

Testimony of Timothy J. Dietz, President & CEO, Self Storage Association Civil Justice Committee – April, 30th, 2019

Chairman Hambley, members of the committee. Thank you for welcoming me to your capital today. My name is Tim Dietz, I am the President & CEO of the national Self Storage Association, based in Alexandria, Virginia. We also manage the Ohio Self Storage Association through which we represent the nearly 2,000 self storage properties in your state.

I have come to Columbus today to testify in support of HB172, a bill meant to modernize the lien process which the industry must comply with in the event of abandoned property situations. As a bit of background, our industry is not in the business of selling the possessions of individuals or former customers. We rent space, however, by law, this is our only collections process. Our industry grew out of the moving and storage industry and still more than half of self storage tenants are in some sort of transition and utilize storage to assist in their move, etc.

The laws in every state require an auction in order to provide closure to a nonpayment or abandoned circumstance. Business owners rarely recoup even 20 percent of the unpaid rent owed and the auction does help to satisfy the debt of the tenant. The costs associated with the lien process are also passed along to the tenants; thus, the more efficient the process, the better it is for the tenant and for the businesses.

The two main provisions addressed in this bill, allowing for email notification and online auctions, are common sense updates that have been adopted in most states; 36 and 28 states respectively.

First, I would like to discuss the email provision. As I just noted, most tenants are in a transitional part of their lives and thus they would prefer that their “last known address” or contact address be in the form of email, because of course the email follows them. Email is also less costly and we have found that tenants are more responsive due to the immediacy, as well as the accessibility of email. In the 37 states where the email option is law, the process has been effective without any problems.

The online auction process has also been more effective than in-person auctions. There are many companies that administer online auctions, which are open to the public, have resulted in smooth auctions and reduced liability compared to the traditional auction processes. Online auctions comply with all prescribed elements of the lien process set forth in the laws.

Finally, the towing provisions require clean-up. Current law requires the storage owner to tow any vehicles or watercrafts if the tenant’s rent is either 30 or 60 days late (depending on whether there is another lienholder for the property) or the storage owner conducts a lien sale on the rest of the tenant’s property. This requirement inadvertently prevents a storage owner from negotiating a resolution with a non-paying tenant in lieu of having the vehicle or watercraft towed. Also, it contradicts Ohio code section 4505.101, which storage facilities to obtain title on low-value vehicles. This cleanup does not affect the lien rights of banks or other creditors and does not encroach on auto dealers’ sale of used vehicles.

Thank you again for having me today, and I’d be glad to answer any questions.