

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2454

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2454, as amended, would revise the Self-service Storage Act (Act) as it pertains to liability claims and the contents of storage agreements. If there would be a claim or action against an operator over the damage or loss of personal property, the claim would be limited to the maximum value of personal property allowed to be stored as specified in the rental agreement. Currently, the Act requires a rental agreement to give notice to an occupant that the operator has a lien against the stored property, which may be sold if the occupant is in default. Notice must also be given that the proceeds of a sale will be used to satisfy the lien, and the remaining moneys either must be claimed by the occupant within a year or remitted to the State Treasurer as unclaimed property.

The bill would specify that when stored personal property is to be sold, it could be auctioned either online or in-person. The Act requires notice of the sale to occur at least seven days prior to the event, with details of the sale published within a newspaper serving the jurisdiction where the sale is to be held. The bill would grant discretion to the operator to give notice of the sale by other commercially reasonable means.

A sale would be canceled and subsequently rescheduled and re-advertised if there were less than three bidders present in person or online. A rescheduled sale would not be required to have three bidders in attendance.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of the Self Storage Association (Association). During the House Committee hearing, the Association and owners of self-storage businesses testified in favor of the bill, stating the legislation would balance the rights and responsibilities of operators and occupants. No neutral or opponent testimony was provided.

The House Committee amended the bill to:

- Delete reference to stored vehicles, watercraft, or trailers and the towing of that property from a self-storage facility under certain circumstances; and
- Require the claim limitation to be part of the rental agreement.

According to the fiscal note prepared by the Division of the Budget, in consultation with the Office of Judicial Administration, the bill, as introduced, would have a negligible fiscal effect on the Judicial Branch. Any fiscal effect associated with the enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.