

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

May 3, 2023

2:50 p.m.

MEMBERS PRESENT

Representative Jesse Sumner, Chair
Representative Justin Ruffridge, Vice Chair
Representative Mike Prax
Representative Dan Saddler
Representative Stanley Wright
Representative Ashley Carrick
Representative Zack Fields

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 97

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

- MOVED CSHB 97(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 97

SHORT TITLE: SELF-STORAGE UNITS: LIENS; SALES

SPONSOR(S): REPRESENTATIVE(S) PRAX

03/06/23	(H)	READ THE FIRST TIME - REFERRALS
03/06/23	(H)	L&C, JUD
03/24/23	(H)	L&C AT 3:15 PM BARNES 124
03/24/23	(H)	Heard & Held
03/24/23	(H)	MINUTE(L&C)
04/14/23	(H)	L&C AT 3:15 PM BARNES 124
04/14/23	(H)	Heard & Held
04/14/23	(H)	MINUTE(L&C)
05/01/23	(H)	L&C AT 3:15 PM BARNES 124
05/01/23	(H)	Heard & Held
05/01/23	(H)	MINUTE(L&C)

05/03/23

(H)

L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

NATHANIEL DYE, Owner
Juneau Self Storage
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 97.

DARREL SMITH, General Manager
Best Storage
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 97.

PAUL SCHNEIDER, Owner
Storage Solutions North
Chugiak, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 97.

ACTION NARRATIVE

[3:15:46 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Prax, Wright, Ruffridge, and Sumner were present at the call to order. Representatives Saddler, Fields, and Carrick arrived as the meeting was in progress.

HB 97-SELF-STORAGE UNITS: LIENS; SALES

[3:16:04 PM](#)

CHAIR SUMNER announced that the only order of business would be HOUSE BILL NO. 97, "An Act relating to self-storage facilities for personal property, including vehicles and watercraft; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property." [Before the committee was the proposed committee substitute (CS) for HB 97, Version, 33-LS0392\S, Dunmire, 4/25/23, ("Version S"), adopted on 5/1/23 as a working document.]

CHAIR SUMNER ascertained that Representative Fields would not be offering Amendments 1 or 2 at this time.

[3:16:44 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment 3 to HB 97, Version S, labeled 33-LS0392\B.1, Dunmire, 3/28/23, which read as follows:

Page 3, line 3:
Delete "or"
Insert "and"
Following "recent":
 Insert "electronic mail address and mailing"

Page 3, line 17:
Delete "20"
Insert "30"

CHAIR SUMNER objected.

[3:16:50 PM](#)

REPRESENTATIVE CARRICK noted that the amendment had been drafted to the previous version of the proposed legislation, with the lines the amendment is drafted on being the only difference. She explained that Amendment 3 would require notification by email and postage mail and increase the total number of days required for notification from 20 to 30.

[3:18:01 PM](#)

REPRESENTATIVE WRIGHT asked for the bill sponsor's opinion on the amendment.

REPRESENTATIVE PRAX, as prime sponsor, expressed the opinion that the amendment is unnecessary because the proposed legislation sets only minimum requirements, and storage owners could make any changes, as the maximum would not be set. He added that the language "mail" would imply certified mail, and this would be a burden on storage facility owners.

[3:19:29 PM](#)

REPRESENTATIVE CARRICK responded that many Alaskans live in rural areas and making the process duplicative would be beneficial to them.

[3:20:23 PM](#)

REPRESENTATIVE FIELDS commented that e-mail systems often incorrectly mark messages as spam.

[3:20:58 PM](#)

REPRESENTATIVE RUFFRIDGE expressed opposition to Amendment 3, as these notices would be for a renter already in default; therefore, the burden should fall on them.

[3:22:00 PM](#)

A roll call vote was taken. Representatives Carrick and Fields voted in favor of Amendment 3 to HB 97, Version S. Representatives Wright, Ruffridge, Saddler, Prax, and Sumner voted against it. Therefore, Amendment 3 failed by a vote of 2-5.

[3:22:36 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 1 to HB 97, Version S, labeled 33-LS0392\S.1, Dunmire, 5/2/23, which read as follow:

Page 2, lines 1-2:

Delete ", labor, late fees, and other charges,
and for expenses reasonably incurred in the sale or
other disposition of the property under law"

Insert "and late fees"

REPRESENTATIVE RUFFRIDGE objected.

[3:22:41 PM](#)

REPRESENTATIVE FIELDS explained that Amendment 1 would place limits on the number of late fees rental facility owners would be able to impose.

[3:24:10 PM](#)

REPRESENTATIVE SADDLER expressed opposition to the amendment, opining that late fees should not be allowed only in the event of delinquency.

[3:25:25 PM](#)

NATHANIEL DYE, Owner, Juneau Self Storage, providing invited testimony, stated that storage facility owners usually only recover approximately 30 percent of lost fees when auctioning off a storage unit, and this is in addition to paying for an auctioneer. He expressed opposition to Amendment 1.

[3:26:43 PM](#)

DARREL SMITH, General Manager, Best Storage, provided invited testimony, stating that storage facilities are usually not able to collect any [excess] fees charged [after default], and he expressed opposition to Amendment 1.

[3:27:30 PM](#)

PAUL SCHNEIDER, Owner, Storage Solutions North, provided invited testimony and expressed opposition to Amendment 1. He stated that storage facility owners lose money on lost rent, in addition to other fees, such as hauling trash to the dump.

[3:28:16 PM](#)

REPRESENTATIVE CARRICK expressed uncertainty about the other possible fees there may be. She argued that the amendment would protect against unnecessary fees.

[3:29:20 PM](#)

REPRESENTATIVE WRIGHT asked for the bill sponsor's opinion on Amendment 1.

REPRESENTATIVE PRAX said that a rental facility agreement assumes a tenant will clean out the storage unit and expressed the opinion that those in default often leave behind junk.

[3:30:50 PM](#)

A roll call vote was taken. Representatives Carrick and Fields voted in favor of Amendment 1 to HB 97, Version S. Representatives Ruffridge, Saddler, Wright, Prax, and Sumner voted against it. Therefore, Amendment 1 failed by a vote of 2-5.

[3:31:28 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 2 to HB 97, Version S, labeled 33-LS0392\S.4, Dunmire, 5/2/23, which read as follows:

Page 2, line 22:
Delete "10"
Insert "15"

Page 3, line 9:
Delete "10"
Insert "75"

REPRESENTATIVE SADDLER objected.

[3:31:38 PM](#)

REPRESENTATIVE FIELDS stated that Amendment 2 would change the bill's language to allow for 90 days of recovery after default.

[3:32:16 PM](#)

REPRESENTATIVE PRAX commented that the bill's purpose is to establish minimum requirements and expressed the opinion that the amendment is not necessary.

[3:33:04 PM](#)

REPRESENTATIVE FIELDS asked Mr. Smith to offer his thoughts on the amendment.

MR. SMITH answered that individuals often use storage facilities in times of crisis and allowing for 90 days would give them a chance to recover.

[3:34:42 PM](#)

REPRESENTATIVE SADDLER expressed opposition to Amendment 2 because it would be the renter's failure to uphold this part of the contract.

[3:35:51 PM](#)

REPRESENTATIVE CARRICK commented that it is possible for a person going through a personal crisis to be unaware of the default. She said that the amendment would give a chance for a renter to recover and avoid losing property.

[3:37:08 PM](#)

A roll call vote was taken. Representatives Carrick and Fields voted in favor of Amendment 2 to HB 97, Version S. Representatives Ruffridge, Wright, Prax, Saddler, and Sumner voted against it. Therefore, Amendment 2 failed by a vote of 2-5.

[3:37:43 PM](#)

REPRESENTATIVE PRAX expressed the opinion that the proposed bill would give storage facility owners and operators a better way to deal with abandoned property.

[3:38:10 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSHB 97, Version 33-LS0392\S, Dunmire, 4/25/23, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE CARRICK objected.

[3:38:26 PM](#)

A roll call vote was taken. Representatives Prax, Wright, Saddler, Ruffridge, and Sumner voted in favor of the motion to report CSHB 97, Version 33-LS0392\S, Dunmire, 4/25/23, out of committee with individual recommendations and the accompanying fiscal notes. Representatives Carrick and Fields voted against it. Therefore, CSHB 97(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 5-2.

[3:39:00 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at [3:39 p.m.].