



January 13, 2020

Chairman Michael Marcotte
Committee on Commerce and Economic Development
Vermont House of Representatives
Vermont State House
115 State St, Montpelier, VT 05633

RE: H. 606

Chairman Marcotte:

Thank you again for the opportunity to provide testimony to the House Committee on Commerce and Economic Development regarding H. 606, a bill to update the Vermont self storage lien law. During that testimony, members requested supplemental information on the industry and the amendments. Please find my written responses to those inquires below.

1. When did Maine, Massachusetts, and New Hampshire Adopt the Amendments

A. Massachusetts

Provision	Year Adopted
Additional options added for advertising	2014
Verified Mail	2014
Towing	2014
Email Notifications	2014
Contractual Value Limitation	2014
\$20 or 20 percent late fee	2014
Online Auctions	2014

B. Maine

Provision	Year Adopted
Additional options added for advertising	2011
Verified Mail	2011
Towing	2011

Email Notifications	2011
\$20 or 20 percent late fee	2003
Contractual value limitation	2011

C. New Hampshire

Provision	Year Adopted
Additional options added for advertising	Advertising was never required in the state
Verified Mail	2012
Towing	2019
Email Notifications	2019
\$20 or 20 percent late fee	2019
Online Auctions	2019
Contractual value limitation	2019

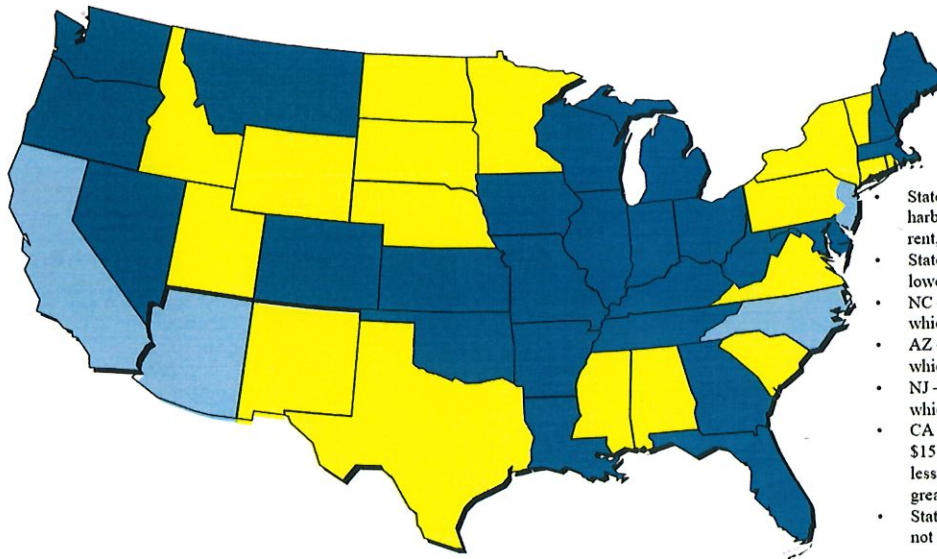
2. Contact Information of Individuals in Maine, Massachusetts, and New Hampshire

Unfortunately, the Self Storage Association was unable to locate specific individuals within the government for the committee to engage regarding the proposed amendments since the last hearing.

3. Other Approaches to The Late Fee

Most states have implemented the late fee of \$20 or 20 percent, whichever is greater. However, a few states have opted to take a different approach. Those differences are indicated in the map below.

Provides for late fee safe harbor



- States in dark blue have a late fee safe harbor of at least \$20 or 20% of monthly rent, whichever is greater.
- States in light blue have a safe harbor at a lower rate.
- NC – \$15 or 15% of monthly rent, whichever is greater.
- AZ – \$10 or 20% of monthly rent, whichever is greater.
- NJ – \$20 or 18% of monthly rent, whichever is greater
- CA – \$10 if monthly rent is \$60 or less; \$15 if monthly rent is greater than \$60 but less than \$100; \$20 or 15%, whichever is greater, if monthly rent is \$100 or more.
- States in yellow allow for late fees but do not have a statutory safe harbor.

4. Overview of Verified Mail vs. Certified Mail

The statute currently mandates that the second default notices be sent via certified mail. The amendments would change that requirement to permit operators to use verified mail although operators would still be permitted to send notices via certified mail. When done through the Postal Service, verified mail provides a certificate of mailing, which provides evidence that the mailer presented individual items to the Postal Service for mailing. An operator presents the letter to the Postal Service and the Postal Service provides a certificate of mailing receipt, which the operator retains for his or her records. This proves that the notice was mailed. Examples are provided below.

UNITED STATES POSTAL SERVICE **Certificate Of Mailing** To pay fee, affix stamps or meter postage here.

This Certificate of Mailing provides evidence that mail has been presented to USPS® for mailing. This form may be used for domestic and international mail.

From: _____

To: _____ **Postmark Here**

PS Form **3817**, April 2007 PSN 7530-02-000-9065

UNITED STATES POSTAL SERVICE **Certificate of Mailing — Firm**

Name and Address of Sender	TOTAL NO. of Pieces Listed by Sender	TOTAL NO. of Pieces Received at Post Office™	Affix Stamp Here Postmark with Date of Receipt			
Postmaster (or name of receiving employee)						
USPS® Tracking Number Firm-specific Identifier	Address (Name, Street, City, State, and ZIP Code™)	Postage	Fee	Special Handling	Parcel Airtel	
1.						
2.						
3.						
4.						
5.						
6.						

CERTIFIED MAIL

PLACE STICKERS ON TOP OF ENVELOPE TO THE RIGHT OF THIS POSTAGE LABEL. DO NOT COVER MAIL.

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

<p style="font-size: x-small;">Certified Mail Fee \$</p> <p style="font-size: x-small;">Special Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$</p> <p><input type="checkbox"/> Return Receipt (electronic) \$</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$</p> <p><input type="checkbox"/> Adult Signature Required \$</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$</p> <p style="font-size: x-small;">Postage \$</p> <p style="font-size: x-small;">Total Postage and Fees \$</p> <p style="font-size: x-small;">Sent to</p> <p style="font-size: x-small;">Street and Apt. No., or PO Box No.</p> <p style="font-size: x-small;">City, State, ZIP+4®</p> <p style="font-size: x-small;">PS Form 3800, April 2015 PSN 7530-0200-1007 See Reverse for Instructions</p>	<p style="font-size: 2em; opacity: 0.5;">Postmark Here</p>
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5. Yellow Shading on Pennsylvania on Slides

There was a question presented regarding the yellow highlighting of Pennsylvania on the slide regarding alternative advertisement methods. The yellow on Pennsylvania means that legislation is currently pending that would change the current requirement to advertise in the newspaper.

6. Specific Data on Vermont

Unfortunately, the Self Storage Association is unable to provide additional data points and information on Vermont specifically as the organization does not have it. However, the Self Storage Association is able to provide more specific data on the northeast region, which is below. NAXION conducted a study in 2017 and more than 13,000 households and businesses were contacted about it. For the purposes of the study, the northeast covered Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, and Pennsylvania.

Figure 4-13: Household Income

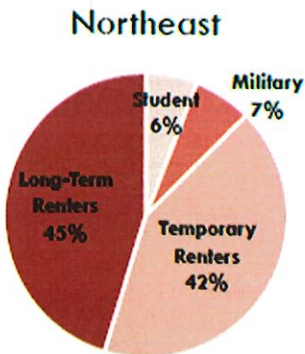
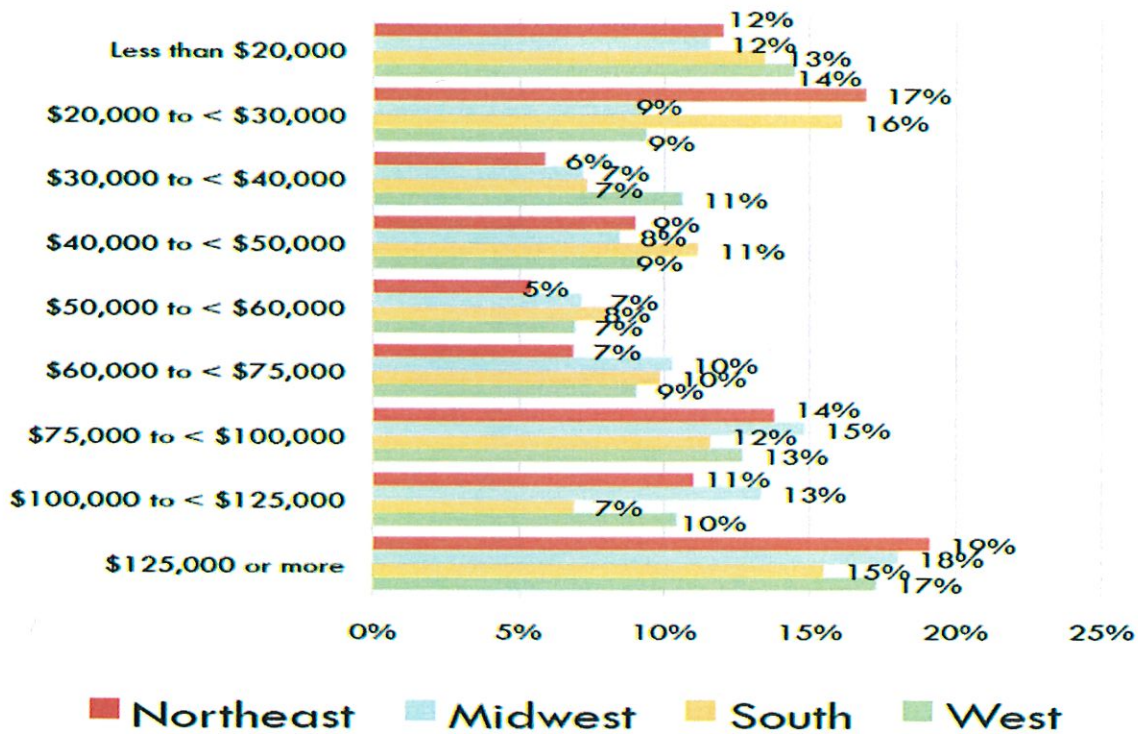


Figure 4-7: Education Level

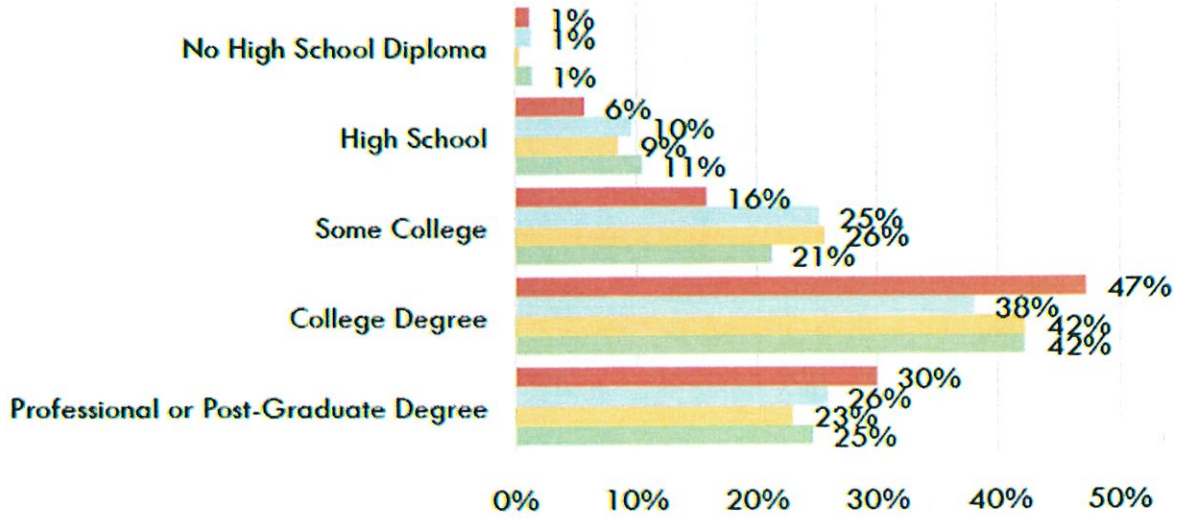


Figure 4-17: Employment Status

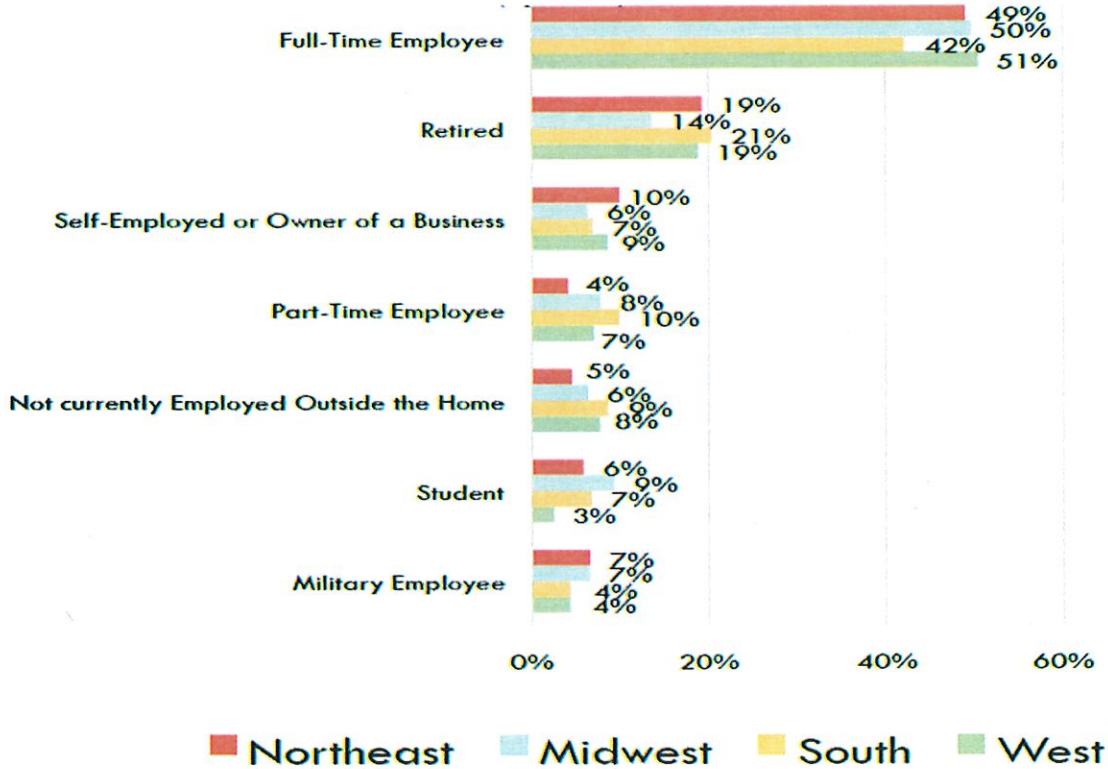
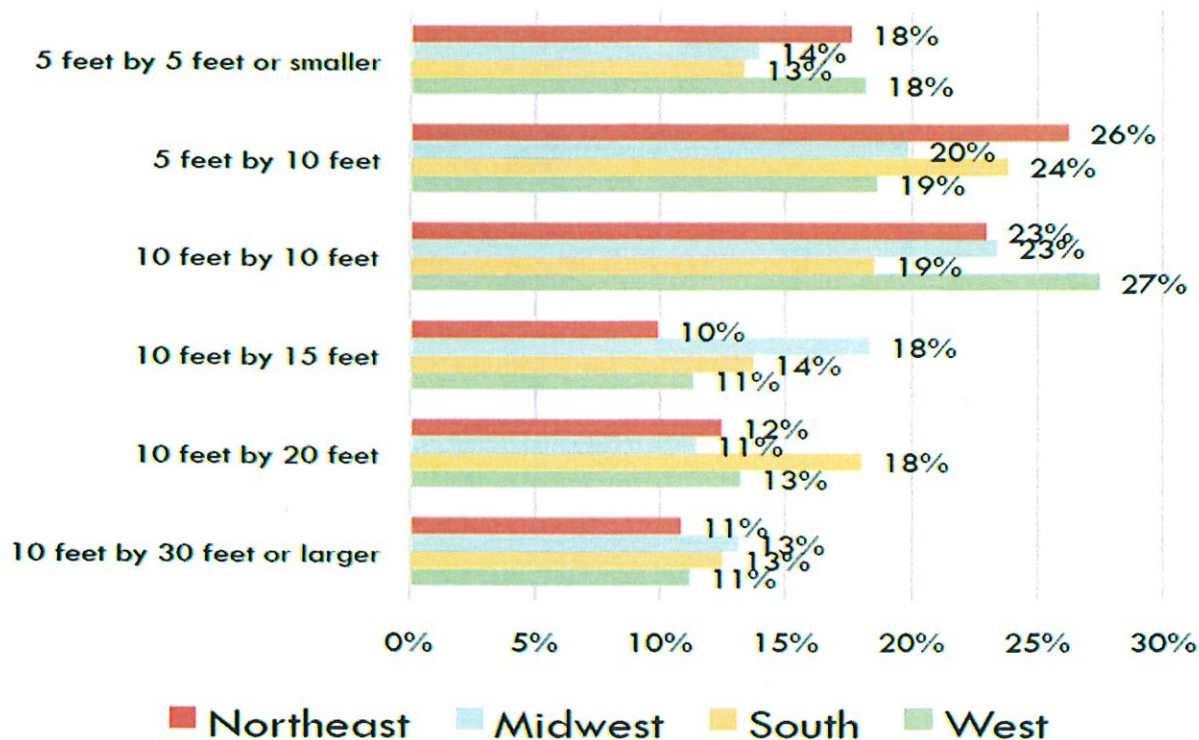


Figure 4-19: Size of Primary Unit



7. 164 facilities in Vermont

164 is the total number of facilities within Vermont. It is not the total number of owners within the state. Unfortunately, the Self Storage Association is unable to provide the exact number of units within Vermont.

8. Accessing Units

Many rental agreements contain language that permits an operator to access a tenant’s unit to conduct maintenance or in case of an emergency. According to the lien law in Vermont, an operator is permitted to access a tenant’s unit usually by cutting the lock before the second notice of default is sent to be able to provide a brief and general description of the property in the notice as required by the statute. Aside from that, the operator does not enter the unit. As a practical matter, the operator will be unable to do so. The rental agreement will stipulate that the tenant is to provide his or her own lock for the unit. The operator would not have a copy of that key to access the unit unless granted permission by the tenant.

9. Towing Provision

The towing provision is not intended and should not affect any prior lienholder's rights. The provision simply permits vehicles to be removed. It does not change lien priority or status. However, once the vehicle is towed from the storage facility, the storage facility operator no longer has a lien or any claim to the vehicle.

10. Conclusion

Thank you again for the opportunity to provide testimony to the committee. Please let me know if I can provide greater clarity on any issue regarding the industry or the proposed amendments. I may be reached at dbryant@selfstorage.org or (703) 575-8000 ext. 107.

Respectfully submitted,



Daniel T. Bryant