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<u>House Bill 331 – Self-Storage Units: Liens; Sales</u>

Sponsor Statement

House Bill 331 establishes a modern lien law to cover self-storage facilities in Alaska. Currently, Alaska is the only state in the nation without some form of lien law specific to the self-storage industry. Storage liens are the national standard for settling disputes between self-storage facility owners and unit renters because storage liens include protections for both parties.

Storage liens are an important tool that self-storage facility owners can use to satisfy debts incurred by self-storage unit renters that do not pay rental charges or fail to comply with the terms of the rental agreement. HB 331 gives facility owners the right to enforce a storage lien after a unit renter has been continuously in default for at least 10 days. Additionally, House Bill 331 gives facility owners the right to dispose of unit property if a unit renter does not cure a default and pay the amount due by the deadline in the lien notice. The bill details how and when facility owners can dispose of the contents of a storage unit.

The storage liens authorized by the passage of HB 331 also include protections for self-storage unit renters. Facility owners would be required to include details of the storage lien process in rental agreements, including the method by which the facility owner may enforce the lien. Facility owners would be required to provide an itemized statement to unit renters of the facility owner's claim and how the unit renter can cure a default. Facility owners would be also required to give unit renters time to settle a default before taking possession of the private property in a storage unit.

House Bill 331 includes provisions governing notification requirements between facility owners and unit renters. The bill requires facility owners to call the unit renter and mail notices to the renter's postal address and email address.