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AB-542 Self-service storage facilities: lien sales. (2023-2024)



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Assembly Bill No. 542

CHAPTER 531

An act to amend Section 21707 of the Business and Professions Code, relating to business.

Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.

LEGISLATIVE COUNSEL'S DIGEST

AB 542, Juan Carrillo. Self-service storage facilities: lien sales.

Existing law, the California Self-Service Storage Facility Act, specifies remedies and procedures for self-service storage facility owners when occupants are delinquent in paying rent or other charges, including through enforcement of a lien by the sale of the stored property. These procedures require an advertisement of the sale to be published once per week for 2 consecutive weeks in a newspaper of general circulation in the public notice district where the sale is to be held. Existing law requires the advertisement to include, among other things, a general description of the goods. Existing law requires, if there is no newspaper of general circulation published in the public notice district where the sale is to be held, the advertisement to be posted at least 10 days before the sale in at least 6 conspicuous places in the neighborhood of the proposed sale.

This bill would instead require publication once per week for 2 consecutive weeks in a newspaper of general circulation in the public notice district where the sale is to be held or in the county where the self-service storage facility is located, or publication once in a newspaper of general circulation in the public notice district where the sale is to be held or in the county where the selfservice storage facility is located and once on an internet website that customarily conducts or advertises online auctions or sales for at least 7 days before the sale, as specified. The bill would require that, in either case, if there is no 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, the advertisement shall be posted at least 10 days before the sale in not less than 6 conspicuous places in the neighborhood of the proposed sale. The bill would remove the requirement that the advertisement include a general description of the goods.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

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

SECTION 1. Section 21707 of the Business and Professions Code is amended to read:

21707. (a) (1) After the expiration of the time given in the notice of lien sale, pursuant to subdivision (b) of Section 21705, or following the failure of a claimant to pay rent or obtain a court order pursuant to Section 21709, an advertisement of the sale shall be published before the sale in either of the following ways:

(A) 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.

- (B) 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. The online advertisement shall remain online for seven days before the sale.
- (2) If, pursuant to either subparagraph (A) or (B), there is no 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, the advertisement shall be posted at least 10 days before the sale in not less than 6 conspicuous places in the neighborhood of the proposed sale.
- (3) The advertisement shall include the name of the person on whose account the goods are being stored and the name and location of the storage facility.
- (4) For the purposes of this subdivision, publication of notice in a public notice district is governed by Chapter 1.1 (commencing with Section 6080) of Division 7 of Title 1 of the Government Code.
- (b) (1) The sale shall be conducted in a commercially reasonable manner. After deducting the amount of the lien and costs of sale, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within one year of the date of sale. Thereafter, the owner shall pay any remaining excess proceeds to the treasury of the county in which the sale was held.
 - (2) For the purposes of this subdivision, a commercially reasonable manner of sale includes, but is not limited to, an in-person auction or a sale on a publicly accessible internet website that customarily conducts online auctions or sales.