

SENATE CS FOR CS FOR HOUSE BILL NO. 97(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 5/11/24

Referred: Rules

Sponsor(s): REPRESENTATIVE PRAX

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to self-storage facilities for personal property, including vehicles and**
2 **watercraft; distinguishing self-storage facility liens from another type of storage lien;**
3 **and excluding self-storage liens from the treatment of certain unclaimed property."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 28.11.025 is amended by adding a new subsection to read:

6 (d) This section does not apply to a vehicle in a self-storage facility under
7 AS 34.35.600 - 34.35.670.

8 * **Sec. 2.** AS 34.35 is amended by adding a new section to article 5 to read:

9 **Sec. 34.35.227. Application.** AS 34.35.220 and 34.35.225 do not apply to a
10 self-storage facility under AS 34.35.600 - 34.35.670.

11 * **Sec. 3.** AS 34.35 is amended by adding new sections to read:

12 **Article 13A. Self-Storage Facilities.**

13 **Sec. 34.35.600. Self-storage facility liens; fees.** (a) A facility owner has a
14 storage lien on personal property stored under a rental agreement in a storage unit at

1 the self-storage facility for rent, labor, late fees, and other charges, and for expenses
 2 reasonably incurred in the sale or other disposition of the property under law not to
 3 exceed an amount equal to 120 days of accrued charges permitted under the rental
 4 agreement, including rent, labor, and other fees.

5 (b) A facility owner may charge a reasonable late fee for each service period
 6 in which a unit renter fails to pay rent or a fee when due. A late fee is reasonable if the
 7 fee does not exceed the greater of

8 (1) \$20; or

9 (2) 20 percent of the monthly rent payment.

10 **Sec. 34.35.605. Priority of storage lien.** (a) If a vehicle is an item of the unit
 11 property, a storage lien is junior to a lien or encumbrance established under
 12 AS 28.10.371 - 28.10.401.

13 (b) A storage lien is superior to another lien or security lien, except a tax lien
 14 or security interest that was perfected before the date the rental agreement was entered
 15 into.

16 **Sec. 34.35.610. Attachment of storage lien; rental agreements.** (a) A storage
 17 lien attaches on the date on which property is placed in a storage unit.

18 (b) A rental agreement must contain a statement in bold type

19 (1) notifying the unit renter of the existence of the storage lien and of
 20 the method by which the facility owner may enforce the storage lien under
 21 AS 34.35.600 - 34.35.670; and

22 (2) requiring the unit renter to disclose any lienholders with an interest
 23 in property that will be stored in the storage unit.

24 **Sec. 34.35.615. Enforcement.** A facility owner may enforce a storage lien
 25 after a unit renter has been continuously in default for at least 10 days.

26 **Sec. 34.35.620. Denial of access; removal of unit property.** (a) After a
 27 default, a facility owner may

28 (1) deny the unit renter access to the storage unit;

29 (2) move the unit renter's unit property to another place for storage;

30 and

31 (3) if the unit property includes a vehicle or watercraft, tow or

1 otherwise remove the vehicle or watercraft from the storage facility, or have the
 2 vehicle or watercraft towed or otherwise removed from the storage facility to another
 3 place for safe storage.

4 (b) A facility owner may not be held liable for damage incurred to a unit
 5 renter's vehicle or watercraft after the facility owner removes the vehicle or watercraft
 6 from the storage facility under this section. Removal of unit property from a self-
 7 storage facility under this section releases the storage lien under AS 34.35.600.

8 **Sec. 34.35.625. Default notice.** (a) Before selling the unit property of a unit
 9 renter, a facility owner shall notify the unit renter and any other lienholder identified
 10 in the rental agreement that the unit renter is in default by hand delivery, electronic
 11 mail if an electronic mail address was provided, certified mail with return receipt
 12 requested, or the United States Postal Service with a certificate of mailing sent to the
 13 most recent address provided by the unit renter in a rental agreement or subsequent
 14 written notice of change of address.

15 (b) At least 10 days after the notice of default required by (a) of this section is
 16 sent, a facility owner shall hand deliver, send by electronic mail if an electronic mail
 17 address was provided, send by certified mail with return receipt requested, or send by
 18 the United States Postal Service with a certificate of mailing a second notice of default
 19 to the most recent address provided by the unit renter in a rental agreement or
 20 subsequent written notice of change of address. The second notice of default must
 21 include

22 (1) a statement that the unit property of the unit renter is subject to a
 23 storage lien and that the unit renter has been or will be denied access to the property
 24 until the facility owner's claim is satisfied;

25 (2) the address of the self-storage facility, the name of the unit renter,
 26 and the number of the storage unit rented by the unit renter;

27 (3) a statement of the charges due, the date of default, and a demand
 28 for payment of the charges due by a specified date that is at least 20 days after the date
 29 the notice was sent;

30 (4) a statement in bold type providing that, unless the claim is paid by
 31 the date specified in the demand for payment, the unit property of the unit renter will

1 be sold on or after a date specified in the notice; and

2 (5) the name, address, and telephone number of the facility owner or a
3 designated agent the unit renter may contact to respond to the notice.

4 (c) In addition to the notice required under (a) of this section, a facility owner
5 shall, after a unit renter has been in default for 20 days, notify a lienholder identified
6 in the rental agreement that the unit renter is in default.

7 **Sec. 34.35.630. Authority to dispose of unit property.** If a unit renter does
8 not cure a default and pay the amount due by the deadline specified in the notice
9 required by AS 34.35.625, the facility owner may sell or dispose of unit property
10 under AS 34.35.635.

11 **Sec. 34.35.635. Sale and disposal of unit property.** (a) A facility owner shall
12 hold a sale of unit property

13 (1) at the storage facility or, if the storage facility is not a suitable
14 location for the sale, at the nearest suitable location; or

15 (2) on a publicly accessible Internet website.

16 (b) A facility owner may dispose of property if the property was offered for
17 sale and did not receive a bid or offer.

18 **Sec. 34.35.640. Redemption by unit renter or vehicle owner.** (a) Before a
19 sale or disposal of a unit renter's unit property takes place under AS 34.35.635, the
20 unit renter may redeem the unit property by paying the amount due. If the unit renter
21 redeems the unit property, the facility owner shall immediately return the unit property
22 to the unit renter.

23 (b) If the vehicle owner of record pays the amount due before the facility
24 owner sells or disposes of a vehicle under AS 34.35.635, the facility owner shall
25 transfer possession of the vehicle to that vehicle owner.

26 (c) If the facility owner returns unit property under (a) or (b) of this section,
27 the facility owner does not have any further liability with respect to the unit property.

28 **Sec. 34.35.645. Good faith purchasers.** A person who purchases unit property
29 in good faith and without notice of a noncompliance with AS 34.35.600 - 34.35.670 at
30 a sale held under AS 34.35.635 takes the unit property free of any rights of the unit
31 renter, the facility owner, and any lienholders, even if the facility owner has not

1 complied with AS 34.35.600 - 34.35.670.

2 **Sec. 34.35.650. Vehicle title.** If a vehicle is sold at a public sale held under
3 AS 34.35.635 and is titled under AS 28.10, the Department of Administration shall
4 transfer title to the vehicle to the purchaser who purchased the vehicle and who
5 requests the transfer.

6 **Sec. 34.35.655. Proceeds of sale.** If a sale is held, a facility owner may satisfy
7 a storage lien from the proceeds of the sale and shall hold the remaining balance, if
8 any, for delivery on demand to the unit renter or another recorded lienholder for a
9 period of three years from the date of sale. If unclaimed after three years, the funds
10 shall be considered abandoned under AS 34.45.110 and the facility owner shall remit
11 the funds to the Department of Revenue. The remaining balance from the sale may
12 exceed the limit in AS 34.35.660.

13 **Sec. 34.35.660. Limit on value of property stored.** If a rental agreement
14 specifies a limit on the value of property that a unit renter may store in the storage
15 unit, the limit specified in the rental agreement is considered to be the maximum value
16 of the unit renter's unit property stored in the storage unit.

17 **Sec. 34.35.665. Additional rights and obligations.** The provisions of
18 AS 34.35.600 - 34.35.670 do not prevent a rental agreement from containing other
19 rights, duties, and obligations that do not conflict with or arise from AS 34.35.600 -
20 34.35.670. The rights provided to a facility owner by AS 34.35.600 - 34.35.670 are in
21 addition to other rights provided by law to a creditor against a debtor.

22 **Sec. 34.35.670. Definitions.** In AS 34.35.600 - 34.35.670,

23 (1) "amount due" means the amount of the storage lien under
24 AS 34.35.600;

25 (2) "default" means a unit renter's failure to perform an obligation or
26 duty at the time and in the manner set out in the rental agreement or under this chapter;

27 (3) "electronic mail" means the transmission of information by use of a
28 computer or through other electronic means;

29 (4) "facility owner" means

30 (A) the owner, operator, lessor, or sublessor of a self-storage
31 facility;

1 (B) a person authorized by a person described in (A) of this
2 paragraph to receive rent from a unit renter under a rental agreement;

3 (5) "rental agreement" means a written agreement that establishes or
4 modifies the terms under which a person may use a storage unit at a self-storage
5 facility;

6 (6) "self-storage facility" means

7 (A) real property that

8 (i) is designed for and used as a rental space where a
9 person may store and retrieve property directly without going through
10 another person;

11 (ii) may not be used for a person to live in;

12 (B) does not include a warehouse subject to AS 45.07;

13 (7) "storage lien" means a lien authorized under AS 34.35.600;

14 (8) "storage unit" means the individual storage space at a self-storage
15 facility that is rented to a person under a rental agreement;

16 (9) "unit property" means the property, including goods, wares,
17 merchandise, household items, vehicles, watercraft, and other items, stored in a
18 storage unit;

19 (10) "unit renter" means a person who is entitled to the use of a rented
20 space in a self-storage facility under a rental agreement, or the sublessee, successor, or
21 assignee of a facility owner;

22 (11) "vehicle" has the meaning given in AS 28.90.990(a);

23 (12) "watercraft" means a boat required to be registered under
24 AS 05.25.055.

25 * **Sec. 4.** AS 34.45 is amended by adding a new section to article 1 to read:

26 **Sec. 34.45.095. Application.** AS 34.45.010 - 34.45.085 do not apply to a self-
27 storage facility under AS 34.35.600 - 34.35.670.

28 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 APPLICABILITY. This Act applies to rental agreements entered into on or after the
31 effective date of this Act. In this section, "rental agreement" has the meaning given in

1 AS 34.35.670, enacted by sec. 3 of this Act.