

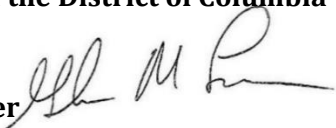
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: February 7, 2024

SUBJECT: Fiscal Impact Statement – Self-Storage Lien Enforcement
Modernization Amendment Act of 2024

REFERENCE: Bill 25-432, Draft Committee Print as provided to the Office of Revenue
Analysis on January 25, 2024

Conclusion

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill.

Background

District law establishes the conditions by which a self-storage facility can recover for the default of a rental agreement by an individual leasing space within their facility.¹ Upon entering into a rental agreement, the facility has a lien on the customer's stored personal property and the agreement must indicate that the customer's property may be sold to satisfy the lien. If a customer is in default for more than sixty days, the facility may sell the property to satisfy the lien. Before doing so, the facility must notify the customer twice² at their last known address demanding that payment be made or the customer's personal property will be sold. The facility must also notice the sale in a general circulation newspaper at least three days prior to the sale, which must occur on the facility's premises.

The bill updates the requirements for a self-storage facility managing liens on customers' property. The bill allows a facility to use a towing company to remove from its property any vehicle, watercraft, or trailer that is subject to lien enforcement. The bill revises the notice requirement to allow for

¹ Self Storage Act of 2003, effective February 6, 2004 (D.C. Law 15-64; D.C. Official Code § 40-401 et seq.).

² The second notice must be made by certified mail with a return receipt requested.

The Honorable Phil Mendelson

FIS: Bill 25-432, "Self Storage Lien Enforcement Modernization Amendment Act of 2024," Draft Committee
Print as provided to the Office of Revenue Analysis on January 25, 2024

certificates of mailing rather than just certified mail with a return receipt. The bill allows facilities to use public websites that regularly conduct property sales to satisfy liens on customers' property.

Financial Plan Impact

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. These rules govern how private self-storage facilities interact with their customers and handle their property when enforcing a customer's default. As these are commercial interactions, the bill's implementation has no impact on the District's budget or financial plan.