

Testimony of Marcin Bakalarz – Storage Mart
House Bill 824

Mr.Chair, Mr. Vice Chair and Members of the Committee. Thank you for the opportunity to testify today. My name is Marcin Bakalarz, and I am the Regional Manager in Maryland for Storage Mart. Storage Mart is the largest family owned and operated self-storage provider in the United States with more than 300 facilities in 19 states.

I ask for your support today for House Bill 824 to modernize the Maryland Self-service Storage Act. First, I wanted to dispel the idea that lien sales are like the TV show Storage Wars. Those are highly staged auctions. The overwhelming majority of auctions do not contain gold coin collections or priceless artifacts. Most auctioned units contain leftover belongings that the tenant functionally abandons for the storage owner to clean up.

Further, StorageMart never profits from these sales. In rare, rare instances of “excess proceeds” these are returned; there is no incentive to auction other to most effectively help a customer clear their debt, and we always make every attempt to settle. Storage Mart is a responsible corporate citizen. We accept pennies on the dollar for customers that can’t pay, and we don’t follow customers around that cannot pay after auctions with collections efforts. We also voluntarily suspended auctions through COVID.

In 2023, we had only 4,750 auctions throughout the US – fewer than 16 per store, per year. \$790.21 was the average tenant balance before auction. The average sale price was \$212.48. Storage Mart’s average loss was \$577 (after rent + fees) per unit, and this does not even factor in the newspaper advertising costs. Once newspaper advertising fees are considered, the loss increases even further. Overall, our company lost almost \$4 million in lien sales and only less than 27% of the total outstanding balance was collected on sold auctions.

With online auctions (which have dramatically increased the number of bidders and transparency of storage auctions), our physical newspaper ads are pointing to a digital site. It often improves our efficiency to advertise online and link directly to the auction. Before online auctions we were sometimes struggling to get enough bidders to auction. Now, we have hundreds, often thousands, of potential bidders per auction. Our online auctions listings themselves now allow for many pictures of items, which is a great step-up from classified “descriptions.” Traditional newspaper advertisements can charge per word or character count, whereas online is unlimited, and we can share anything pertinent.

30 other states have amended their laws similarly to what is contained in House Bill 824 because it’s proven much more effective. I have personally seen these changes successfully implemented as Storage Mart operates in several states that permit online advertising or have no advertising requirement at all, like Virginia who amended their law in 2022 in this regard.

I therefore respectfully request your support for the bill. Thank you again for permitting me to testify today.