

# Briefly...

## ■ NASCAR Hall of Fame

This is not your typical reception. Join self storage colleagues at the NASCAR Hall of Fame on Wednesday, April 6. Take a virtual tour with your favorite driver, put your pit crew up against another team and slide into an actual race car to test your driving skills. It's included with all SSA Conference full registrations and available to other registrants for a small additional fee.

## ■ Tax Law

In December President Obama signed the much-publicized \$859 billion tax bill, which includes provisions that will strengthen commercial real estate and economic recovery. The legislation includes two tax extensions that will significantly influence the commercial real estate sector: the continuation of the 15 percent tax rate on capital gains through 2012 and the 15-year timeline for depreciating leasehold improvements, retroactive to January 1, 2010 and through December 2011.

## ■ Regional Supervisors

For the first time on the East Coast the SSA is offering its unique Regional Supervision Program (RSP). It will take place in Charlotte, North Carolina on April 5 at the SSA Spring Conference and Trade Show which opens later that afternoon. The RSP is offered in segments before each of SSA's semi-annual conferences.



## 2011 Legislative Season Kicks Off with Industry Wish List

*By Tim Dietz – SSA Sr. VP, Government Relations*

The SSA and its affiliated association partners entered 2011 carrying a fresh and robust legislative agenda, with many states taking the lead from successful initiatives over the past three years, particularly in the area of modernized lien laws. Improvements to lien regulations in Arizona, California, Michigan, North Carolina and Wisconsin will provide savings in the millions annually with more efficient advertising and notification procedures. This year state associations in Florida, Massachusetts and Tennessee, among others, will also pursue improvements to their lien statutes.

Targets for this year were established by the SSA's Legislative & Regulatory Advisory Committee, and its affiliated states, during a November meeting in Chicago. More than 30 industry professionals participated. The SSA has established new model lien law language that can be adopted when states want to improve their regulations, providing more efficient mechanisms and less liability.

The SSA provides financial support to the states through a Legislative Issues Fund (LIF) generally used to engage representation in the state capitals. The fund was established by the SSA with backing from some of the industry's largest operators. The Association has dedicated more than \$1.5 million over the past three years to pursue legislative goals. States actively lobbying this year include:

**Colorado:** Lien law reform including notification, advertising and vehicle lien improvements. The CO-SSA has engaged a Denver-based lobbyist to help with their efforts and a sponsor has been identified to carry the bill.

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**Connecticut:** Lien law reform including notification and advertising. A new vehicle lien law was passed in 2009 and is still in the process of being implemented administratively. The SSA LIF contributed to the vehicle implementation process last year. The CT-SSA is also concerned about rhetoric from officials signaling new sales taxes, including the potential for self storage to be included.

**Florida:** Lien law reform including notification, advertising and vehicle lien improvements. This is the SSA's largest legislative project for 2011 based on the number of facilities in the state and the potential savings from improvements to the existing law. The Tallahassee-based lobbyist is working with the FL-SSA and established the support of a sponsor.

**Georgia:** Sales tax potential, specialty insurance licensing and lien law reform including notification, advertising and vehicle lien improvements. The 2011 legislative session in Georgia runs from January 10 through April 1, with executive action required by May 11.

**Illinois:** Sales tax bill introduced and lien law reform including notification, advertising and pursuing vehicle lien improvements. This is the first year that the Illinois Self Storage Association has been formally affiliated with the national SSA. Previously management of the state association was reluctant to join; however, both the need for an effective defense of the sales tax and the improved lien law led to discussions for financial aid and the affiliation. A lobbyist has been hired in Springfield to pursue these matters and a sponsor for the lien bill has been identified. The 2011 legislative session runs generally year-round.

On the tax issue there is good news to report. In the early hours of January 12, the Illinois Senate approved SB2505, increasing individual and corporate income taxes; but it did not include a services tax. The first potential new tax bill of the session was introduced January 6. In that bill, it appears the industry has dodged a bullet also. Rep. William Davis introduced HB1665, a measure that would apply a services tax to 44 sectors, including "warehousing and storage," which does not include "self storage" under the NAICS system. Previous tax proposals in the state had specifically delineated self storage, including HB174, which has been an ongoing concern for the SSA and ISSA over the past couple of years.

**Massachusetts:** Lien law reform including notification, advertising and potentially value limitation provisions. The state association, which joined the SSA affiliation program in 2010, has hired representation in Boston.

**Michigan:** Sales tax threat. Over the past three years the SSA has contributed about \$20,000 to the Michigan SSA, resulting in a new lien bill and a successful 2009 tax battle. Due to the extreme budget shortfall in Michigan (about \$4 billion over two years) officials are once again considering a services-based sales tax that would include self storage. Michigan's legislative session begins January 12 and runs through the end of the year.

**North Carolina:** Sales tax threat. Over the past three years the SSA has contributed about \$20,000 to the North Carolina SSA, resulting in a successful new lien bill. Now officials are considering a sales tax that could affect self storage. The NC-SSA is continuing its relationship with the same firm that managed the lien improvement bill.

**Nevada:** Lien law reform including declaration in opposition changes (similar to those in California last year), as well as notification, advertising and vehicle lien improvements. Also included is a protected property provision, stemming liability in abandonment of items such as firearms, alcohol, pharmaceuticals and private records. Arizona passed the first measure of this kind last year.

**Pennsylvania:** Specialty insurance license. Pennsylvania has a lobbyist on retainer who plans to introduce the specialty insurance measure and is currently considering sponsors. Potential obstacle includes representatives and insurance officials generally opposed to specialty licensing to non-agents. A similar bill was signed into law in New York last year.

**South Carolina:** Sales tax threat. The South Carolina SSA is trying to get ahead of sales tax plans in 2011. The national SSA has supported the creation of the state association and funding of a lobbyist in Columbia who will attempt to keep the industry out of new tax legislation.

**Tennessee:** State has 30 year-old lien law. New bill includes late fee provision (\$40/20%); value limitation; newspaper advertising optional; removes physical posting at courthouse provision; includes vehicle improvement; eliminates certified mail and replaces with verified or email option. Tennessee legislative season runs from January 11 through May 31, with executive action completed by June 2011. ❖

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