

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 288  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 288 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize motor vehicle and boat towing options, after notice is given to occupants, for self-service storage facility owners after sixty days or more of delinquency;
- (2) Require owners to notify occupants via two of the following three methods: telephone number, electronic mail, or postal address;
- (3) Allow owners to send notices by electronic mail, publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees; and
- (4) Authorize 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.



Your Committee received testimony in support of this measure from the National Self Storage Association, SKS Management LLC, California Self Storage Association, and Storage Solution Honolulu. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the State's self-storage facilities lien law has remained virtually unchanged since its enactment in 1984. Accordingly, this measure is intended to update and clarify Hawaii's self-storage lien laws. However, your Committee has heard the testimony from the Office of Consumer Protection, expressing concerns with certain provisions in this measure related to notice, towing, late fees, and liability limitations. Your Committee understands these concerns and requested interested stakeholders to work together on consensus language to address these issues. Although some consensus was reached, your Committee notes that further discussion may be warranted. Your Committee also finds that amendments to this measure, which blend recommendations from the self-service storage facility industry and the Office of Consumer Protection, are necessary.

Your Committee has amended this measure by:

- (1) Specifying that, if an occupant of a self-service storage facility is sixty days or more in default, and the personal property in the leased space is a motor vehicle or boat, the motor vehicle or boat shall be deemed to be left unattended on private property and may be towed by a towing company registered in Hawaii;
- (2) Clarifying that prior to having a motor vehicle or boat towed, notice must be provided to the occupant via verified mail and electronic mail;
- (3) Clarifying the definition of "verified mail";
- (4) Clarifying that the notice provisions for rent due and notice of default and lien, notice of lien, and final demand and notice of sale shall be provided at the last



known electronic mail address, then by verified mail at the occupant's last known postal address;

- (5) Removing language that would have required notice to be provided by telephone, as this method of notification may have led to ambiguity and discord between an owner and an occupant;
- (6) Requiring owners of self-service storage facilities to notify each occupant regarding the changes to the self-service storage facility law pursuant to this measure and requiring each owner to update the rental agreements modified pursuant to this measure and obtain the initials of the occupants under each rental agreement;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be referred to your Committee on Judiciary and Labor.

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

  
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ROSALYN H. BAKER, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:
SB288	CPH, JDL	2/14/17
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
BAKER, Rosalyn H. (C)	/	
NISHIHARA, Clarence K. (VC)	/	
CHANG, Stanley	/	
ESPERO, Will		/
IHARA, Jr., Les	/	
KIDANI, Michelle N.	/	
RUDERMAN, Russell E.	/	
<b>TOTAL</b>	<b>6</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">           Clarence K. Nishihara         </div>		
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\*Only one measure per Record of Votes