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Self Storage Industry Testimony  
Connecticut General Assembly - General Law Committee Hearing (2/7/13)  
Support for Senate Bill 752 (2012 Bill 5088)

The national Self Storage Association represents approximately 30,000 owners of 47,000 self storage properties nationwide. These are primarily small businesses – with the bulk of the industry made up of “mom and pop” operators with only one or two facilities. I am writing today to support the approximate 317 facilities in the state of Connecticut. These self storage businesses have only one remedy in nonpayment and/or abandonment circumstances: the lien process. Self storage operators go above and beyond to remedy late payment situations before moving into the auction process. Less than 1% of storage units nationwide end up at auction and storage businesses are generally lucky to recoup \$0.20 on the dollar that is owed. Selling property at auction is by no means a windfall and most storage managers are simply looking to recoup their space to rent to another tenant. They are trying to “lose less.”

The Self Service Storage Act in Connecticut was established three decades ago; subsequently more efficient means of advertising and notice delivery have surfaced, and these are positive developments both for the owner operators of self storage simply seeking to “lose less” in a nonpayment circumstance, and the consumers of self storage, many of whom prefer to be informed via e-mail and view public notices via the Internet. Given that these laws across the country were mostly established between the late 1970s and early 1990s, legislatures in 14 states over the past four years have made identical or very similar changes to their lien statutes; with several other legislative updates working their way through their respective legislature processes, including this bill in Connecticut.

- Certified Mail is expensive for operators, more than \$5 with a return receipt: Most storage operators report that about 50 percent these certified letters are returned without signatures.

- Today e-mail is the preferred form of communications for many tenants. At the time of rental, only those who choose to provide an e-mail address will be notified via this method. The self storage industry endorses methods of e-mail delivery confirmation, such as read receipts or services that offer confirmation that an email was delivered to the last known e-mail address provided by the tenant.
- Internet posting of public lien notices have a wider reach than circulation via newspapers. Newspaper publishing is still an option for advertising; this bill simply expands the options to include Internet. Even government agencies, including the FBI/Justice department have announced public notices regarding forfeited assets will only be available online (12/28/12 *Wall Street Journal*; scan of page included).
- Enabling operators to utilize a "commercially reasonable" advertising method ensures three or more independent bidders are present at an auction and leaves it to the owners' discretion which method most efficiently and effectively accomplishes this goal.
- States that have enacted identical or similar lien improvements include Ohio, which was signed into law this past December, as well as Arizona, Arkansas, California, Colorado, Illinois, Maine, Michigan, Nevada, North Carolina, Rhode Island, Tennessee, Texas, Washington State and Wisconsin

I can be available to answer any questions you may have about what is happening nationally in this area. My contact information is below.

Sincerely,

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