
A BILL FOR AN ACT

RELATING TO SELF-SERVICE STORAGE FACILITIES.

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

1 SECTION 1. The legislature finds that Hawaii adopted its
2 self-service storage facilities laws in 1984 and that the laws
3 have remained virtually unchanged during the intervening thirty-
4 three years. Consequently, the State's self-service storage
5 facilities laws do not adequately reflect or support current
6 self-service storage facilities businesses, including the
7 facility owners and storage unit occupants.

8 The legislature also finds that since the enactment of the
9 self-service storage facility laws, technological advances such
10 as electronic mail and internet websites have changed the ways
11 that self-service storage facilities owners and occupants can,
12 and in many instances prefer, to communicate with one another
13 and exchange necessary information. The inability, under the
14 law, of owners and occupants to communicate through these modern
15 forms of communication reduces efficiency and is burdensome on
16 all parties. Therefore, it is necessary to update these laws to
17 allow owners and occupants to effectively make use of modern
18 communications.



1 The legislature also finds that self-service storage
2 facilities owners are ill-equipped under the law to deal
3 efficiently with delinquent occupants who leave motor vehicles
4 or boats stored at the facilities. Motor vehicle and boat
5 liens, which involve titled property, are more complicated than
6 the usual self-storage lien circumstances that facilities owners
7 typically encounter, which can lead to unnecessary delays and
8 confusion. Therefore, the legislature further finds that
9 allowing self-service storage facilities owners, after providing
10 appropriate notice, to tow motor vehicles and boats belonging to
11 delinquent occupants would provide a workable solution for
12 facilities owners.

13 The legislature further finds that current laws do not
14 adequately address the liabilities of self-service storage
15 facility owners, leaving owners open to unknown potential
16 losses, which can create impediments to business. Moreover,
17 owners may shift costs for these potential losses on to
18 occupants.

19 Accordingly, the purpose of this Act is to modernize the
20 self-service storage facilities laws to:



- 1 (1) Allow self-service storage facility owners to tow
- 2 motor vehicles and boats after sixty or more days of
- 3 delinquency; provided that owners provide delinquent
- 4 occupants with appropriate notice;
- 5 (2) Reflect the modern needs of the industry by allowing
- 6 self-service storage facility owners to publish
- 7 notices of sales and send other notices to occupants
- 8 by electronic mail and other commercially reasonable
- 9 methods; and
- 10 (3) Allow self-service storage facility owners to limit
- 11 their liability to the maximum monetary value of
- 12 property that may be stored pursuant to a rental
- 13 agreement.

14 SECTION 2. Chapter 507, Hawaii Revised Statutes, is
 15 amended by adding a new section to part III to be appropriately
 16 designated and to read as follows:

17 "§507- Occupant in default; motor vehicle or boat
 18 removal. (a) If an occupant is in default for sixty or more
 19 days and the personal property stored in the leased space is a
 20 motor vehicle or boat, the motor vehicle or boat shall be deemed
 21 to be left unattended on private property without authorization



1 of the owner of the property and may be towed away at the
2 expense of the owner of the vehicle or boat; provided that for
3 purposes of this section, the vehicle or boat may be towed
4 pursuant to section 290-11; provided further that a towing
5 company engaged pursuant to this section shall be registered in
6 Hawaii. At least ten days prior to having the vehicle or boat
7 towed, the owner shall provide notice to the occupant, stating
8 the name, address, and contact information of the towing
9 company, by verified mail at the occupant's last known postal
10 address and by electronic mail at the last known electronic mail
11 address.

12 (b) The owner shall not be liable for any damage to the
13 personal property towed or removed from the self-service storage
14 facility pursuant to subsection (a) once the property is in the
15 possession of a third party."

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

19 "Electronic mail" means the transmission of information or
20 a communication by the use of a computer or other electronic



1 means sent to a person identified by a unique address and that
2 is received by that person.

3 "Verified mail" means any method of mailing that is offered
4 by the United States Postal Service or a private delivery
5 service that provides evidence of the mailing or evidence of the
6 delivery of the document."

7 SECTION 4. Section 507-61, Hawaii Revised Statutes, is
8 amended by amending the definition of "last known address" to
9 read as follows:

10 "Last known address", "last known postal address", or
11 "last known electronic mail address" means the postal or
12 electronic mail address provided by the occupant in the latest
13 rental agreement, or the postal or electronic mail address
14 provided by the occupant in a subsequent written notice of a
15 change of address."

16 SECTION 5. Section 507-63, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[~~§~~507-63~~§~~] **Rent due; notice of default and lien.** When
19 any part of the rent or other charges due from an occupant
20 remain unpaid for fifteen consecutive days, an owner may deny
21 the right of access to the occupant to the storage space at a



1 self-service storage facility; provided that ~~[notice is sent to~~
2 ~~the occupant's or last known address, postage prepaid,~~
3 ~~containing]~~ the owner shall provide notice at the last known
4 electronic mail address then by verified mail at the occupant's
5 last known postal address. The notice shall contain all of the
6 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 ~~[]~~ ;

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

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 ~~[]~~ ;

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, and
21 electronic mail address of the owner, or a designated

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

3 SECTION 6. 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 provide a notice of lien at the last known
11 electronic mail address then by verified mail at the occupant's
12 last known postal address. The owner shall send a notice of
13 lien to the [occupant, addressed to the] occupant's [last known
14 address, postage prepaid, a notice of lien] last known
15 electronic mail address or to the last known postal address by
16 verified mail, which shall state all of the following:

- 17 (1) That the occupant's right to use the storage space has
18 terminated and that the occupant no longer has access
19 to the stored property[-];
20 (2) That the stored property is subject to a lien, and the
21 amount of the lien[-]; and



1 (3) That the owner will seize and take possession of the
2 property to satisfy the lien after a specified date
3 which is not less than fifteen days from the date of
4 mailing the notice unless the amount of the lien is
5 paid."

6 SECTION 7. Section 507-65, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§507-65 Final demand and notice of sale. If both notices
9 have been sent, as required by sections 507-63 and 507-64, and
10 the total sum due has not been paid as specified in the two
11 prior notices, the owner may prepare for the sale of the
12 occupant's property. The owner shall provide a notice of final
13 demand and notice of sale at the last known electronic mail
14 address then by verified mail at the occupant's last known
15 postal address. The owner shall [~~then~~] send, to the [~~occupant,~~
16 ~~addressed to the~~] occupant's last known electronic email address
17 or last known address, by verified mail, postage prepaid:

18 (1) A notice of final demand and sale which shall state
19 all of the following:

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



- 1 (B) That the occupant's right to use the designated
2 storage space has been terminated[-];i
- 3 (C) That the occupant no longer has access to the
4 stored property[-];i
- 5 (D) That the stored property is subject to a lien and
6 the amount of the lien[-];i
- 7 (E) That the property will be sold to satisfy the
8 lien after a specified date which is not less
9 than thirty days from the date of mailing the
10 notice unless prior to the specified date, the
11 lien is paid in full[-];i
- 12 (F) That any excess proceeds of the sale over the
13 lien amount of costs of sale will be retained by
14 the owner and may be reclaimed by the occupant,
15 or claimed by another person, at any time for a
16 period of one year from the sale and that
17 thereafter the proceeds will go to the State
18 under chapter 523A[-]; and
- 19 (G) That if the proceeds of sale do not fully cover
20 the amount of lien and costs, the occupant will
21 be held liable for any deficiency[-]; and



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

4 SECTION 8. Section 507-66, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§507-66 Method of sale.** (a) [~~Fifteen~~] Not sooner than
7 fifteen days after sending the final demand and notice of sale,
8 pursuant to section 507-65(1), the owner shall cause an
9 advertisement of the sale [~~shall~~] to be [published]:

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

13 (2) Disseminated in any other commercially reasonable
14 manner; provided that at least three independent
15 bidders participate in the sale.

16 The advertisement shall include a general description of the
17 goods, the name of the person on whose account they are being
18 stored, the total sums due, and the name and location of the
19 storage facility.

20 (b) The sale shall be conducted in a commercially
21 reasonable manner [~~, and, after~~], which shall include a sale



1 conducted on an online website that customarily conducts self-
2 storage lien sales. After deducting the amount of the lien and
3 costs, the owner shall retain any excess proceeds of the sale on
4 the occupant's behalf. The occupant, or any other person having
5 a court order or other judicial process against the property,
6 may claim the excess proceeds, or a portion thereof sufficient
7 to satisfy the particular claim, at any time within one year of
8 the date of sale. Thereafter, the owner shall pay any remaining
9 excess proceeds to the State as provided in chapter 523A."

10 SECTION 9. Section 507-70, Hawaii Revised Statutes, is
11 amended to read as follows:

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



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

18 (c) For the purpose of determining any liability of the
19 owner of the self-service storage facility, if a rental
20 agreement specifies a limit on the monetary value of personal
21 property that may be stored in an occupant's space, that limit



1 shall be deemed the maximum value of the personal property
2 stored in the occupant's space.

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

11 SECTION 10. An owner of a self-service storage facility
12 shall notify each occupant of the self-service storage facility
13 regarding the changes to the self-service storage facility law
14 pursuant to sections 2 through 9 of this Act. Each owner shall
15 update the rental agreements modified pursuant to this Act and
16 obtain the initials of the occupants under each rental
17 agreement.

18 SECTION 11. This Act does not affect rights and duties
19 that matured, penalties that were incurred, and proceedings that
20 were begun before its effective date.



1 SECTION 12. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 13. This Act shall take effect on July 1, 2050.
4



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 delinquency; provided that an occupant is provided notice. Requires owners to notify occupants via electronic mail or verified mail. Allows owners to send notices by electronic mail, publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees. Authorizes limits on the liability of the owner of self-service storage facilities to be based on the maximum monetary value of property that may be stored pursuant to the rental agreement. Requires owners to notify occupants of the changes in the law. Effective 7/1/2050.
(SD1)

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