

**SB 862 A STAFF MEASURE SUMMARY**

Carrier: Sen. Prozanski

**Senate Committee On Judiciary****Action Date:** 03/22/23**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 4-1-0-0**Yeas:** 4 - Gelser Blouin, Linthicum, Manning Jr, Prozanski**Nays:** 1 - Thatcher**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Amie Fender-Sosa, LPRO Analyst**Meeting Dates:** 2/27, 3/22**WHAT THE MEASURE DOES:**

Modifies the advertising requirement for a self-storage facility (facility) that has a lien on personal property worth at least \$300 from once a week for two consecutive weeks in a local newspaper to once; alternatively allows the facility to post on a publicly accessible website that regularly advertises or offers personal property for auction or sale. Removes requirement that if no newspaper is available, facility must post in at least six conspicuous places in the neighborhood of the facility. Allows facility to sell the property 10 days after the posting concerning the sale.

**ISSUES DISCUSSED:**

- Modernize self-storage lien laws
- Self-storage companies are not in the business of selling property
- The law already requires personal notice to the tenant
- Online auction sites are more effective in advertising a sale than a newspaper
- Thirty-two other states have adopted something similar, or require no advertising
- Cost associated with advertising relative to the debt owed; examples of costs for publishing notice in various newspapers around the state
- Concerns about persons who do not utilize those types of websites

**EFFECT OF AMENDMENT:**

Requires the owner of a storage facility to wait 10 days after the posting or advertising concerning the sale before selling the personal property.

**BACKGROUND:**

If a self-storage renter leaves personal property worth more than \$300 in a unit that is subject to a lien, current law requires the self-storage facility to advertise a sale once a week for two consecutive weeks in a local newspaper. If there is no newspaper of general circulation, the law requires the ad be posted in at least six conspicuous places in the neighborhood of the storage facility. The personal property may currently be listed for sale on an appropriate website, but the sale must be completed in person. After 15 days has passed, the facility may sell the items; if no bids are received, the facility may dispose of the items.

Senate Bill 862 A continues to allow advertising in a local newspaper but reduces publication from once a week for two consecutive weeks to one publication; alternatively, a facility may publish notice of the sale on an appropriate website. The measure also reduces the number days the facility must wait to sell or dispose of the personal property from 15 days to 10.