

Honolulu, Hawaii

February 19, 2016

RE: H.B. No. 2716

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2716 entitled:

"A BILL FOR AN ACT RELATING TO SELF-STORAGE FACILITIES,"

begs leave to report as follows:

The purpose of this measure is to enhance and update State laws governing self-storage facilities agreements by:

- (1) Setting the maximum liability for an owner of a self-storage facility for personal property stored in an occupant's storage space as the total value of the personal property stored in that storage space;
- (2) Setting caps for the amount of the late fees an owner of a self-storage facility may charge, as well as prohibiting the charging of late fees unless previously provided for in a rental agreement or addendum to a rental agreement; and
- (3) Clarifying the manner in which owners of self-storage facilities may send electronic communications for notice purposes and conduct sales online.

The National Self Storage Association testified in support of this measure.



Your Committee has amended this measure by:

- (1) Authorizing the owner of self-storage facilities to tow a motor vehicle or boat if an occupant is in default for sixty or more days;
- (2) Specifying that the owner of self-storage facilities is not liable for any damage to the personal property towed or removed from the self-storage facility once the property is in the possession of a third party;
- (3) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that these amendments are necessary because handling motor vehicles and boats pursuant to liens is more complicated to handle than regular storage items. Therefore, this measure is necessary to enable towing companies to handle these types of property.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2716, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



