

WA-SSA Key Legislation <u>Passed</u> 1988 - 2022	
<p><u>SB 5595 (1988) Washington self-service storage facility act</u> this established WA self storage laws, including the storage lien law, which allows for a lien to be placed on the personal property stored in a storage facility. Also, it allows for the denying of access that are delinquent. This milestone act differentiates self storage from other WA rental and warehousing laws.</p>	<p>A typical self storage facility in WA has about 24 units a year that are auctioned to satisfy a lien for unpaid rent. This important legislation not only allows a mechanism for a self storage facility owner to collect some delinquent rent but more importantly, re-rent the storage unit that was vacated through the lien sale process. On average, this law accounts for about \$1,440 annually in delinquent rent collected and over \$27,000 annually in rents from the re-rented storage units.</p> <p>Total estimated annual economic impact per facility: <u>\$28,440</u></p>
<p><u>SB 5554 (2007) Lien Reform bill</u> establishing lien and pre-lien notices, clarifies personal effects, clarifies 5 individuals as bidders at a self storage lien sale to satisfy the requirement of 'commercially reasonable' and thus makes the lien sale viable.</p>	<p>Prior to this legislation, the self storage lien sale process was not spelled out under the law, resulting in a wide variance in the procedures used by WA self storage owners/operators when conducting the lien sale process and sale.</p> <p>This legislation spells out clearly the timeline for lien sales of delinquent self storage units. It defines the required notice verbiage, timeline for sending notices and ultimately how the lien sale is to be conducted. Included in this legislation is a precise definition of 'personal effects' which may not be sold in the lien sale. This legislation provides countless savings of dollars to self storage owners/operators; through eliminating waste in potentially duplicative mailing certified notices, the reduction in the amount of unclaimed 'personal effects' that were required to be stored after a lien sale, unnecessary postponement of lien sales due to lower than anticipated bidder participation.</p> <p>Total estimated annual economic impact per facility: <u>\$1,050</u></p>

<p>HB 2661 (2008) Storage model late fee allowing for reasonable late fees \$20.00 or 20% of the monthly rent of the storage unit.</p>	<p>There are many statutory requirements for notices to be sent and attempts to contact a delinquent self storage customer that a facility owner/operator must follow. Late fees on self storage units have been challenged in some states, with regulatory actions taken by some states to limit or eliminate late fees on self storage units that are delinquent.</p> <p>This legislation allows an owner/operator to charge a late fee of \$20.00 or 20% of the monthly rent of the storage unit. On average, this allows owners/operators to charge late fees of an additional \$8,800 in late fees annually. Also, since the late fee allowed by this law is \$20.00 or 20% whichever is greater, this legislative ensures that the late fee allowed under the law will adjust with the times by associating the late fee to the monthly rent amount of the storage unit.</p> <p>Total estimated annual economic impact per facility: <u>\$8,800</u></p>
<p>HB 2013 (2009) Self storage insurance enabling operators to offer insurance to customers</p>	<p>This legislation, owners/operators of a self storage facility may offer storage tenant insurance to self storage customers incidental to the renting of a self storage unit.</p> <p>Ensures that the tenant will have an option to have self storage tenant insurance. Prior to this legislation, many insurance companies overlooked offering self storage tenant insurance to self storage customers because of the short-term nature of the self storage unit rental and the relatively low monthly insurance premium that storage insurance programs cost.</p> <p>Without this legislation, self storage owner/operators could not offer self storage insurance to customers which left many self storage customers uninsured and at risk for loss in flood, or other potential perils.</p> <p>The self storage insurance programs are now offered by self storage owners/operators to self storage customers. Therefore, these customers now have insurance coverage for potential losses.</p>

	<p>Most of these popular self storage tenant insurance programs being offered to self storage customers are “pay with rent” programs. This program compensates the self storage owners/operators on average 25% commission for administering these programs, which amounts to approximately \$10,600 annually. Total estimated annual economic impact per facility: <u>\$10,600</u></p>
<p>HB 1043 (2015) Lien Reform bill permitting lien notices via electronic mail</p>	<p>Provides the use of electronic mail (email) to send required lien notices as long as specific authorization has been granted by the customer for the owner/operator to do so. This legislation is both an environmental ‘green’ and technology update to the self storage law. It allows for use of technology, email, and saves both resources and time. Total estimated annual economic impact per facility: <u>\$950</u></p>
<p>SB 6148 (2016) Vehicles towed or removed in lieu of sale authorizing operators to tow vehicles in lieu of lien sale.</p>	<p>This important legislation adds a provision in the law that allows an owner/operator to have vehicles that are derelict, or delinquent in the payment of self storage space rental fees, to be towed instead of requiring the owner/operator to use the lengthy and cumbersome process of the WA lien sale for chattel. Total estimated annual economic impact per facility: <u>\$350</u></p>
<p>ESSB 5096 (RCW 82.87) legislation which created a 7% tax on the sale or exchange of long-term capital assets such as stocks, bonds, business interests, or other investments and tangible assets.</p>	<p>WA-SSA worked with a coalition to successfully exempt real estate sales from this WA capital gains tax. There were 32 Self storage owners who sold their self storage Facilities in 2021 and benefitted from the exemption of real estate sales from this State Capital Gains Tax Exclusion worked for by WASSA and the Real Estate coalition who got Real Estate Excluded from a Washington State Capital Gains Tax of 7%.</p>

Major Legislative Accomplishments

	<p>The estimated average savings by WA self storage owners:</p> <p><u>2021 Total WA Self Storage Sales volume:</u> \$300,000,000</p> <ul style="list-style-type: none"> • 32 Total Self Storage Sales in 2021 • Average Sale Price/Facility \$9,375,000 • Estimated Capital Gains/Facility 35% = Average \$3,281,250 Per Facility. <p>Average Exclusion from State Capital Gains Tax savings (7%) Per Facility = \$229,688</p>
<p>Other WA-SSA Legislative Accomplishments</p>	<ul style="list-style-type: none"> • 13 Bills introduced at request of WA-SSA • 8 different bills + 5 companion (identical) bills • 5 Bills WA-SSA Passed (62.5% of 8 titled bills) • 5 Companion bills died • 3 Bills WA-SSA Requested did not pass • 1 Bill WA-SSA Opposed did not pass
<p>Annual Savings to WA-SSA Members as a result of WA-SSA legislative advocacy</p> <p>Average Potential Exclusion from State Capital Gains Tax savings</p>	<p>Total estimated <u>annual</u> economic impact per facility: <u>\$50,190</u></p> <p>Average Capital Gains Tax savings (7%) Per Facility = <u>\$229,688</u></p>

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