

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

SB 709 (Menjivar)
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Fiscal: No
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ID

SUBJECT

Self-service storage facilities: rental rates

DIGEST

This bill would prohibit an owner of a self-storage facility from increasing the monthly rental rate on a self-storage unit by more than five percent plus the percentage change in the cost of living, or ten percent, whichever is lower, as specified.

EXECUTIVE SUMMARY

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. The growth of self-storage facilities has been tremendous in recent years, and about 3,500 self-storage facilities currently operate across the state. Current law regulates the written rental 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. Current law allows a self-storage facility to 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, no law currently limits how much a self-storage facility may increase rents once a renter rents a unit and moves in their possessions. Reports have found that some self-storage facilities greatly increase renter's monthly rents after obtaining their business with low rates and promotional deals. Such increases can strain consumers, who may be moving or have insecure housing, and cannot easily relocate their possessions when the rents increase. SB 709 would prohibit such large rent increases by capping increases at five percent plus the percentage change in the cost of living, or ten percent, whichever is lower. SB 709 also would require a self-storage facility to specify the gross rental rate and any promotional rates or discounts in the rental agreement. SB 709 is sponsored by the Consumer Federation of California, and is opposed by the California Self-storage Association and a variety of other business associations.

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 Section 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 use, 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 of 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).)

- 20) Prohibits, upon the proclamation of a state of emergency declared by the President of the United States or the Governor or a declaration of a local emergency, a person, contractor, business, or other entity to sell or offer to sell any consumer food items or goods, including storage services, for a price that is more than 10% greater than the price charged immediately prior to the proclamation or declaration of emergency. Specifies that this prohibition begins at the time of the proclamation, and extends for 30 days following it. (Pen. Code § 396(b).)

This bill:

- 1) Prohibits the owner of a self-storage facility from increasing the gross rental rate for a storage unit, over any 12-month period, more than five percent plus the percentage change in the cost of living, or 10%, whichever is lower, of the lowest gross rental rate charged for that unit at any time in the previous 12 months.
- 2) Specifies that, for determining the gross rental rate for these provisions, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant must be excluded.
- 3) Requires the self-storage facility to separately list and identify in the rental agreement the gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits.
- 4) For the purposes of its provisions, defines the following terms:
 - a) "Consumer Price Index for all Urban Consumers for All Items" as the consumer price index for all items (CPI-U) for the metropolitan area in which the property is located, as published by the United States Bureau of Labor Statistics, as follows:
 - i. CPI-U for the Los Angeles-Long Beach-Anaheim metropolitan area covering Los Angeles and Orange Counties;
 - ii. CPI-U for the Riverside-San Bernardino-Ontario metropolitan area covering Riverside and San Bernardino Counties;
 - iii. CPI-U for the San Diego-Carlsbad metropolitan area covering San Diego County;
 - iv. CPI-U for the San Francisco-Oakland-Hayward metropolitan area covering Alameda, Contra Costa, Marin, San Francisco, and San Mateo Counties;
 - v. Any successor metropolitan area index; and
 - vi. Specifies that, if the United States Bureau of Labor Statistics did not publish a CPI-U for the metropolitan area in which the property is located, the California CPI-U published by the Department of Industrial Relations must be used.

- b) “Percentage change in the cost of living” to mean the percentage change in the applicable CPI-U, based on the two most-recently posted CPI-Us, as specified.

COMMENTS

1. Author’s statement

According to the author:

One out of five people depend on self-storage facilities, usually due to an unfortunate circumstance that forces them to attempt to store their “life” into a 5x5 unit. For life events like repairing property damage after a natural disaster, moving, or renovations, self-storage offers a temporary place to keep belongings safe and secure. The self-storage industry has implemented aggressive pricing strategies, making storage units less affordable for individuals. Many of these companies lure in unsuspecting customers with deceptively low rates before raising the fees by 30% to 40% and then another 10% to 15% on a regular basis thereafter. This practice of regular rate increases has become a common concern among customers, who may feel trapped by the lack of transparency and the difficulty of finding affordable alternatives. Self-storage units are widely unregulated, and these massive rental increases will continue to burden the most vulnerable. To address this issue, SB 709 aims to limit the rental rate increase for storage units to the lower of 5% plus the percentage change in the cost of living, or 10%, within any 12-month period.

2. The self-storage industry

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.¹ The self-storage industry is currently estimated to be a \$44.3 billion industry.² In California, there are about 3,500 self-storage facilities with a combined storage space

¹ 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>.

² 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/>.

of 213.3 million square feet.³ Abandonment of units is also not uncommon, as estimates suggest that 155,000 storage units are auctioned off each year.⁴ 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.

3. The regulation of self-storage facilities

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 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.)

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

⁴ Jenkinson, *supra* note 1.

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.*) If a self-storage facility wishes to amend the rental agreement, such as by increasing the rent, it must provide the renter 30 days' notice, but if the renter continues using the unit once the change goes into effect, they are considered to have accepted the new terms. (Bus. & Prof. Code § 21715.5.)

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.) While the Act does not place any limits on how much or how often a self-storage facility may increase rent on a renter of a unit, self-storage facilities are subject to the state's price-gouging laws when a state of emergency has been declared. (Pen. Code § 396(b).) Those laws limit rent increases to 10% during such an emergency.

4. SB 709 would limit how much self-storage facilities may increase rents

A report from 2024 found that the most common reason an individual rents self-storage is because of a lack of storage space at home, though the second-most common reason,

at 25%, is because the individual is moving.⁵ When someone is moving or otherwise experiencing housing instability, having a self-storage unit may be essential. Consumers may also need self-storage because of a disaster or because of a sudden change of circumstances, such as losing a job and having to move in with family. In one example highlighted in a recent article regarding self-storage facilities, an individual named Whitney had to move back in with her mother after losing her job.⁶ Because her mother's apartment was not big enough for all of her possessions and furniture, she rented a self-storage unit, and rented a truck so that she could, with the help of her mother and a friend, move all of her stuff into the self-storage unit. When she first rented the unit, she was paying \$45. However, two months later, that rate had been increased to \$75, and ultimately a year later, her rate was \$220 a month. Eventually, Whitney moved her items out of the storage unit, but not after paying substantially more for her unit than she had expected to pay, with an already stretched-thin budget.

Whitney's story is emblematic of the issue SB 709 is trying to address, yet hers is not the only story. In another example, a woman in Los Angeles rented a self-storage unit to store her father's belongings during the COVID-19 pandemic after her father passed away, only to have the rates on the self-storage unit increase by more than eight percent within the first three months.⁷ In another example in the Bay Area, a consumer rented a self-storage unit to hold her possessions after she quit her job and moved out of state, only to find that the rent for the unit had increased 56% within a few months.⁸ Since she was out of state, she had to coordinate with friends from afar to move all of her possessions out of the unit.⁹ Some reporting also finds that many unhoused individuals rely on self-storage units to house their possessions while they otherwise live out of their cars, or have to keep their cars clean for work, such as ride sharing.

Once a consumer moves their possessions into a self-storage unit, they often can be at the whims of the self-storage facility. While consumers may have plenty of options for self-storage in their area, changing units mid-way through a consumer's need for storage is anything but convenient. It may require the individual to rent a moving truck, and to physically move their items, find friends or family willing to help, or hire movers, particularly for larger items like furniture. Thus, once a consumer's items are in

⁵ Francis Chantree, "A fifth of Americans rent self-storage, with millennials overtaking Gen Xers in generational storage wars," StorageCafe (Jan. 28, 2024), <https://www.storagecafe.com/blog/self-storage-demand-and-trends/>.

⁶ Daryl Austin, "The sneaky rate-increase policies sweeping the self-storage industry," Slate (Jan. 8, 2025) <https://slate.com/business/2025/01/self-storage-price-increases-28-day-billing-unit-sales-facility-management.html>.

⁷ David Lazarus, "Who regulates storage companies during the pandemic? No one, that's who," Los Angeles Times (Feb. 5, 2021), <https://www.latimes.com/business/story/2021-02-05/column-coronavirus-self-storage-rate-hikes>.

⁸ Carolyn Said, "Self-storage prices are soaring to unexpected highs – even for the Bay Area," San Francisco Chronicle (Sept. 17, 2023), <https://www.sfgchronicle.com/bayarea/article/bay-area-self-storage-not-affordable-18360179.php>.

⁹ *Id.*

the self-storage facility, it may take a considerable amount of effort to move them out if something goes wrong or the facility increases the monthly rates higher than the consumer can afford to pay. If the renter refuses or fails to pay the monthly rent, the storage facility can sell the renter's items in the self-storage unit to satisfy what they owe the facility.

Reporting suggests that large rent hikes is often an industry strategy, with the policy even having a name: existing customer rate increase, or ECRI.¹⁰ In such a strategy, a self-storage facility may promote low prices, perhaps through the use of discounts, to attract customers, and then consistently increase the rent once the consumer has moved their possessions into the unit. These subsequent rate increases can be as high as 40%. These strategies bank on consumers not realizing when they sign up for a self-storage unit just how much they may end up having to pay for the unit, and on the fact that customers are likely to accept the increases rather than move all of their stuff out.

SB 709 attempts to tackle this issue by limiting any rental rate increase for a self-storage unit to no more than five percent, plus the percentage change in the cost of living, up to ten percent, for any 12-month period. This limitation would mirror the rent cap that currently exists in the state's landlord-tenant laws. Notably, this cap on increases would exclude any rent discounts, incentives, concessions, or credits provided by the self-storage facility, meaning that an increase due to an expiring promotional discount would not be limited by the bill's rent cap. SB 709 also would require that the gross monthly rental rate, and any discounts or incentives be separately listed and identified in the rental agreement.

The author asserts that SB 709 is necessary to curb the deceptive and exploitative practices of self-storage facilities of aggressively increasing rents, and to provide added transparency for consumers. SB 709 is opposed by the self-storage industry, which argues that such regulation is unnecessary because the self-storage industry is very competitive and consumers always have 30 days to move their items out of their storage unit if they do not like the terms of the agreement or the service. Industry also argues that imposing price controls would place the burden of covering self-storage facilities' increasing costs on new customers. Lastly, they argue that SB 709 would result in fewer self-storage facilities being built in California, thereby decreasing consumer choice.

5. Amendments

The author has agreed to amendments that will remove SB 709's rent cap requirement, and instead require that self-storage facilities provide renters with specified disclosures about the rental rate and the maximum rent increases the self-storage facility could charge over a 12-month period. A full mock-up of the amendments are attached at the end of this analysis.

¹⁰ Austin, *supra* note 6.

6. Arguments in support

According to the Consumer Federation of California, which is the sponsor of SB 709:

California is home to more than 3,500 self-storage facilities, with about 60 percent of users relying on storage spaces during the moving process as they settle into their new living situations. A 2024 report revealed that one in five people rely on self-storage for various reasons. In the survey, consumers reported several reasons for relying on storage units, including business storage, home renovations, the need for more space, moving, downsizing, and others. Many other consumers rely on these services in states of emergency such as natural disasters to ensure that their belongings are secure. However, the self-storage industry has become increasingly dominated by large corporations and equity firms who prioritize profit margins over their clients.

At an industry conference in Las Vegas, leaders boasted about and discussed ways to trick consumers by luring them in with low rates, then increasing rental rates by 30-40% once they knew the client would not leave. This practice has become so common within the industry that it is known as ECRI, or Existing Customer Rate Increase. This practice deeply harms consumers, as illustrated by one case where a consumer who had signed a contract for a \$45 rental storage unit saw her rate increase after just two months, and then again, until her monthly rental rate reached \$220 and was forced out because she could no longer afford it.

Bait and switch practices are common within the self-storage industry, with many companies providing consumers with a \$1 introductory rental rate and then spiking up the price once the consumer has signed the rental agreement. If a renter falls behind and cannot pay for their storage unit within 14 days, they risk losing all their belongings to auction. These auctions are intended to help storage facilities recover monetary losses; however, before proceeding, they must provide the renter with a 'notice of public auction.' After receiving the notice, a consumer has 30 days to pay off their outstanding balance; however, the rate at which self-storage facilities increase their monthly rental rates may not give renters enough time to cover their dues. In addition to this, it has been reported that some operators are restructuring, or have already done so, their 30 or 31 billing cycle to a 28 day payment period, enabling them to charge consumers for 13 months instead of the standard 12 month.

The lack of transparency and the practice of regularly increasing rates for consumers is exploitative, leaving many renters to feel trapped and in financial hardship. SB 709 aims to limit the rental rate increase for storage units to the lower of 5% plus the percentage change in the cost of living, or 10%, within any 12-month period. Lastly, the bill ensures that consumers are made aware of the

monthly rental rate, discounts, incentives, concessions, or credits within their rental agreement. Through this legislation, we can ensure that consumers are not subject to unfair pricing practices and are protected from unexpected cost increases.

7. Arguments in opposition

According to California Self-storage Association, which is opposed to SB 709:

Due to the varied and often short-term needs of consumers, self-storage owners use month-to-month contracts. These contracts provide maximum flexibility to consumers and allow them to move in and out at their convenience. Although some consumers move out to get a reduced price elsewhere, industry data show that most consumers are satisfied with their storage experience and move out when their need for storage ends. [...]

As with any marketplace, pricing differs from business-to-business. Some owners offer discounted pricing at the outset, which is particularly attractive to the roughly 30% of storage consumers whose need for storage is four months or less. Other owners use standard starting rates while ensuring consistent pricing. This type of pricing may be of most interest to consumers with longer-term storage needs. Many owners offer a combination of these and other price options to meet their customers' needs.

Finally, regardless of the pricing options offered by our member companies, we advise these companies to ensure price transparency for their customers and prospective customers. For example, owners should be clear with customers when they are receiving a promotional rate and state whether the owner has the right to increase rates following written notice to the consumer. Owners achieve this price transparency through disclosures in their advertising, online checkout systems, rental agreements that consumers must review and sign before renting a space, and elsewhere.

We strongly believe that self-storage businesses are meeting the needs of consumers and doing so in a fair and transparent manner. We are very concerned that SB 709, as amended, would jeopardize the flexibility that consumers have come to rely on when searching for a self-storage business that best fits their needs and budget. Our concerns with SB 709, as amended, include the following:

1. Although we understand the importance of self-storage for some consumers, self-storage never serves as a person's residence and should not face the same price controls as rental housing. Self-storage is more similar to other important consumer goods and services where the market sets the price. The

- self-storage market is competitive, and businesses that do not meet their customers' needs at an acceptable price will lose customers.
2. Like many businesses, self-storage businesses are facing increasing costs of doing business in California. These increased costs include insurance, labor, parcel/property taxes, security, maintenance, and other services necessary to meet consumer needs. Storage owners, particularly the smaller owners that have comparatively fewer means to absorb increased costs, should have the ability to set their prices for new and existing customers to meet their expenses. SB 709 could shift the burden for covering additional costs heavily toward new customers, which would make storage less accessible to these consumers.
 3. As mentioned earlier, self-storage agreements are month-to-month contracts that provide maximum flexibility for customers to move in and out based on their needs. Customers have the option to move their property to a different business if they are unhappy with the business where their property is currently stored. However, understanding that certain customers may find it challenging to move on 30 days' notice, storage owners regularly work with customers to tailor solutions specific to their needs.
 4. Over the last five years, California has seen the construction of hundreds of additional storage facilities. As noted above, these businesses meet the vital needs of many families and businesses. If SB 709, as amended, imposes price controls, fewer new self-storage facilities will be built, which will decrease consumer choice and prevent consumers from accessing storage when they are most in need.

SUPPORT

Consumer Federation of California (sponsor)

OPPOSITION

Building Owners and Managers Association of California
California Business Properties Association
California Business Roundtable
California Rental Housing Association
California Self Storage Association
Family Business Association of California
Institute of Real Estate Management (IREM)
Naiop of California
Orange County Business Council
San Diego Regional Chamber of Commerce
Self Storage Association
Southern California Leadership Council

RELATED LEGISLATION

Pending Legislation:

AB 498 (Marc Rodriguez, 2025) allows a self-storage facility to satisfy the requirement that it notify a renter of a self-storage unit of the lien sale to cover unpaid rent by electronic mail, if it can provide that the renter downloaded, printed, viewed, opened, or otherwise acknowledged receipt, as specified. AB 498 is currently pending before the Senate Rules Committee.

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.

Amended Mock-up for 2025-2026 SB-709 (Menjivar (S))

(Amendments may be subject to technical changes by Legislative Counsel)

Mock-up based on Version Number 98 - Amended Senate 3/24/25

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

SECTION 1. Section 21715.2 is added to the Business and Professions Code, to read:

~~21715.2. (a) The owner of a self-storage facility shall not, over the course of any 12-month period, increase the gross rental rate for a storage unit more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest gross rental rate charged for that storage unit at any time during the 12 months prior to the effective date of the increase. In determining the lowest gross rental amount pursuant to this section, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant shall be excluded. The gross per month rental rate and any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or any amendments to an existing rental agreement.~~

~~(b) For purposes of this section, the following definitions apply:~~

~~(1) "Consumer Price Index for All Urban Consumers for All Items" means the following:~~

~~(A) The Consumer Price Index for all Items (CPI-U) for the metropolitan area in which the property is located, as published by the United States Bureau of Labor Statistics, which are as follows:~~

~~(i) The CPI-U for the Los Angeles Long Beach Anaheim metropolitan area covering the Counties of Los Angeles and Orange.~~

~~(ii) The CPI-U for the Riverside San Bernardino Ontario metropolitan area covering the Counties of Riverside and San Bernardino.~~

~~(iii) The CPI-U for the San Diego Carlsbad metropolitan area covering the County of San Diego.~~

~~(iv) The CPI U for the San Francisco Oakland Hayward metropolitan area covering the Counties of Alameda, Contra Costa, Marin, San Francisco, and San Mateo.~~

~~(v) Any successor metropolitan area index to any of the indexes listed in clauses (i) to (iv), inclusive.~~

~~(B) If the United States Bureau of Labor Statistics does not publish a CPI U for the metropolitan area in which the property is located, the California Consumer Price Index for All Urban Consumers for All Items as published by the Department of Industrial Relations.~~

~~(2) (A) "Percentage change in the cost of living" means the percentage change in the applicable CPI U, as described in paragraph (1), computed pursuant to subparagraph (B).~~

~~(B) (i) For rent increases that take effect before August 1 of any calendar year, the following apply:~~

~~(I) The percentage change shall be the percentage change in the amount published for April of the immediately preceding calendar year and April of the year before that.~~

~~(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of the immediately preceding calendar year and March of the year before that.~~

~~(ii) For rent increases that take effect on or after August 1 of any calendar year, the following shall apply:~~

~~(I) The percentage change shall be the percentage change in the amount published for April of that calendar year and April of the immediately preceding calendar year.~~

~~(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of that calendar year and March of the immediately preceding calendar year.~~

~~(iii) The percentage change shall be rounded to the nearest one-tenth of 1 percent.~~

(a) (1) A rental agreement shall disclose, in the manner described in paragraph (2), all of the following:

(A) The initial length and renewal term of the rental agreement.

(B) Whether the occupant has received a promotional or discounted rental fee.

(C) If the occupant has received a promotional or discounted rental fee, the duration of the promotional or discounted rental fee.

(D) Whether the rental fee is subject to change and, if so, the maximum rental fee that the owner could charge during the first twelve months following the date of the rental agreement.

(G) All required steps for the occupant to terminate the rental agreement and avoid future rental fees or other charges, including removing all personal property from the occupant's storage space.

(H) Contact information for the owner.

(2) The disclosures required by paragraph (1) shall be made on the first page of the rental agreement in a manner that clearly calls attention to the language and meets all of the following criteria:

(A) The disclosures are in larger type than the surrounding text.

(B) The disclosures are in contrasting type, font, or color to the surrounding text of the same size.

(C) The disclosures are set off from the surrounding text of the same size by symbols or other marks.