 telephone number, last known postal address, or last known
 20 electronic mail address. The owner shall [then] send, to the
 21 [~~occupant, addressed to the~~] occupant's last known telephone



1 number or last known address, by electronic mail or first-class
2 mail, postage prepaid:

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

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

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

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

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

13 (E) That the property will be sold to satisfy the
14 lien after a specified date, which is not less
15 than thirty days from the date of mailing the
16 notice unless prior to the specified date, the
17 lien is paid in full[-] ;

18 (F) That any excess proceeds of the sale over the
19 lien amount of costs of sale will be retained by
20 the owner and may be reclaimed by the occupant,
21 or claimed by another person, at any time for a



1 period of one year from the sale and that
2 thereafter the proceeds will go to the State
3 under chapter 523A[-]; and

4 (G) That if the proceeds of sale do not fully cover
5 the amount of lien and costs, the occupant will
6 be held liable for any deficiency[-]; and

7 (2) An itemized statement of the owner's claim showing all
8 sums due at the time of the notice and the date when
9 sums became due."

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

12 "§507-66 Method of sale. (a) [~~Fifteen~~] Not sooner than
13 fifteen days after sending the final demand and notice of sale,
14 pursuant to section 507-65(1), an advertisement of the sale
15 shall be [~~published~~]:

16 (1) Published once a week for two weeks consecutively in a
17 newspaper of general circulation published in the
18 judicial district where the sale is to be held[-]; or

19 (2) Disseminated in any other commercially reasonable
20 manner; provided that at least three independent
21 bidders participate in the sale.



1 The advertisement shall include a general description of the
2 goods, the name of the person on whose account they are being
3 stored, the total sums due, and the name and location of the
4 storage facility.

5 (b) The sale shall be conducted in a commercially
6 reasonable manner[~~;~~ ~~and~~, ~~after~~], which shall include a sale
7 conducted on an online website that customarily conducts self-
8 storage lien sales. After deducting the amount of the lien and
9 costs, the owner shall retain any excess proceeds of the sale on
10 the occupant's behalf. The occupant, or any other person having
11 a court order or other judicial process against the property,
12 may claim the excess proceeds, or a portion thereof sufficient
13 to satisfy the particular claim, at any time within one year of
14 the date of sale. Thereafter, the owner shall pay any remaining
15 excess proceeds to the State as provided in chapter 523A."

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

18 "[+]§507-70[+] Self-storage contracts. (a) Each contract
19 for the rental or lease of individual storage space in a self-
20 service storage facility shall be in writing and shall contain,
21 in addition to the provisions otherwise required or permitted by



1 law to be included, a statement that the occupant's property
2 will be subject to a claim of lien and may be sold to satisfy
3 the lien if the rent or other charges due remain unpaid for
4 fifteen consecutive days and that such actions are authorized by
5 this part.

6 (b) This part shall not apply, and the lien authorized by
7 this part shall not attach, unless the rental agreement or
8 supporting documentation requests, and provides space for, the
9 occupant to give the name [and], address, and telephone number
10 of another person to whom notices required to be given under
11 this part may be sent. If [both] an address [and], an
12 alternative address, and an alternative telephone number are
13 provided by the occupant, notices pursuant to sections 507-63 or
14 507-64 shall be sent to both addresses~~[-]~~ and by contact at the
15 alternative telephone number. If both addresses and an
16 alternative telephone number are provided by the occupant, the
17 owner shall send the final demand and notice of sale, pursuant
18 to section 507-65, to both addresses by ~~[certified]~~ verified
19 mail, postage prepaid[-], and contact the occupant at the
20 alternative telephone number. Failure of an occupant to provide



1 an alternative address shall not affect an owner's remedies
2 under this part or under any other provision of law.

3 (c) For the purpose of determining any liability of the
4 owner of the self-service storage facility, if a rental
5 agreement specifies a limit on the monetary value of personal
6 property that may be stored in an occupant's space, that limit
7 shall be deemed the maximum value of the personal property
8 stored in the occupant's space.

9 (d) Any late fee charged by the owner shall be provided
10 for in the rental agreement. No late fee shall be collected
11 unless the late fee is written in the rental agreement or as an
12 addendum to the agreement. An owner may impose a reasonable
13 late fee for each month that an occupant does not pay rent when
14 due. A late fee of \$20 or twenty per cent of the monthly rental
15 amount, whichever is greater, for each late rental payment shall
16 be deemed reasonable and shall not constitute a penalty."

17 SECTION 9. This Act does not affect rights and duties that
18 matured, penalties that were incurred, and proceedings that were
19 begun before its effective date.

20 SECTION 10. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 11. This Act shall take effect on January 7, 2059.



Report Title:

Self-service Storage Facilities; Owners; Occupants; Notice;
Towing

Description:

Authorizes motor vehicle and boat towing options for self-service storage facilities after sixty days or more of delinquency; provided that an occupant is provided notice. Requires owners to notify occupants via two of the following three methods: last known telephone number, last known electronic mail address, or last known postal address. Requires owners to disseminate advertisements of sales in any commercially reasonable manner, conduct sales online, and charge late fees. 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 under the rental agreement. Takes effect on 1/7/2059. (SD2)

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

