



February 18, 2025

The Honorable Robert E. Craven, Sr.
Chairman
Judiciary Committee
Rhode Island House of Representatives
82 Smith Street
Providence, Rhode Island 02903

RE: House Bill 5364 - RELATING TO PROPERTY -- SELF-SERVICE STORAGE FACILITIES (Reps. Hull, Biah, O'Brien, Azzinaro, and Bennett)

Dear Chair Craven, First Vice Chair McEntee, Second Vice Chair Knight, and Members of the House Judiciary Committee:

The Northeast Self Storage Association¹ (“NeSSA”) and the National Self Storage Association² (“SSA”) respectfully requests your support for passage of House Bill 5364.³ HB 5364 would make the notice and advertisements requirements in the Rhode Island self storage law consistent with the self storage laws in Connecticut,⁴ Maine,⁵ Massachusetts,⁶ New York,⁷ New Hampshire,⁸ and Vermont.⁹

Introduction to Self Storage

By way of background, in self storage the operator and occupant have a commercial landlord-occupant relationship.¹⁰ A broad swath of consumers use self storage for a variety of reasons. Once a unit size is selected, a consumer signs the rental agreement, the contract that governs the relationship between the operator and the occupant. All rental agreements are month-to-month tenancies that renew only upon the mutual desire of both parties. In other words, occupants can simply vacate if they are unable or unwilling to pay for the leased space. Most tenancies are successful for both parties; goods are stored, and rent is timely paid.

¹ The NeSSA is a trade association that represents the interests of self storage owners and operators in Connecticut, Massachusetts, and Rhode Island.

² The SSA is a national trade association located in Alexandria, Virginia that formed in 1975. For more than 45 years the Association has served as the official trade organization and voice of the U.S. self storage industry, including in Rhode Island.

³ See <https://webserver.rilegislature.gov/Billtext/BillText25/HouseText25/H5364.htm>

⁴ Conn. Gen. Stat. § 42-164 (a).

⁵ See 10 M.R.S. § 1371 *et seq.*

⁶ ALM GL ch. 105A, § 4 (4).

⁷ 7. Enforcement of lien. NY CLS Lien § 182(a).

⁸ See Chapter 451-C *et seq.*

⁹ 9 V.S.A. § 3905 (3)(D).

¹⁰ No occupant may use a self storage facility for residential purposes. See R.I. Gen. Laws § 34-42-2(10).

Forty-nine states, including Rhode Island, have a self storage lien law. Self storage lien laws provide a non-judicial foreclosure process for addressing situations in which self storage occupants fail to pay their rent, and the storage operator must sell the occupant's property to satisfy the operator's lien for past due debts. National data from the SSA indicate that storage operators sell approximately 1% to 3% of leased spaces annually. Anecdotally, many of the lien sales involve occupants who have abandoned the space after removing their valuable property and are not interested in what is remaining in the space. Stated differently, 97-99% of occupants will use the space per the rental agreement and never have their belongings subject to a lien sale. The lien process is an infrequently used procedure, but it is necessary for the successful operation of a storage facility. Operators' primary goal is to recover the space, which can then be rented by a paying customer.

Notice Requirements to Self Storage Occupants

In the rare situations when a lien sale occurs, the occupant learns of the impending sale through several direct means. First, when the occupant signs the rental agreement, they are informed in bold type of the existence of the lien and that the property stored in their leased space may be sold to satisfy the lien upon their default.¹¹

Before any sale may occur, operators are legally obligated to provide at least two (2) direct notices of the delinquency and lien sale directly to the occupant. The owner must send the first notice no sooner than five (5) days after default.¹² This notice must include the current balance due with a reminder to bring the past due balance current or risk the action of the owner to enforce the owner's lien.¹³

If the occupant does not resolve the outstanding debt, then the storage owner, no sooner than fourteen (14) days after default, must send the occupant a second notice.¹⁴ The notice must include a statement of the claim showing the sums due at the time of the notice; a statement that, based on the default, the owner has the right to deny the occupant access to the leased space; a general description of the personal property subject to the lien if known; a demand for payment of the claim by a specified date not less than fourteen (14) days after mailing of the notice; a conspicuous statement that unless the claim is paid by the specified date, the occupant's right to use the storage space will terminate, and the personal property will be advertised for sale or will be otherwise disposed of at a specified time and place; and, the name, street address, and telephone number of the owner who the occupant may contact to respond to the notice.¹⁵

Under current law, if the operator is unable to obtain personal service of the second default notice, the operator must publish a newspaper advertisement with the occupant's name and other information once in a newspaper of general circulation where the occupant was last known to reside.¹⁶ **Rhode Island is the only state that has this type of notice via publication requirement for self storage.** This requirement is outdated and ineffective – it does not prevent lien sales. The occupant was already informed of the owner's lien rights in the rental agreement and the occupant has already received at least two (2) direct notices.

¹¹ R.I. Gen. Laws § 34-42-9 (a)(2)(3).

¹² R.I. Gen. Laws § 34-42-4 (a)(1)

¹³ *Id.*

¹⁴ R.I. Gen. Laws § 34-42-4 (a)(2).

¹⁵ *Id.*

¹⁶ R.I. Gen. Laws § 34-42-4 (a)(3)(4).

The notion that the occupant will not be responsive to all those efforts to contact them directly but will see the newspaper notice in the one publication where it is printed, is questionable, at best. It simply does not happen.

The Amendments Provide Greater Consumer Protection

The amendments would also strengthen consumer protections. After all notices have been sent, current law requires the owner to advertise the sale on a publicly accessible website once a week for two consecutive weeks, or two times total. As an example, this would require the owner to advertise the sale during the first week on a Tuesday and during the second week on a Thursday for a total of two days. The amendments would require the owner to advertise the sale for seven consecutive days, if done online – increasing the advertising duration by more than three times the current statutory requirement. The greater advertising duration will hopefully increase participation in the sale and drive the sale price higher. This benefits the occupant since any amount realized over the debt obligation to the storage owner must be held for the former occupant.¹⁷

Alternatively, the bill would permit owners to advertise the sale in a newspaper of general circulation, if the owner believes that medium is the best method to drive traffic to the sale.

Conclusion

HB 5364 would make Rhode Island law consistent with the self storage laws and specifically the advertising requirements in Connecticut,¹⁸ Maine,¹⁹ Massachusetts,²⁰ New Hampshire,²¹ New York,²² and Vermont.²³

NeSSA and the SSA respectfully request your support for passage of HB 5364. Thank you for your consideration.

Respectfully submitted,

Courtney Kahler

Courtney J. Kahler
NeSSA Executive Director

¹⁷ R.I. Gen. Laws § 34-42-4(i).

¹⁸ Conn. Gen. Stat. § 42-164 (a).

¹⁹ See 10 M.R.S. § 1371 *et seq.*

²⁰ ALM GL ch. 105A, § 4 (4).

²¹ See Chapter 451-C *et seq.*

²² 7. Enforcement of lien. NY CLS Lien § 182(a).

²³ 9 V.S.A. § 3905 (3)(D).