



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 707

**Senate Substitute
Amendment 1 and Senate
Amendment 1 to the Substitute
Amendment**

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Contact: Pam Shannon, Senior Staff Attorney (266-2680)
Mary Matthias, Senior Staff Attorney (266-0932)

Current law regulates the operation of self-service storage facilities, including requiring written rental agreements, creating liens of personal property stored in the facility, limiting late rental fees, and establishing procedures to be followed by a facility operator when a person (the “lessee”) fails to pay the rental fee.

Senate Substitute Amendment 1, as amended by Senate Amendment 1, makes a number of changes to current law. [Some of those changes are also in Assembly Bill 707, as amended by Assembly Amendments 1 and 2, which is the version passed by the Assembly.]

Senate Substitute Amendment 1 does all of the following:

- Makes current provisions governing self-service storage facilities also applicable to self-service storage *units* (or “PODS”).
- Specifies that if a storage facility rental agreement includes a provision that limits the value of property stored, the provision must be printed in bold type or underlined type of the same size as the rest of the agreement. Further, if such a provision is in the rental agreement, that limit is presumed to be the maximum value of the property stored.
- Provides that the second required notice to the lessee prior to the sale of property may be sent either by certified mail or by first class mail with a certificate of mailing (as opposed to the current requirement that the second notice be sent by certified mail).
- Eliminates the requirement that the notice of sale include the number of the space where the property is located.

- Requires that the sale of personal property meet one of the following requirements (instead of the current requirement that the property be sold in a commercially reasonable manner):
 - The property is offered either as a single parcel or multiple parcels at a public sale attended by three or more bidders.
 - The property has been offered to at least three persons who deal with the type of personal property offered for sale and is sold in a private transaction.
 - The property is sold in another manner that is commercially reasonable.
- Restores the provision in current law (which the bill eliminated) that allows a private person to bring a civil action for a violation of the statutory provisions and recover damages, costs, disbursements, and attorney fees. The Substitute Amendment clarifies that only *the lessee* may bring such an action.
- Permits the facility operator to do any of the following with the property (in addition to selling it), if the value is less than \$100 and proper notice is provided:
 - Donate it to a nonprofit organization.
 - Dispose of it in a solid waste facility.
 - Recycle it.
 - Remove it in another reasonable manner.

Senate Amendment 1 to the Substitute Amendment does the following:

- Restores the current requirement that, prior to conducting a sale, the operator must advertise once a week for two consecutive weeks in a newspaper of general circulation where the facility is located. [The bill allowed the operator to choose between two methods of advertising the sale: (1) advertising it in a newspaper for two consecutive weeks (as under current law); or (2) advertising it once in a newspaper and also posting notice of the sale in two public places, one of which had to be either the Internet website of the Wisconsin Self Storage Association or a website managed by the operator of the facility or unit where the abandoned property is located.]

Legislative History

On March 4, 2010, the Assembly adopted Assembly Amendments 1 and 2 and passed the bill, as amended, all on voice votes. On March 31, 2010, the Senate Committee on Small Business, Emergency Preparedness, Technical Colleges, and Consumer Protection introduced Senate Substitute Amendment 1 and Senate Amendment 1 to the Substitute Amendment. The committee adopted Senate Amendment 1 to the Substitute Amendment, adopted the Substitute Amendment, and recommended concurrence in the bill, as amended, all on votes of Ayes, 5; Noes, 0.

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