



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1117

FISCAL NOTE

Drafting Number:	LLS 18-0403	Date:	January 30, 2018
Prime Sponsors:	Rep. Van Winkle; Coleman Sen. Tate	Bill Status:	House Business
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Bill Topic: SELF-SERVICE STORAGE FACILITY PERSONAL PROPERTY LIENS

Summary of Fiscal Impact: **No fiscal impact.** This bill clarifies provisions regarding self-storage unit rental agreements and liens and has been assessed as having no fiscal impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill clarifies that a self-service storage unit rental agreement must include the following:

- a notice that all items stored will be sold or disposed of by the owner of the unit if no payment has been received for a continuous 30 day period; and
- a provision that the lessee must disclose any lien holders with an interest in property that will be stored in the unit.

A self-service storage unit rental agreement may include reasonable late fees for each month the lessee fails to pay the full rent by the due date. A late fee of \$20 or 20 percent of the monthly rent is considered reasonable. A late fee may not be collected as part of a lien, unless the amount of the late fee is stated in the rental agreement. This bill also clarifies that if a rental agreement limits the aggregate value of the items that may be stored in the unit, this is the maximum value of the stored property. Lastly, this bill allows a lien to be satisfied through the sale of the property stored in the unit through an online auction website.

Assessment of No Fiscal Impact

Under current law, storage facility rental agreements already include provisions regarding the sale or disposal of contents for continuous non-payment in a 30-day period and the disclosure of liens. Current law also contains processes for establishing and enforcing a lien on a storage facility. Allowing late fees to be included in a lien and a lien to be satisfied through an online auction website does not increase the revenue, expenditures, or workload for any state or local government agency. More specifically, the Department of Regulatory Agencies does not have jurisdiction in this area and while the courts may handle cases related to storage unit rental agreement disputes, this bill is not expected to impact the number or complexity of such disputes.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed. It applies to conduct occurring on or after this date.

State and Local Government Contacts

Judicial
Local Affairs

Law
Regulatory Agencies