
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



1 allow owners and occupants to effectively make use of modern
2 communications.

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

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



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

3 (1) Allow self-service storage facility owners to tow
4 motor vehicles and boats after sixty or more days of
5 delinquency; provided that owners provide delinquent
6 occupants with appropriate notice;

7 (2) Reflect the modern needs of the industry by allowing
8 self-service storage facility owners to publish
9 notices of sales and send other notices to occupants
10 by electronic mail and other commercially reasonable
11 methods;

12 (3) Allow self-service storage facility owners to limit
13 their liability to the maximum monetary value of
14 property that may be stored pursuant to a rental
15 agreement;

16 (4) Require any late fees charged by self-service storage
17 facility owners to be provided for in the rental
18 agreement; and

19 (5) Require self-service storage facility owners to notify
20 occupants of the changes enacted by this Act.



1 SECTION 2. 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 motor vehicle or boat shall be deemed
8 to be left unattended on private property without authorization
9 of the owner of the property and may be towed away, at the
10 expense of the owner of the vehicle or boat; provided that for
11 purposes of this section, a vehicle may be towed pursuant to
12 section 290-11; provided further that a towing company engaged
13 pursuant to this section shall be a towing company registered in
14 Hawaii. At least ten days prior to having the vehicle or boat
15 towed, the owner shall provide notice to the occupant, stating
16 the name, address, and contact information of the towing
17 company, by verified mail at the occupant's last known postal
18 address and by electronic mail at the last known electronic mail
19 address.

20 (b) The owner shall not be liable for any damage to the
21 personal property towed or removed from the self-service storage



1 facility pursuant to subsection (a) once the property is in the
2 possession of a third party."

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

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

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

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

17 ""Last known address", "last known postal address", or
18 "last known electronic mail address" means the postal or
19 electronic mail address provided by the occupant in the latest
20 rental agreement, or the postal or electronic mail address



1 provided by the occupant in a subsequent written notice of a
2 change of address."

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

5 "[~~§~~507-63~~§~~] Rent due; notice of default and lien. When
6 any part of the rent or other charges due from an occupant
7 remain unpaid for fifteen consecutive days, an owner may deny
8 the right of access to the occupant to the storage space at a
9 self-service storage facility; provided that [~~notice is sent to~~
10 ~~the occupant's or last known address, postage prepaid,~~
11 ~~containing]~~ the owner shall provide notice at the last known
12 electronic mail address then by verified mail at the occupant's
13 last known postal address. The notice shall contain all of the
14 following:

- 15 (1) A statement of the owner's claim showing the sums due
16 at the time of the notice and the date when the sums
17 became due~~[]~~;
18 (2) A statement that the occupant is in default of the
19 rental agreement~~[]~~;



1 (3) A statement that the occupant's right to use the
2 storage space will be denied unless and until all sums
3 due are paid by the occupant [-];

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

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

13 SECTION 6. Section 507-64, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[+]§507-64[+] **Notice of lien.** If a notice has been sent,
16 as required by section 507-63, and the total sum due has not
17 been paid as specified in the notice, the owner may deny an
18 occupant access to the space, enter the space, and remove any
19 property found in the space to a place of safekeeping; provided
20 that the owner shall provide a notice of lien at the last known
21 electronic mail address then by verified mail at the occupant's



1 last known postal address. The owner shall send a notice of
2 lien to the [occupant, addressed to the] occupant's [last known
3 address, postage prepaid, a notice of lien] last known
4 electronic mail address or to the last known postal address by
5 verified mail, which shall state all of the following:

6 (1) That the occupant's right to use the storage space has
7 terminated and that the occupant no longer has access
8 to the stored property[-];

9 (2) That the stored property is subject to a lien, and the
10 amount of the lien[-]; and

11 (3) That the owner will seize and take possession of the
12 property to satisfy the lien after a specified date
13 which is not less than fifteen days from the date of
14 mailing the notice unless the amount of the lien is
15 paid."

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

18 "§507-65 Final demand and notice of sale. If both notices
19 have been sent, as required by sections 507-63 and 507-64, and
20 the total sum due has not been paid as specified in the two
21 prior notices, the owner may prepare for the sale of the



1 occupant's property. The owner shall provide a notice of final
2 demand and notice of sale at the last known electronic mail
3 address then by verified mail at the occupant's last known
4 postal address. The owner shall [~~then~~] send, to the [~~occupant,~~
5 ~~addressed to the~~] occupant's last known electronic email address
6 or last known address, by verified mail, postage prepaid:

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

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

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

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

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

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



1 (F) That any excess proceeds of the sale over the
2 lien amount of costs of sale will be retained by
3 the owner and may be reclaimed by the occupant,
4 or claimed by another person, at any time for a
5 period of one year from the sale and that
6 thereafter the proceeds will go to the State
7 under chapter 523A[-]; and

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

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

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

16 "§507-66 Method of sale. (a) [~~Fifteen~~] No sooner than
17 fifteen days after sending the final demand and notice of sale,
18 pursuant to section 507-65(1), the owner shall cause an
19 advertisement of the sale [~~shall~~] to be [published]:



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

4 (2) Disseminated in any other commercially reasonable
5 manner; provided that at least three independent
6 bidders participate in the sale.

7 The advertisement shall include a general description of the
8 goods, the name of the person on whose account they are being
9 stored, the total sums due, and the name and location of the
10 storage facility.

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



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

3 " ~~[§]~~507-70 ~~[§]~~ Self-storage contracts. (a) Each contract
4 for the rental or lease of individual storage space in a self-
5 service storage facility shall be in writing and shall contain,
6 in addition to the provisions otherwise required or permitted by
7 law to be included, a statement that the occupant's property
8 will be subject to a claim of lien and may be sold to satisfy
9 the lien if the rent or other charges due remain unpaid for
10 fifteen consecutive days and that such actions are authorized by
11 this part.

12 (b) This part shall not apply, and the lien authorized by
13 this part shall not attach, unless the rental agreement or
14 supporting documentation requests, and provides space for, the
15 occupant to give the name ~~[and]~~, address, and telephone number
16 of another person to whom notices required to be given under
17 this part may be sent. If ~~[both]~~ an address ~~[and]~~, an
18 alternative address, and an alternative telephone number are
19 provided by the occupant, notices pursuant to sections 507-63 or
20 507-64 shall be sent to both addresses ~~[and]~~ and by contact at the
21 alternative telephone number. If both addresses and an



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

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

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



1 SECTION 10. An owner of a self-service storage facility
2 shall notify each occupant of the self-service storage facility
3 regarding the changes to the self-service storage facility law
4 pursuant to sections 2 through 9 of this Act. Each owner shall
5 update the rental agreements modified pursuant to this Act and
6 obtain the initials of the occupants under each rental
7 agreement.

8 SECTION 11. This Act does not affect rights and duties
9 that matured, penalties that were incurred, and proceedings that
10 were begun before its effective date.

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

13 SECTION 13. This Act shall take effect on January 7, 2059.
14



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 late fees to be provided for in rental agreements. Requires owners to notify occupants of the changes in the law. Effective 1/7/2059. (SD2)

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