

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 1
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen
Nays:	0
Exc.:	Beyer
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	5/6

WHAT THE MEASURE DOES: Allows owner of self-storage facility to charge fee for late payment or for failure to pay. Allows owner to notify occupant of foreclosure sale by verified mail or e-mail. Increases value of property for which owner may choose disposition method from \$100 to \$300. Allows self-storage facility owner to have certain personal property towed away if rent is unpaid for at least 60 days and owner of property is provided notice. Allows tower in such circumstances to place lien on property towed away to cover reasonable towing and storage fees.

ISSUES DISCUSSED:

- Differences between states in how which issue? issue is handled
- Users of self-storage facilities are often in the process of moving, so mail notification isn't useful
- Measure seeks to establish uniform late fee standard
- Prevalence of electronic billing and electronic notice

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A self-service storage facility owner may place a lien on the personal property being stored by an occupant until rent and other charges and expenses are paid. Current law requires the facility owner to send, by certified or registered mail, a notice of the foreclosure and sale to the occupant. The facility owner is allowed to dispose of the property in any manner if it is valued at less than \$100; if the property is valued higher than \$100, a foreclosure sale must be held and notice must be published twice in a newspaper of general circulation. After the sale, the facility owner may satisfy the lien and collect reasonable expenses from the proceeds of the sale. Any money remaining from the sale must be held by the facility owner for two years; if not collected by the storage customer, the money is deemed abandoned and is to be delivered to the Department of State Lands as required by ORS 98.352.

House Bill 2706-A raises the threshold for foreclosure sale on the contents of self-storage units from \$100 to \$300 and allows the foreclosure notice to be sent to the property owner by e-mail. The measure also expressly allows the rental agreement to include provisions for a monthly late fee not to exceed \$20 or 20 percent of the monthly rental rate.