

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 1916 (Maienschein)  
Version: March 6, 2024  
Hearing Date: June 4, 2024  
Fiscal: No  
Urgency: No  
ID

**SUBJECT**

Self-service storage facilities: abandoned personal property

**DIGEST**

This bill creates a process through which a self storage facility may sell or dispose of personal property left by a renter at a self storage facility after the rental agreement for a self storage unit ends, and creates a process by which a self storage facility may change the terms of a rental agreement, as specified.

**EXECUTIVE SUMMARY**

There are 50,000 self storage facilities across California that are utilized by thousands of Californians every day to store personal items and help with moving. However, sometimes renters of self storage units abandon their unit and the property within them, or fail to collect all of their personal property from the unit or self storage facility once the rental agreement for the unit ends. The California Self Storage Facilities Act (the Act) provides a process by which a self storage facility may sell or dispose of a renter's property pursuant to a lien on the property when the renter does not pay their rental payments; however, the Act does not specify a process for disposing of property left after a rental agreement ends. Furthermore, the Act does not include a process by which a self storage facility may change the terms of a rental agreement between rental periods, or a process, outside of standard contract law, to determine which version of the rental agreement applies when a renter continues to use a self storage unit without signing the new, amended rental agreement. AB 1916 proposes to address these two issues with the Act.

AB 1916 is sponsored by the Self Storage Facilities Association and the California Self Storage Facilities Association, and the Committee has received no timely opposition.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes the California Self Storage Facilities Act to regulate the rental agreements between a self storage facility and a renter of a storage unit, specify how a self storage facility may sell a renter's personal property for non-payment of rent and other charges, and specify limits on allowable late payment fees and other rules regarding self storage facilities. (Bus. & Prof. Code § 21700 et seq.)
- 2) Specifies that an owner of a self storage facility or their heirs or successors hold a lien on a renter's personal property located in a storage unit, for the purposes of recovering any owed rent payments, labor costs, late payment fees, expenses for holding and disposing of the property, or other charges incurred pursuant to the rental agreement. (Bus. & Prof. Code § 21702.)
- 3) Provides that each contract for the rental or lease of individual storage space requires a statement that the occupant's property will be subject to a claim of lien and may even be sold to satisfy the lien if the rent or other charges due remain unpaid for 14 consecutive days. (Bus. & Prof. Code § 21712 (a).)
- 4) Requires every contract for the rental or lease of individual storage space in a self-service storage facility to be in writing and to contain a statement that the occupant's property will be subject to a claim of lien and may even be sold to satisfy the lien if the rent or other charges due remain unpaid for 14 consecutive days. (Bus. & Prof. Code § 21712 (a).)
- 5) Provides that a self storage facility may terminate a renter's right to use the storage unit if rent or other charges remain unpaid after 14 consecutive days, the facility sends the renter a specified notice of the delinquent payments and the timeline by which the facility may deny the renter access to the unit and sell the contents, and the owed charges are not paid within 14 days of the mailing of the notice. (Bus. & Prof. Code §§ 21703-21705.)
  - a) Provides that, at the end of the 14 day period after the initial notice is mailed to the renter, the lien attaches, and the facility may deny the renter access to the unit, and the owner of the facility may enter the unit and remove any property to a place for safekeeping, if the rent remains unpaid. (Bus. & Prof. Code § 21705.)
  - b) Specifies that, once the owner of the facility has taken those actions, they must mail the renter a blank declaration of opposition to the lien sale and a notice of lien sale that states, among other things, that the property in the unit may be sold after a specified date not less than 14 days from the mailing of the lien sale notice. (Bus. & Prof. Code § 21705(b).)

- 6) Specifies that, if a declaration of opposition to the lien sale is not received by the owner of the facility, or is withdrawn, before the specified date in the notice of lien sale, the owner may sell the renter's property. (Bus. & Prof. Code § 21706.)
- 7) If a declaration of opposition to the lien sale is received, the owner of the facility may only enforce the lien through civil court or a small claims court. (Bus. & Prof. Code § 21710.)
- 8) Specifies that, for the process of selling property after expiration of the time in the notice of lien pursuant to Business and Professions Code 21705, an advertisement of sale must be published before the sale in either of the following ways: by once per week for two consecutive weeks in a newspaper of general circulation published in the public notice district where the sale is to be held, or in the county where the self-service storage facility is located; once in a newspaper of general circulation published in the public notice district where the sale is to be held or in the county where the self-service storage facility is located and once on any publicly accessible internet website that customarily conducts or advertises online auctions or sales, on which the advertisement must remain for at least 7 days. If there is no newspaper of general circulation published in the public notice district where the sale is to be held or the county where the self-storage facility is located, requires the advertisement be posted at least 10 days before the sale in at least six conspicuous places in the neighborhood of the proposed sale. (Bus. & Prof Code § 21707.)
- 9) Specifies that, minus the amount of the lien and costs of the sale, the owner must retain the excess proceeds of the sale on the occupant's behalf, to be claimed by the occupant or other person within one year of the sale, after which the remaining proceeds must be paid to the treasury of the county in which the sale was held. (*Id.*)
- 10) Provides that the required notices, as specified, may be sent to the occupant at their provided electronic mail address only if: the rental agreement states that lien notices may be sent to the occupant and the alternate address by electronic mail; the occupant provides a written signature on the rental agreement consenting to receive lien notices by electronic mail. (Bus. & Prof. Code § 21712(c).)
- 11) Requires the landlord, when personal property has been left behind after termination of a tenancy, to provide written notice to the former tenant of their right to reclaim the abandoned property for at least 15 days after the notice is personally delivered, or 18 days after deposit if mailed. (Civ. Code § 1983.)
- 12) Requires the above notice to inform the tenant whether the landlord intends to hold a public sale for the property, or intends to keep or dispose of the property because it is believed to be worth less than \$700 if it is not claimed within the time specified. (Civ. Code § 1984.)

- 13) Requires the landlord to release the personal property to the former tenant or, at the landlord's option, to any person reasonably believed by the landlord to be its owner, if such tenant or other person pays the reasonable cost of storage and takes possession of the property not later than the date specified in the required notice of remaining property. Specifies that the landlord must release the personal property to the tenant or owner after the specified date in the notice if the tenant or owner pays the reasonable costs of storage and any reasonable costs for the sale incurred up to the point of claim, if the property is claimed before it is sold or otherwise disposed of. Prohibits a landlord from charging costs of storage for personal property when the property remains on the premises and is claimed within two days of when the tenant vacated the premises. (Civ. Code § 1987.)
- 14) Authorizes a landlord to retain for their personal uses, sell, destroy, or otherwise dispose of personal property left on the premises by the former tenant if the property remains unclaimed after the landlord provided notice, and the landlord reasonably believes that the property has a resale value less than \$700. (Civ. Code § 1988.)
- 15) Requires the landlord to hold a public sale with competitive bidding for unclaimed personal property left by a former tenant if the value of the property is believed to be worth \$700 or more, and the property is not claimed by the tenant within the 15-day notice period. (Civ. Code § 1988.)
- 16) Requires notice of the sale be published in a newspaper of general circulation in the county where the sale is held, with the last publication occurring at least five days before the sale, and must describe the property to be sold. (*Id.*)
- 17) The proceeds from the sale, minus the costs of the storage, advertising, and sale of the property, must be paid by the landlord to the treasury of the county in which the sale took place within 30 days of the sale, unless claimed by the tenant before it is paid to the treasury. The tenant is then able to claim the proceeds from the treasury within a year. (*Id.*)
- 18) Establishes that the personal property described in the notice must either be left on the vacant premises or stored by the landlord in a place of safekeeping, and provides that the landlord must exercise reasonable care, but is not liable for any loss not caused by their deliberate or negligent act. (Civ. Code § 1986.)
- 19) Requires, for month-to-month residential tenancies, 30 days' advance notice of any change in the terms of the lease or any raise in rent, except as specified. Requires, for tenancies of terms less than a month, that notice be provided at least as long as term to expire. (Civ. Code § 827(b)(2).)

This bill:

- 1) Specifies that, where a renter of a self storage unit leaves personal property at the self storage facility after the rental agreement has ended, the owner of the self storage facility must provide the former renter notice that describes the property in a manner reasonably adequate to permit the renter to identify it; advises the renter that rent may be charged before the property is returned, where the property may be claimed, and the date not less than 15 days after the notice is personally delivered, or 18 days after the notice is deposited in the mail, by which the renter must claim the property. Specifies that this notice must be personally delivered, sent by first-class mail with prepaid postage to the last known address or alternative address, or by email pursuant to Business and Professions Code Section 21712.
- 2) Provides an example notice of abandoned property that a self storage facility may use for satisfying the notice requirement described in 1, including a statement that the owner of the self storage facility may sell any unclaimed property, or that the owner will sell, destroy, keep, or otherwise dispose of any unclaimed property because it is believed to be less than \$300 in value.
- 3) Requires that personal property left at the facility must either be left at the self storage facility, or be stored by the owner in a place of safekeeping until it is released to the renter or is disposed of. Requires the owner to exercise reasonable care in storing the property, but specifies that the owner is not liable to the former renter or any other person for any loss not caused by the owner's deliberate or negligent act.
- 4) Specifies that the abandoned property must be released to the former renter if the renter pays the rent for storing the property, and takes possession no later than the date specified in the notice of abandoned property. Specifies that, where the property is not released before the specified date, the owner of the self storage facility must release the property to the renter if the renter claims it prior to the time it is sold, kept, destroyed, or otherwise disposed of, and pays the rent and reasonable costs of advertising and sale. Further specifies that the owner must release the property to the renter and not require the renter pay the cost of storage, if the property remained in the storage facility and the renter claims the property within two days of termination of the rental agreement.
- 5) Requires that the owner of the self storage facility, if the property is not claimed by the former renter, sell the property at a public sale by competitive bidding. However, if the owner reasonably believes the property's resale value to be less than \$300, the owner may keep, sell, destroy, or otherwise dispose of the property in any manner. Requires that the owner advertise the public sale through the process for lien sales described in Business and Professions Code Section 21707. Specifies that

nothing in the bill's provisions is to be construed to preclude the self storage facility owner or the renter from bidding on the property at the public sale.

- 6) Requires that the owner of the self storage facility pay any balance of the proceeds from the public sale of abandoned property to the treasury of the county in which the sale took place within 30 days of the sale, less the rent for storing the property and the costs of advertising and sale. Specifies that the former renter may claim the proceeds within one year from when the owner pays the proceeds to the county treasury by making an application to the county treasurer or other designated official.
- 7) Specifies that an owner of a self storage facility may change the terms of a rental agreement for a self storage unit after providing the renter 30 days' notice of the change. Requires such notice be given in writing by personal delivery, first-class mail with prepaid postage to the last known address of the renter, or by email pursuant to Business and Professions Code Section 21712. Specifies that the notice shall, in and of itself, operate to create and establish the terms and conditions of the agreement, if the renter continues to store personal property at the self storage facility at the time the notice takes effect.
- 8) Specifies that the provisions of the Civil Code that regulate the disposition of personal property remaining on the premises after the termination of a tenancy shall only apply to self storage units to the extent that it does not conflict with the California Self Storage Facilities Act.

### COMMENTS

#### 1. Author's statement

According to the author:

AB 1916 is modeled from existing provisions in the Civil Code. This proposed law, designed for self-storage rentals, fits neatly into the framework of the Self-Storage Facilities Act. It reflects the consumer protections outlined in the California Self Storage Facilities Act. This ensures tenants receive proper notification and can reclaim their property within a specific time frame. Any extra proceeds from potential sales are returned to them, emphasizing fairness and accountability.

Specifically, AB 1916 mandates that self-storage facility owners issue written notices to consumers when personal property remains on the premises post-tenancy termination. These notices must sufficiently describe the property and provide details on where and by when it can be claimed, with a minimum notice period of 15 days for personal delivery or email, and 18 days for mail. Failure to

reclaim the property within the stipulated time frame may result in its sale at public auction or disposal.

Furthermore, in addressing the absence of a process for modifying rental agreements within the California Self-Service Storage Facilities Act, AB 1916 proposes adopting Civil Code 827 as a basis. This would require owners to provide tenants with at least 30 days' notice of any proposed modifications, which would become binding if the tenant continues to store property after the effective date, even if the tenant did not sign the rental agreement.

By revising the California Self-Service Storage Facilities Act, AB 1916 aims to establish standardized procedures for handling abandoned property and modifying rental agreements within the self-storage industry. This not only ensures clarity and consistency for operators but also upholds essential consumer safeguards, fostering transparency and accountability for all parties involved.

## 2. Self storage units and their current regulation

Self storage facilities provide individual self storage units that can be rented to store items large and small, with renters having access to the unit and the ability to store whatever can fit in the unit they rent. Units vary in size, from only a few feet in width and depth to 10 by 20 feet in width and depth or larger. The growth of self storage facilities has been tremendous in recent years, with some reports estimating that the United States added 3,000 new self storage facilities every year from 2000 to 2005, and that self storage facilities went from 6,600 in 1985 to now more than 50,000 across the nation.<sup>1</sup> The self storage industry is currently estimated to be a \$44.3 billion industry.<sup>2</sup> In California, there are about 3,500 self storage facilities with a combined storage space of 213.3 million square feet.<sup>3</sup> Abandonment of units is also not uncommon, as estimates suggest that 155,000 storage units are auctioned off each year.<sup>4</sup> Self storage units have become so ubiquitous in American life that they have spawned an entire television show, called "Storage Wars," in which treasure hunters bid on storage units at auctions of storage units that have been abandoned.

Self storage units are specifically regulated by the California Self-Storage Facility Act (the Act) (Bus. & Prof. Code §§ 21700-21716). The Act regulates the written rental

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<sup>1</sup> Jon Mooallem, "The self-storage self" *The New York Times* (Sept. 2, 2009), available at <https://www.nytimes.com/2009/09/06/magazine/06self-storage-t.html>; Clay S. Jenkinson, "Too much stuff: Americans and their storage units," *Governing* (Dec. 18, 2022), available at <https://www.governing.com/context/too-much-stuff-americans-and-their-storage-units>.

<sup>2</sup> Al Harris, "U.S. Self-storage industry statistics," *Sparefoot* (Apr. 16, 2024), available at <https://www.sparefoot.com/self-storage/news/1432-self-storage-industry-statistics/>.

<sup>3</sup> Selfstorage.com, "California self-storage facts" (accessed May 22, 2024), available at <https://www.selfstorage.com/self-storage/california/#self-storage>.

<sup>4</sup> Jenkinson, *supra* note 1.

agreements between a self storage facility and a renter of a storage unit, the allowable late payment fees for when a renter of a unit fails to make rental payments, and how a self storage facility may ultimately dispose of a renter's property for unpaid rent and other charges. The Act specifies that an owner of a self storage facility or their heirs or successors hold a lien on a renter's personal property located in a storage unit, for the purposes of recovering any owed rent payments, labor, late payment fees, expenses for holding and disposing of the property, or other charges incurred pursuant to the rental agreement. (Bus. & Prof. Code § 21702.)

The Act specifies a process through which a self storage facility may act upon that lien to deny the renter access to the unit and sell off a renter's property when a renter has not paid the owed rent or fees. It provides that a self storage facility may terminate a renter's right to use the storage unit if: rent or other charges remain unpaid after 14 consecutive days; the facility sends the renter a specified notice of the delinquent payments and the timeline by which the facility may deny the renter access to the unit and sell the contents; and the owed charges are not paid within 14 days of the mailing of the notice. (Bus. & Prof. Code §§ 21703-21705.) At the end of the 14 day period after the initial notice is mailed to the renter, the lien attaches, and the facility may deny the renter access to the unit, and the owner of the facility may enter the unit and remove any property to a place for safekeeping. (Bus. & Prof. Code § 21705.) Once the owner of the facility has taken those actions, they must mail the renter a blank declaration of opposition to the lien sale and a notice of lien sale that states, among other things, that the property in the unit may be sold after a specified date, not less than 14 days from the mailing of the lien sale notice. (Bus. & Prof. Code § 21705(b).) If a declaration of opposition to the lien sale is not received by the owner of the facility, or is withdrawn, before the specified date, the owner may sell the renter's property. (Bus. & Prof. Code § 21706.) If a declaration of opposition to the lien sale is received, the owner of the facility may only enforce the lien through civil court or a small claims court. (Bus. & Prof. Code § 21710.)

To sell the property, the facility must advertise the sale, either once a week for two consecutive weeks in a newspaper of general circulation or once in a newspaper of general circulation and on a publicly accessible internet website for one week. (Bus. & Prof. Code § 21707.) If there is no newspaper of general circulation published in the public notice district where the sale is to be held or the county where the self-storage facility is located, the advertisement must be posted at least 10 days before the sale in at least six conspicuous places in the neighborhood of the proposed sale. (*Id.*) The sale may be conducted in-person or through a publicly accessible internet website that customarily conducts online auctions or sales, as long as the sale is conducted in a commercially reasonable manner. (Bus. & Prof. Code § 21707(b).) The owner of the self storage facility must retain any proceeds from the sale on the renter's behalf, less the costs of the sale and the amount of the lien, for a year, to be claimed by the renter or a person with a claim against the sold property, after which point the owner of the facility must provide the proceeds to the treasury of the county in which the sale was held. (*Id.*)



In addition to this lien process, the Act specifies allowable late payment fees and what must be included in the rental agreement between a self storage facility and the renter of the unit. The Act requires that a contract for the rental of a self storage unit be in writing, and contain a statement that the renter's property will be subject to a lien and may be sold pursuant to that lien if the rent or other charges remain unpaid after 14 consecutive days. (Bus. & Prof. Code § 21712.) The rental agreement must also request the renter to provide the name and mailing or email address for another person for the purposes of receiving the statutorily-required lien notices, and the Act specifies that the lien shall not attach if this information is not requested in the lease. (*Id.*) These provisions do not specify how a self storage facility may amend the rental agreement, or what may happen when the facility does so and the renter continues to use the unit. In addition, the Act limits late payment fees to the amount specified in the rental agreement, that is not greater than specified amounts based on the monthly rent (for example, not more than \$10 when monthly rent is \$60 or less), and can only be assessed once for each rental payment not paid for at least 10 days after the due date. (Bus. & Prof. Code § 21713.5.) However, notably, the Act does not specify or mention how a self storage facility must handle or dispose of a renter's property that is left after the rental agreement and the rental of the unit has ended.

3. The current process for a landlord to dispose of a tenant's remaining property once the tenancy has ended

A comparable scenario to the one addressed by this bill exists in the residential landlord-tenant context. When a tenant leaves personal property on the premises of the residence after the end of their tenancy, the landlord may only dispose of that property through a process specified in Civil Code Sections 1980 through 1991. Those provisions require the landlord to provide written notice to the tenant, and any other person the landlord reasonably believes to be the owner of the remaining property, that describes the property, advises that the landlord may charge reasonable costs for the storage of the property before it is returned, and where and by when the owner must claim the property. (Civ. Code § 1983.) The notice must specify a date by which the property must be claimed, and this date may not be less than 15 days after the notice is personally delivered, or 18 days after the notice is deposited in the mail. The notice must also advise the tenant that the landlord either may sell unclaimed property, or if it is worth less than \$700, keep, sell, or destroy it without further notice. (Civ. Code § 1984.) The landlord must release the remaining property if the tenant or owner of the property claims it before the specified date in the notice of the sale and pays the landlord the reasonable costs for its storage and sale costs, if any. (Civ. Code § 1987.) However, if the tenant or owner of the property claims it within two days of the tenant vacating the dwelling, the landlord may not require the tenant or owner pay any storage costs to receive the property.

If the landlord reasonably believes that the value of the property is less than \$700, the landlord may retain the property for themselves, sell the property, or dispose of it in

any manner. (Civ. Code § 1988.) However, if the property is valued at more than \$700, the landlord must sell it at a public sale by competitive bidding. Notice of the sale must be published in a newspaper of general circulation in the county where the sale is held, with the last publication occurring at least five days before the sale, and must describe the property to be sold. (*Id.*) The proceeds from the sale, minus the costs of the storage, advertising, and sale of the property, must be paid by the landlord to the treasury of the county in which the sale took place within 30 days of the sale, unless claimed by the tenant before it is paid to the treasury. The tenant is then able to claim the proceeds from the treasury within a year. (*Id.*)

4. AB 1916 addresses how self-storage companies dispose of a renter's remaining property by adopting a process similar to the process for landlords of residential properties

AB 1916 proposes to create a clear process in the California Self Storage Facility Act for a self storage facility to sell or dispose of a renter's property that is left at the unit after the rental agreement ends. The arrangement it creates is substantially similar to the process in place for a landlord to dispose of a tenant's leftover property. Specifically, it requires that, when personal property is left at a storage unit after the end of the rental agreement, the facility must deliver to the former renter a notice that describes the property in a manner reasonably adequate to permit the former renter to identify it, advises that rent may be charged before the property is returned, where and by when the property must be claimed, and that unclaimed property may be sold or otherwise disposed of. It requires that the notice specifies the date, which must be not less than 15 days after the notice is personally delivered to the former renter or 18 days after the notice is deposited in the mail, by which the former renter must claim the property. In addition, similar to the Civil Code provisions for a tenant who has left property after their tenancy, AB 1916 provides a sample notice for satisfying these notice requirements.

AB 1916 also specifies how self storage facilities may store leftover property, and how a former renter may reclaim their property. It specifies that the property must be left at the self storage facility, or be stored by the facility in a place of safekeeping until it is claimed or disposed of. It further specifies that the self storage facility owner must exercise reasonable care in storing the leftover property, but may not be liable for any loss not caused by the facility owner's deliberate or negligent act. If a former renter wishes to reclaim their property, AB 1916 requires that the property be released to the renter if they pay the rent charged for storing the property and take possession of the property not later than the date specified in the notice sent to the renter. If the renter does not claim their property before that specified date, the facility must nonetheless release the property to the renter if the renter claims the property before it is sold, kept, destroyed, or otherwise disposed of and pays the rent and reasonable costs related to the sale of the property incurred prior to the claim. If a renter claims the property within two days of the end of the rental agreement, and the property remained in the

storage facility, AB 1916 prohibits the self storage facility from charging the cost of storage for releasing the property to the renter.

When the property is not claimed by the renter, AB 1916 specifies how the self storage facility may dispose of the property. AB 1916 requires that the facility sell the property at a public sale by competitive bidding, unless the facility owner reasonably believes that the total resale value of the property is less than \$300, in which case the facility owner may dispose of the property by sale, destruction, keeping the item, or by otherwise disposing of the property in any manner. To sell the property, the bill requires that the facility owner advertise the sale through the process already outlined in Business and Professions Code Section 21707 for selling property pursuant to a lien. AB 1916 requires that the self storage facility owner pay the proceeds from the sale, after deducting the rent and costs of advertising and sale, to the treasury of the county in which the sale took place within 30 days of the sale. The former renter is then able to claim these proceeds from the treasury within one year from the date of the payment by the facility owner to the treasury.

This process deviates from the process required in the disposition of a tenant's property under Civil Code Section 1980 in a number of ways. One significant difference is the value amount required for the facility or landlord to be able to dispose of the property other than through a public sale: AB 1916 specifies this threshold value to be \$300, whereas the provisions relating to a residential tenant's property specifies a threshold value of \$700. AB 1916 also differs from the landlord-tenant process in the charges that may be charged for the storage of leftover property. In the landlord-tenant context, the landlord may only charge the "reasonable" costs of storage, with the cost being a fair rental value of the space reasonably required to store the property when kept on the premises. AB 1916 does not specify the rent that a self storage facility may charge for keeping leftover property. The last significant difference relates to the required notice of sale, as notice must be published at least five days before the sale in the landlord-tenant context, while AB 1916 requires notice be made in the same process as is required for a sale pursuant to a lien on the self storage unit under the California Self Storage Facility Act (which requires notice be published for 10 days or two weeks, depending on the process utilized).

5. AB 1916 specifies how a self storage facility may change the terms of a storage unit rental agreement

AB 1916 also includes provisions that specify a process by which a self storage facility may amend the rental agreement between the facility and the renter. It specifies that a self storage facility may change the terms of the rental agreement at least 30 days after providing written notice to the renter of the change. The notice must be provided either by personal delivery, first-class mail with prepaid postage, or by email pursuant to current rules on email notices for self storage facilities. AB 1916 additionally specifies that the notice of the change in terms in and of itself operates to create and establish the

terms, rents, and conditions of the rental agreement if the renter continues to store personal property at the self-storage unit after the notice takes effect.

The author asserts that this provision is needed to address the silence in the California Self Storage Facility Act with regards to the process for amending the terms of a rental agreement for a storage unit. They assert that currently, instances arise where a renter is provided a revised rental agreement, but does not sign it before it is to take effect, resulting in confusion over which version of the rental agreement applies. While the Act currently does not address changes in the terms of the rental agreement, standard contract law already includes rules for determining which version of the contract applies and for determining performance of a contract as acceptance. Thus, while the statute is unclear, contract law itself may provide answers should a dispute arise out of a particular instance where the renter did not sign the new rental agreement. Additionally, the author asserts that agreements may be revised when a new owner purchases the self storage facility or when a legal or statutory change requires a change. However, AB 1916 does not specify what terms or conditions of the rental agreement may be changed through its 30-day notice process, or for what reason. Thus, all rental agreement terms, including the monthly rent charged the renter, may be changed through the bill's process.

This provision of AB 1916 is modeled on Civil Code Section 827, which provides the process by which a landlord may change the terms of a rental agreement when the tenancy is for a week-to-week, month-to-month, or for any other period less than a month. Civil Code section 827 requires that specified, written notice be provided to the tenant, and that the change may take effect after at least 30 days from the notice for a month-to-month lease, and upon expiration of a period at least as long as the contract term, when the tenancy is for terms less than a month. Civil Code Section 827 also includes provisions like those included in AB 1916 specifying that the notice of the change in the rental agreement shall operate to create and establish the new terms and conditions of the agreement if the tenant continues to hold the premises after the effective date. However, Civil Code Section 827 only applies to month-to-month or shorter leases. AB 1916's provisions would apply to all rental agreements for a self storage unit, even if the rental period is longer than a month. While most self storage units are rented on a month-to-month basis, a unit can be rented for longer periods of time.

Notwithstanding these considerations, AB 1916 does provide clarity in the timeline by which the self storage facility may change the rental agreement, providing the renter with clear notice and 30 days to review or move their possessions out of the unit should they object to the changes to the agreement.

## 6. Amendments

To ensure that renters of self storage units are aware before the rental agreement ends that personal property they leave at the storage unit may be sold and they may be charged rent before reclaiming it, the author has agreed to amendments that would require a self storage facility to notify the renter prior to the termination or non-renewal of the rental agreement that the renter may minimize storage charges by claiming any remaining property within two days of the end of the rental agreement, and that unclaimed property may be sold, kept, destroyed, or disposed of if it is not claimed within the time period described in this bill. A full mock-up of the amendments are attached at the end of this analysis.<sup>5</sup>

### SUPPORT

California Self Storage Association (sponsor)

Self Storage Association (co-sponsor)

### OPPOSITION

None received

### RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

AB 542 (Juan Carrillo, Ch. 531, Stats. 2023) amended the Act to require publication of a notice of a sale of a unit's property pursuant to a lien on the property, as specified.

AB 655 (Emmerson, Ch. 439, Stats. 2010) amended the provisions of the Act to specify that the lien attaches to the property in the self storage unit if the renter has not paid the full amount due within 14 days of the termination date specified in the lien notice, and specified the required notice of lien sale and process by which a renter may claim their property prior to the lien sale.

AB 2263 (Correa, Ch. 156, Stats. 1999) authorized an owner of a self storage facility to assess renters of units specified late payment fees for delinquent rental payments, and provided that liens imposed on self storage units include any late payment fees.

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<sup>5</sup> The amendments may be subject to non-substantive, technical changes required by Legislative Counsel.

**PRIOR VOTES:**

Assembly Floor (Ayes 74, Noes 0)  
Assembly Judiciary Committee (Ayes 10, Noes 0)  
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**MOCK-UP OF AMENDMENTS TO AB 1916**

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS  
FOLLOWS:**

**SECTION 1.**

Section 21712.3 is added to the Business and Professions Code, to read:

**21712.3.**

**(1) The owner shall notify the occupant in writing prior to the termination or non-renewal of the rental agreement. The notice shall include a statement that the occupant may minimize the costs of storage by claiming any property remaining at the self-service storage facility within two days after the end of the rental agreement, and that the property may be sold, kept, destroyed, or disposed of if it is not claimed within the time period described in Section 21712.3(2)(b).**

**(2)**(a) Where personal property remains at the self-service storage facility after the rental agreement has ended, the owner shall give written notice to the former occupant.

(b) The notice shall describe the property in a manner reasonably adequate to permit the former occupant to identify it. The notice shall advise the former occupant that rent may be charged before the property is returned, where the property may be claimed, and the date before which the claim must be made. The date specified in the notice shall be a date not less than 15 days after the notice is personally delivered or emailed, or, if mailed, not less than 18 days after the notice is deposited in the mail.

(c) The notice shall be personally delivered to the former occupant or sent by first-class mail, postage prepaid, to the last known address of the former occupant and to the alternative address specified in subdivision (b) of Section 21712, or by email pursuant to subdivision (c) of Section 21712.

**SEC. 2.**

Section 21712.4 is added to the Business and Professions Code, to read:

**21712.4.**

(a) A notice given to the former occupant that is in substantially the following form satisfies the requirements of Section 21712.3:

Notice of Right to Reclaim Abandoned Property

To: \_\_\_\_\_ (Name of former occupant) \_\_\_\_\_

\_\_\_\_\_ (Address of former occupant) \_\_\_\_\_

When the rental agreement ended for the storage space at

\_\_\_\_\_ (Address of self-service storage facility, including the space number, if any) \_\_\_\_\_ ,

the following personal property remained:

\_\_\_\_\_ (Insert description of the personal property) \_\_\_\_\_

You may claim this property at

\_\_\_\_\_ (Address where property may be claimed) \_\_\_\_\_ .

If you claim this property by \_\_\_\_ (insert date not less than 2 days after the end of the rental agreement), you may minimize the costs of storage.

If you fail to claim this property by \_\_\_\_ (insert date not less than 2 days after the end of the rental agreement), unless you pay the rent for all the above-described property, and take possession of the property which you claim, not later than \_\_\_\_\_ (insert date not less than 15 days after notice is personally delivered or, if mailed, not less than 18 days after notice is deposited in the mail) this property may be sold, kept, destroyed, or disposed of pursuant to Business and Professions Code Section 21712.8.

(Insert here the statement required by subdivision (b) of this section)

Dated: \_\_\_\_\_

(Signature of owner) \_\_\_\_\_

(Type or print name of owner) \_\_\_\_\_

(Telephone number) \_\_\_\_\_

(Address) \_\_\_\_\_

(b) The notice set forth in subdivision (a) shall also contain one of the following statements, as applicable:

(1) "If you fail to reclaim the property, it will be sold at a public sale after notice of the sale has been given by publication. You have the right to bid on the property at this sale. After the property is sold and the rent and costs of advertising and sale are deducted, the remaining money will be paid over to the county. You may claim the remaining money at any time within one year after the county receives the money."

(2) "Because this property is believed to be worth less than \$300, it may be kept, sold, destroyed, or otherwise disposed of without further notice if you fail to reclaim it within the time indicated above."

### **SEC. 3.**

Section 21712.6 is added to the Business and Professions Code, to read:



**21712.6.**

The personal property described in the notice shall either be left at the self-service storage facility or be stored by the owner in a place of safekeeping until the owner either releases the property pursuant to Section 21712.7 or disposes of the property pursuant to Section 21712.8. The owner shall exercise reasonable care in storing the property, but the owner is not liable to the former occupant or any other person for any loss not caused by the owner's deliberate or negligent act.

**SEC. 4.**

Section 21712.7 is added to the Business and Professions Code, to read:

**21712.7.**

(a) The personal property described in the notice shall be released by the owner to the former occupant if the former occupant pays the rent and takes possession of the property not later than the date specified in the notice for taking possession.

(b) Where personal property is not released pursuant to subdivision (a), the owner shall release the personal property to the former occupant if the former occupant claims it prior to the time it is sold, kept, destroyed, or otherwise disposed of and pays the rent and reasonable costs of advertising and sale incurred prior to the time the property is released to the former occupant.

(c) Notwithstanding subdivision (a), the owner shall release the personal property described in the notice to the former occupant and shall not require the former occupant to pay the cost of storage if the property remained in the storage facility and the former occupant reclaims the property within two days of termination of the rental agreement.

**SEC. 5.**

Section 21712.8 is added to the Business and Professions Code, to read:

**21712.8.**

(a) If the personal property described in the notice is not released pursuant to Section 21712.7, it shall be sold at public sale by competitive bidding. However, if the owner reasonably believes that the total resale value of the property not released is less than three hundred dollars (\$300), the owner may keep, sell, destroy, or otherwise dispose of the property in any manner. Nothing in this section shall be construed to preclude the owner or former occupant from bidding on the property at the public sale.

(b) An advertisement of the sale shall be published pursuant to Section 21707.

(c) After deduction of the rent and costs of advertising and sale, any balance of the proceeds of the sale which is not claimed by the former occupant shall be paid into the treasury of the county in which the sale took place not later than 30 days after the date of sale. The former occupant may claim the balance within one year from the date of payment to the county by making application to the county treasurer or other official designated by the county. If the county pays the balance or any part thereof to a claimant, neither the county nor any officer or employee thereof shall be liable to any other claimant as to the amount paid.

**SEC. 6.**

Section 21715.5 is added to the Business and Professions Code, to read:

**21715.5.**

The owner may, upon the expiration of a period of at least 30 days from giving notice in writing to the occupant by personal delivery, by first-class mail, postage prepaid, to the last known address of the occupant, or by email pursuant to subdivision (c) of Section 21712, change the terms of the rental agreement. The notice, upon the expiration of a period of at least 30 days from the date of service, shall in and of itself operate and be effectual to create and establish, as a part of the rental agreement, the terms, rents, and conditions specified in the notice, if the occupant continues to store personal property at the self-service storage facility after the notice takes effect.

**SEC. 7.**

Section 1980.5 of the Civil Code is amended to read:

**1980.5.**

(a) Except as provided in Section 1993.01, the provisions of this chapter shall not apply to commercial real property, as defined in subdivision (d) of Section 1954.26. For purposes of this section, commercial real property shall not include self-storage units.

(b) This chapter shall apply to self-storage units only to the extent that it does not conflict with Chapter 10 (commencing with Section 21700) of Division 8 of the Business and Professions Code.