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## House Bill 97 Sectional Analysis Version U

**Section 1** (*Page 1, lines 5-7*) – Amends AS 28.11.025 relating to abandoned vehicles by stipulating that it does not apply to a vehicle in a self-storage facility under the sections of this bill.

**Section 2** (*Page 1, lines 8-10*) – Amends AS 34.35 by adding a new section stipulating that AS 34.35.220 and 225 do not apply to a self-storage facility.

**Section 3** – (*Page 1, line 11 - Page 6, line 14*) - Amends 34.35 to add a new section titled Article 13A. Self-Storage Facilities.

Sec. 34.35.600. Self-storage facility liens; fees. (*Page 1, line 12 - Page 2, line 7*)  
This section details that a facility owner has a storage lien on unit property if the unit renter fails to abide by a written rental agreement, including paying the rental charges and reasonable late fees.

Sec. 34.35.605. Priority of storage lien. (*Page 2, lines 8-12*)  
(a) This section notes that 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 – 401.

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

Sec. 34.35.610. Attachment of storage lien; rental agreements. (*Page 2, lines 13-20*)  
Stipulates that a storage lien attaches on the date property is placed in storage. A rental agreement must contain a statement notifying the unit renter of the existence of the storage lien and the method by which the facility owner may enforce the lien. This section also requires the unit renter to disclose any lienholders with an interest in the stored property.

Sec. 34.35.615. Enforcement. (*Page 2, lines 21-22*)  
Gives facility owners the right to 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; removal of unit property. (*Page 2, line 23 - Page 3, line 3*)

Stipulates that after a default, the facility owner may deny the unit renter access to the storage unit and move property to another place for storage. The section also allows the facility owner to tow or otherwise remove a vehicle or watercraft from the storage facility.

Sec. 34.35.625. Default notice (*Page 3, lines 4-27*)

Requires a facility owner to notify the unit renter and any lienholders identified in the rental agreement that a unit renter is in default before enforcing a storage lien.

Sec. 34.35.630. Authority to dispose of unit property. (*Page 3, lines 28-31*)

Allows the facility owner to dispose of the unit property if a unit renter does not cure a default and pay the amount due by the deadline stated in the lien notice.

Sec. 34.35.635. Sale and disposal of unit property. (*Page 4, lines 1-7*)

Section (a) allows a facility owner to sell unit property at the storage facility or nearest suitable location, or on the internet.

Section (b) Allows the facility owner to privately sell, give away, donate, or throw away unit property that is not commercially viable to dispose of by a public sale.

Sec. 34.35.640. Redemption by unit renter, vehicle owner, or vehicle lien holder. (*Page 4, lines 8-18*)

Section (a) notes that, before the sale of the property, the unit renter may redeem the unit property by paying the amount due, in which case, the facility owner shall immediately return the unit property to the unit renter.

Section (b) states that if a vehicle owner of record or a lienholder pays the amount due before the facility owner disposes of the vehicle under AS 34.35.635, the facility owner shall transfer possession of the vehicle to the vehicle owner or lienholder who pays the amount due.

Section (c) states that a facility owner is no longer liable for property after it is returned under (a) or (b) of this section.

Sec. 34.35.645. Good faith purchasers. (*Page 4, lines 19-23*)

A person who purchases unit property in good faith takes possession of the property free of any rights of the unit renter, the facility owner, or any lienholders.

Sec. 34.35.650. Vehicle title. (*Page 4, lines 24-27*)

Stipulates that if a vehicle is sold at a public sale and is titled, the Department of Administration shall transfer the vehicle title to the purchaser.

Sec. 34.35.655. Proceeds of sale. (*Page 4, line 28 - Page 5, line 2*)

This section details how the storage facility owner is to apply the proceeds from the disposal of private property to satisfy a storage lien.

Sec. 34.35.660. Limit on value of property stored. (*Page 5, lines 3-6*)

This section details that if a rental agreement specifies a limit on the value of stored property, that limit is the maximum value.

Sec. 34.35.665. Additional rights and obligations. (*Page 5, lines 7-11*)

Specifies that a rental agreement may contain other rights, duties, and obligations not required in the provisions of this bill.

Sec. 34.35.670. Definitions. (*Page 5, line 12 - Page 6, line 14*)

This section defines terms used in the Act.

**Section 4** (*Page 6, lines 15-17*) – This section clarifies that AS 34.45.010 – 34.45.085 do not apply to a self-storage facility.

**Section 5** (*Page 6, lines 18-22*)

Amends the uncodified law stating this Act only applies to rental agreements entered on or after the effective date.