

HOUSE BILL NO. 331

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES TUCK, Prax

Introduced: 2/16/22

Referred: Judiciary, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to self-storage facilities for personal property, including vehicles and
2 watercraft; relating to the treatment of firearms, ammunition, and controlled substances
3 found in self-storage units; distinguishing self-storage facility liens from another type of
4 storage lien; and excluding self-storage liens from the treatment of certain unclaimed
5 property."

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

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

8 (d) This section does not apply to a vehicle in a self-storage facility under
9 AS 34.35.600 - 34.35.695.

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

11 **Sec. 34.35.227. Application.** AS 34.35.220 and 34.35.225 do not apply to a
12 self-storage facility under AS 34.35.600 - 34.35.695.

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

Article 13A. Self-Storage Facilities.

Sec. 34.35.600. Self-storage facility liens. A facility owner has a storage lien on unit property if the unit renter fails to perform in a timely manner a duty imposed by a written rental agreement, including paying the rental charges and reasonable late fees. In this section, a late fee is considered reasonable if the fee does not exceed the greater of \$20 or 20 percent of the monthly rental fee.

Sec. 34.35.605. Priority of storage lien. (a) Notwithstanding AS 28.10.371, if a vehicle is an item of the unit property, a storage lien is superior to a lien or encumbrance established under AS 28.10.371 - 28.10.401.

(b) A storage lien is superior to a security interest perfected under AS 45.29. A storage lien is superior to another lien or security lien, except a tax lien.

Sec. 34.35.610. Attachment of storage lien. A storage lien attaches on the date on which property is placed in a storage unit. A rental agreement must contain a statement in bold type notifying the unit renter of the existence of the storage lien and of the method by which the facility owner may enforce the storage lien under AS 34.35.600 - 34.35.695.

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

Sec. 34.35.620. Denial of access; moving unit property. After a default, a facility owner may

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

(2) move the unit renter's unit property to another place for storage; if the unit property includes a vehicle or watercraft, the facility owner may tow or otherwise remove the vehicle or watercraft from the storage facility, or have the vehicle or watercraft towed or otherwise removed from the storage facility.

Sec. 34.35.625. Lien notice. (a) To enforce a lien under AS 34.35.600 - 34.35.695, a facility owner shall mail a lien notice to the unit renter.

(b) The lien notice must include

(1) an itemized statement of the facility owner's claim that identifies the default by the unit renter, the amount due from the unit renter when the facility owner provides the lien notice, and the date when the default occurred;

- 1 (2) a statement of how the unit renter can cure the default;
- 2 (3) a demand that the unit renter cure the default before the date stated
- 3 in the lien notice; the date for curing the default must be not less than 21 days after the
- 4 date the facility owner provides the lien notice;
- 5 (4) a statement that the unit property is subject to the facility owner's
- 6 lien;
- 7 (5) if the facility owner decides to deny the unit renter access to the
- 8 storage unit, a statement advising the unit renter that the unit renter may not access the
- 9 storage unit;
- 10 (6) if the facility owner has removed the unit renter's unit property
- 11 from the storage unit to another place, a statement advising the unit renter that the
- 12 facility owner has removed the unit renter's unit property from the storage unit to
- 13 another place;
- 14 (7) the name, street address, postal address, electronic mail address,
- 15 and telephone number of the facility owner and of any other person the unit renter may
- 16 contact to respond to the notice;
- 17 (8) a conspicuous statement that, unless the unit renter cures the
- 18 default within the time stated under (3) of this subsection, the facility owner will
- 19 dispose of the unit property under AS 34.35.600 - 34.35.695;
- 20 (9) a statement that the unit renter may redeem the unit property before
- 21 disposal by curing the default and paying the amount due;
- 22 (10) if a vehicle is part of the unit property, a statement that the vehicle
- 23 owner of record or lienholders of record may pay the amount due and take possession
- 24 of the vehicle; and
- 25 (11) if the facility owner discovers that the unit property contains
- 26 restricted property, a statement that the facility owner will notify a law enforcement
- 27 agency about the restricted property and the law enforcement agency will take
- 28 possession of the restricted property.

29 **Sec. 34.35.630. Authority to dispose of unit property.** If a unit renter does
 30 not cure a default and pay the amount due by the deadline stated in the lien notice, the
 31 facility owner may dispose of the unit property under AS 34.35.635 and 34.35.640.

1 **Sec. 34.35.635. Disposal publication, advertising, and notices.** (a) If the unit
 2 renter does not cure the default and pay the amount due by the deadline stated in the
 3 lien notice, and if the facility owner determines that disposal of all or part of the unit
 4 property by public sale is commercially viable, the facility owner shall proceed under
 5 (c) of this section.

6 (b) If the unit renter does not cure the default and pay the amount due by the
 7 deadline stated in the lien notice, and if the facility owner determines that disposal of
 8 all or part of the unit property by public sale is not commercially viable, the facility
 9 owner may privately sell, give away, donate, or throw away the unit property that is
 10 not commercially viable to dispose of by public sale.

11 (c) Before disposing of unit property under (a) of this section, a facility owner
 12 shall

13 (1) publish a notice of sale one time before the date of the sale in a
 14 newspaper of general circulation in the judicial district in which the storage facility is
 15 located, or advertise the sale one time a week for two weeks in a commercially
 16 reasonable manner that is likely to attract at least three bidders to the sale who are not
 17 related to the facility owner or to each other; and

18 (2) if the unit property is a vehicle and the facility owner can
 19 determine the name and address of the vehicle owner and any lienholder, mail notice
 20 of the disposal of the vehicle to the vehicle owner and to the lienholders, if any, listed
 21 on the vehicle title, at the address or addresses listed on the vehicle title.

22 (d) The publication, advertisement, and notice under (c) of this section must
 23 include

24 (1) a statement that the facility owner will sell the unit property to
 25 satisfy the facility owner's lien;

26 (2) the address of the storage facility, the number or other designation,
 27 if any, of the place where the unit property is located, and the name of the unit renter;

28 (3) the time, place, and manner of the sale;

29 (4) the name, address, and contact telephone number of the facility
 30 owner; and

31 (5) if applicable, a description of the vehicle, including the vehicle

1 identification number and, if available, the vehicle registration plate number.

2 (e) In this section, "unit property" does not include restricted property subject
3 to AS 34.35.685.

4 **Sec. 34.35.640. Sale of unit property.** (a) A facility owner shall hold a sale of
5 unit property

6 (1) at the storage facility or, if the storage facility is not a suitable
7 place for the sale, at a suitable location that is the nearest suitable location to where the
8 unit property is being held or stored; or

9 (2) on a publicly accessible Internet website.

10 (b) The facility owner shall hold the sale under (a) of this section not less than
11 5 days after the publication or advertisement under AS 34.35.635(c)(1).

12 (c) If, after the publication or advertisement under AS 34.35.635(c)(1) and
13 notice under AS 34.35.635(c)(2), the facility owner does not or is not able to sell the
14 unit property, the facility owner shall mail a notice to the unit renter of how the facility
15 owner will dispose of the unit property.

16 (d) In this section, "unit property" does not include restricted property subject
17 to AS 34.35.685.

18 **Sec. 34.35.645. Redemption by unit renter, vehicle owner, or vehicle**
19 **lienholder.** (a) Before a disposal of unit property takes place under AS 34.35.635 and
20 34.35.640, and except as provided in AS 34.35.685, the unit renter may redeem the
21 unit property by paying the amount due. If the unit renter redeems the unit property,
22 the facility owner shall immediately return the unit property to the unit renter.

23 (b) If the vehicle owner of record or the lienholders, if any, listed on the
24 vehicle title pay the amount due before the facility owner disposes of the vehicle under
25 AS 34.35.635 and 34.35.640, the facility owner shall transfer possession of the vehicle
26 to the vehicle owner or lienholder who pays the amount due. If the unit renter stored
27 the vehicle with other unit property in the storage unit, the vehicle owner or lienholder
28 is required to pay only that part of the amount due that is proportionate to the storage
29 area occupied by the vehicle.

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

1 property.

2 **Sec. 34.35.650. Good faith purchasers.** A person who purchases unit property
3 in good faith and without notice of a noncompliance with AS 34.35.600 - 34.35.695 at
4 a disposal under AS 34.35.600 - 34.35.695 takes the unit property free of any rights of
5 the unit renter, the facility owner, and any lienholders, even if the facility owner has
6 not complied with AS 34.35.600 - 34.35.695.

7 **Sec. 34.35.655. Vehicle title.** If a vehicle is sold at a public sale under
8 AS 34.35.640 and is titled under AS 28.10, the Department of Administration shall
9 transfer title to the vehicle to the purchaser who purchased the vehicle and who
10 requests the transfer.

11 **Sec. 34.35.660. Proceeds of disposal.** (a) The facility owner shall apply the
12 disposal proceeds, in the following order, to

13 (1) the payment of the expenses reasonably incurred by the facility
14 owner in enforcing the storage lien under AS 34.35.600 - 34.35.695, including notice
15 costs, publication costs, advertisement costs, personnel costs, administrative costs,
16 legal costs, and auctioneer costs;

17 (2) the amount due from the unit renter, including all late fees;

18 (3) payment of the liens of secured lienholders of the unit property that
19 was a vehicle; and

20 (4) payment of the liens of secured lienholders of the unit property that
21 was not a vehicle.

22 (b) If the disposal proceeds are not sufficient to pay secured lienholders
23 completely, the facility owner is not liable for the unpaid balance, including late fees,
24 owed to the secured lienholders.

25 (c) If disposal proceeds remain after application of (a) of this section, the
26 facility owner shall mail a notice to the unit renter that there are excess disposal
27 proceeds. The facility owner shall hold the excess disposal proceeds for one year after
28 the date of the sale, and the unit renter may claim the excess sale proceeds within the
29 one-year period. If the unit renter does not claim the excess proceeds within the one-
30 year period, the excess sale proceeds belong to the facility owner.

31 (d) In the notice under (c) of this section, the facility owner shall state that

1 there are excess disposal proceeds from the sale, that the facility owner will hold the
 2 excess disposal proceeds for one year from the date the facility owner sends the notice,
 3 that the unit renter may claim the excess sale proceeds within the one-year period, and
 4 that, if the unit renter does not claim the excess sale proceeds within the one-year
 5 period, the excess sale proceeds belong to the facility owner.

6 **Sec. 34.35.665. Limit on value of property stored.** If a rental agreement
 7 specifies a limit on the value of property that a unit renter may store in the storage
 8 unit, the limit specified in the rental agreement is considered to be the maximum value
 9 of the unit renter's unit property stored in the rented unit.

10 **Sec. 34.35.670. Mailing requirements.** When a facility owner is required to
 11 mail a notice under AS 34.35.600 - 34.35.695, the facility owner shall

12 (1) call the unit renter and mail the notice to the unit renter's postal
 13 address and electronic mail address provided to the facility owner by the unit renter in

14 (A) the latest rental agreement; or

15 (B) a written notice of a change of mailing address or
 16 electronic mail address provided after the latest rental agreement; and

17 (2) for mailing to a postal address, use a

18 (A) method of mailing that is offered by the United States
 19 Postal Service and provides evidence of mailing; or

20 (B) private delivery service.

21 **Sec. 34.35.675. Release of lien.** (a) Notwithstanding AS 34.35.900(a), if a unit
 22 renter requests in writing that a facility owner deliver to the unit renter an
 23 acknowledgment of satisfaction suitable for recording when a lien under AS 34.35.600
 24 - 34.35.695 is satisfied by payment of the amount due, the facility owner shall deliver
 25 the acknowledgment of satisfaction to the unit renter not later than 15 days after the
 26 request.

27 (b) If a facility owner fails, without just cause, for a period of 30 days after
 28 receiving the written request under (a) of this section, to execute and deliver to the unit
 29 renter an acknowledgment of satisfaction as required under (a) of this section, the
 30 facility owner is liable to the unit renter for the damages suffered by the unit renter
 31 because of the failure.

1 **Sec. 34.35.680. Records.** The facility owner shall keep for one year from the
 2 date of the lien notice under AS 34.35.625 a written record of when and how the
 3 facility owner disposed of the unit property. The facility owner shall allow the former
 4 unit renter to review the record on request.

5 **Sec. 34.35.685. Restricted property.** (a) After a default by a unit renter and
 6 access by the facility owner to the storage unit, if a facility owner discovers that the
 7 unit property of the defaulting unit renter includes restricted property, the facility
 8 owner shall notify a law enforcement agency about the restricted property, and the law
 9 enforcement agency shall take possession of the restricted property.

10 (b) If a facility owner discovers the restricted property after the facility owner
 11 mails the lien notice under AS 34.35.625, the facility owner shall make the
 12 notification and transfer of restricted property under (a) of this section and then mail a
 13 notice to the unit renter stating that the facility owner has notified a law enforcement
 14 agency about the restricted property and that the law enforcement agency has taken
 15 possession of the restricted property. If the restricted property includes a firearm or
 16 ammunition, the notice must also

17 (1) include a statement that the unit renter has one year from the date
 18 the law enforcement agency takes possession of the firearm or ammunition to file a
 19 claim with the law enforcement agency to obtain the return of the firearm or
 20 ammunition;

21 (2) provide the date that the law enforcement agency took possession
 22 of the firearm or ammunition; and

23 (3) provide the name and address of the law enforcement agency that
 24 has possession of the firearm or ammunition.

25 (c) Within one year after the law enforcement agency takes possession of a
 26 firearm or ammunition under (a) of this section, a unit renter may file a claim for the
 27 item with the law enforcement agency, and, notwithstanding AS 18.65.340, the law
 28 enforcement agency shall return the item to the unit renter unless the unit renter's
 29 possession would violate a state or federal law that regulates the possession of the
 30 item. If the unit renter fails to file a claim for the firearm or the ammunition within one
 31 year from the date the law enforcement agency takes possession of the firearm or

ammunition, the law enforcement agency shall dispose of the firearm or ammunition as a surplus firearm as provided in AS 18.65.340.

(d) A facility owner who gives notice and transfers restricted property under this section is not liable to the unit renter or to the owner of the restricted property for

(1) the value of the restricted property; or

(2) damages suffered by the unit renter or property owner as a result of the notice and transfer.

Sec. 34.35.690. Additional rights and obligations. The provisions of AS 34.35.600 - 34.35.695 do not prevent a rental agreement from containing other rights, duties, and obligations that do not conflict with or arise from AS 34.35.600 - 34.35.695. The rights provided to a facility owner by AS 34.35.600 - 34.35.695 are in addition to other rights provided by law to a creditor against a debtor.

Sec. 34.35.695. Definitions. In AS 34.35.600 - 34.35.695,

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

(2) "default" means a unit renter's failure under AS 34.35.600;

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

(4) "facility owner" means

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

(B) the agent of a person described in (A) of this paragraph; or

(C) a person authorized by a person described in (A) of this paragraph to manage a self-storage facility or to receive rent from a unit renter under a rental agreement;

(5) "law enforcement agency" has the meaning given in AS 12.36.090;

(6) "lien notice" means the notice sent by a facility owner to a unit renter under AS 34.35.625;

(7) "rental agreement" means a written agreement that establishes or modifies the terms under which a person may store unit property in a storage unit;

(8) "restricted property" means a firearm, ammunition for a firearm, or

1 a controlled substance; in this paragraph,

2 (A) "controlled substance" has the meaning given in
3 AS 11.71.900;

4 (B) "firearm" has the meaning given in AS 11.81.900(b);

5 (9) "self-storage facility" means real property that

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

9 (B) may not be used for a person to live in;

10 (10) "storage lien" means the lien authorized under AS 34.35.600;

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

13 (12) "unit property" means the property, including goods, wares,
14 merchandise, household items, vehicles, watercraft, and other items, stored in a
15 storage unit;

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

19 (14) "vehicle" has the meaning given in AS 28.90.990(a);

20 (15) "watercraft" means a boat required to be registered under
21 AS 05.25.055.

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

23 **Sec. 34.45.095. Application.** AS 34.45.010 - 34.45.085 do not apply to a self-
24 storage facility under AS 34.35.600 - 34.35.695.

25 * **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to
26 read:

27 **APPLICABILITY.** A facility owner may not obtain a lien on unit property under
28 AS 34.35.600 - 34.35.695, enacted by sec. 3 of this Act, unless the rental agreement for the
29 storage unit is entered into on or after the effective date of this Act. In this section, "facility
30 owner," "rental agreement," "storage unit," and "unit property" have the meanings given in
31 AS 34.35.695, enacted by sec. 3 of this Act.