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To: The Honorable Pamela Beidle
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 633 – Maryland Self-Service Storage Act – Sale of Personal Property in Satisfaction of Liens – Means of Advertising (OPPOSE)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in opposition to Senate Bill 633 submitted by Vice Chair Katherine Klausmeier. The bill would remove the requirement to initial the options for providing notice of sale of a self-storage unit's contents.

There are many reasons that an individual may need to place their property in a self-storage facility. In fact, a study by StorageCafe in 2021, reported that 38% of Americans reported being a self-storage user. Whether it is because you are renovating your home, moving to a new home, or simply do not have enough room, a storage facility allows an individual to keep their items safe and secure for a period of time. Many storage facilities provide a temperature-controlled environment, so important documents and memorabilia may be safely stored.

Maryland law allows self-storage operators to place a lien on the stored contents of a unit once the rent has become 30 days past due. While the operator of the facility may send notices to a tenant who is past due, late fees and the subsequent auction of contents are not contingent upon the tenant actually receiving the notices that are sent. As a result, an individual's goods may be auctioned off to pay the late rent and fees accumulated with little notice. When this occurs, the

items are usually sold at a fraction of their actual value. Moreover, if there is sentimental value to the items being stored, losing them may be emotionally distressing to the owner.

Under present law, the storage facility must advertise the sale in a newspaper of general circulation in the area of the facility. In addition, if acknowledgement is made by the consumer by initialing the options in the contract, notification may also be given by email or by publication on the website of the facility. The current bill proposes to remove the separate requirement to initial for notification to be sent by email or by posting on the facility's website. In so doing, the consumer may be left without actual notice that their items will be sold at auction. Mere posting on a website notifies individuals who are seeking to buy goods but is not always successful in notifying an owner of the contents. By maintaining the present requirement to initial options for providing notice, the individual receives advance notice of the means by which the sale may be advertised and is better protected against inadvertently losing their valuables.

For these reasons, we ask that the Finance Committee return an unfavorable report on this bill.

cc: The Honorable Katherine Klausmeier
Members, Finance Committee