
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 of owners and
14 occupants under current law 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 Accordingly, the purpose of this Act is to modernize the
16 self-service storage facilities laws to:

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



1 (2) Reflect the modern needs of the industry by allowing
2 self-service storage facility owners to publish
3 notices of sales and send other notices to occupants
4 by electronic mail and other commercially reasonable
5 methods;

6 (3) Require any late fees charged by self-service storage
7 facility owners to be provided for in the rental
8 agreement; and

9 (4) Require self-service storage facility owners to notify
10 occupants of the changes enacted by this Act.

11 SECTION 2. Chapter 507, Hawaii Revised Statutes, is
12 amended by adding a new section to part III to be appropriately
13 designated and to read as follows:

14 "§507- Occupant in default; motor vehicle or boat
15 removal. If an occupant is in default for sixty or more days
16 and the personal property stored in the leased space is a motor
17 vehicle or boat, the motor vehicle or boat shall be deemed to be
18 left unattended on private property without authorization of the
19 owner of the property and may be towed away, at the expense of
20 the owner of the motor vehicle or boat; provided that for
21 purposes of this section, a motor vehicle may be towed pursuant



1 to section 290-11; provided further that a towing company
 2 engaged pursuant to this section shall be a towing company
 3 registered in Hawaii. At least fifteen days prior to having the
 4 motor vehicle or boat towed, the owner shall provide notice to
 5 the occupant, stating the name, address, and contact information
 6 of the towing company, by certified mail at the occupant's last
 7 known postal address and by electronic mail at the occupant's
 8 last known electronic mail address."

9 SECTION 3. Section 507-61, Hawaii Revised Statutes, is
 10 amended by adding one new definition to be appropriately
 11 inserted and to read as follows:

12 "Electronic mail" means the transmission of information or
 13 a communication by the use of a computer or other electronic
 14 means sent to a person identified by a unique address and that
 15 is received by that person."

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

19 "Last known address", "last known postal address", or
 20 "last known electronic mail address" means the postal or
 21 electronic mail address provided by the occupant in the latest



1 rental agreement, or the postal or electronic mail address
2 provided by the occupant in a subsequent written notice of a
3 change of address."

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

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

- 16 (1) A statement of the owner's claim showing the sums due
17 at the time of the notice and the date when the sums
18 became due ~~[.]~~;
- 19 (2) A statement that the occupant is in default of the
20 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 [-] i
- 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 [-] i 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 occupant's
 21 last known electronic mail address then by certified mail at the



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

- 7 (1) That the occupant's right to use the storage space has
- 8 terminated and that the occupant no longer has access
- 9 to the stored property[-];
- 10 (2) That the stored property is subject to a lien, and the
- 11 amount of the lien[-]; and
- 12 (3) That the owner will seize and take possession of the
- 13 property to satisfy the lien after a specified date
- 14 which is not less than fifteen days from the date of
- 15 mailing the notice unless the amount of the lien is
- 16 paid."

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

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



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

8 (1) A notice of final demand and sale which shall state
 9 ~~[all of the following]:~~

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

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

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

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

18 (E) That the property will be sold to satisfy the
 19 lien after a specified date which is not less
 20 than thirty days from the date of mailing the



1 notice unless prior to the specified date, the
2 lien is paid in full[-];

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

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

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

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

18 "§507-66 Method of sale. (a) [~~Fifteen~~] No sooner than
19 fifteen days after sending the final demand and notice of sale,
20 pursuant to section 507-65(1), the owner shall cause an
21 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 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 mail, postage
4 prepaid[-], and contact the occupant at the alternative
5 telephone number. Failure of an occupant to provide an
6 alternative address shall not affect an owner's remedies under
7 this part or under any other provision of law.

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

16 SECTION 10. An owner of a self-service storage facility
17 shall notify each occupant of the self-service storage facility
18 regarding the changes to the self-service storage facility law
19 pursuant to sections 2 through 9 of this Act. Each owner shall
20 update the rental agreements modified pursuant to this Act and



1 obtain the initials of the occupants under each rental
2 agreement.

3 SECTION 11. This Act does not affect rights and duties
4 that matured, penalties that were incurred, and proceedings that
5 were begun before its effective date.

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

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



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 or more days of delinquency; provided that an occupant is provided notice. Requires owners to notify occupants via electronic mail or certified 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. Requires late fees to be provided for in rental agreements. Requires owners to notify occupants of the changes in the law. (SB288 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

