

Briefly...

■ It's True!

Though it may not be thought of as a large state, North Carolina ranks 5th in the number of self storage facilities in the country. The host of April's SSA Spring Conference & Trade Show boasts more than 1,800 properties. The industry is prominent in the dense Charlotte region, along with the areas around the Research Triangle, with its famous universities.

■ Winning Record

Keynote speaker Joe Gibbs has had a number of successful careers. The 1996 Pro Football Hall of Fame inductee compiled a 124-60-0 regular season record and a 16-5 record in 21 post-season games with the Redskins. His combined .683 winning percentage is surpassed only by Vince Lombardi (.740) and John Madden (.731). With the Redskins he won three Super Bowls with three different quarterbacks. Gibbs has also won championships with his NASCAR teams in 2000, 2002 and 2005.

■ SBA Loans

The U.S. Small Business Administration (SBA) has changed the rules affecting "passive income" properties and, for the first time, made self storage eligible for SBA financing. It's a mixed blessing for the self storage industry. The change is expected to help smaller self storage operators who need to refinance properties, but will not necessarily fuel self storage construction because banks are still wary of risky construction loans.

Lien Law Updates Could Help 10,000 Properties

By Tim Dietz, SSA Sr.VP – Communications & Government Relations

2011 marks the most aggressive year yet in the SSA's effort to modernize lien laws throughout the country. Because these laws are different in various states, the process of updating them will take several years. This year the SSA and its affiliated states are pursuing improvements to lien laws in ten states; with approximately 10,000 total facilities between those states, the potential annual savings for this year's legislative program would be many millions of dollars.

State associations working with the SSA to improve lien laws (# of facilities):

- Colorado (995)
- Connecticut (310)
- Florida (2,579)
- Georgia (1,580)
- Illinois (1,569)
- Maine (553)
- Massachusetts (295)
- Nevada (458)
- Tennessee (1,201)
- Utah (531)

The Texas SSA is working to improve its lien law similarly, which would add more than 4,000 facilities benefiting from the lien law modernization. Bills have already been introduced in Florida, Maine and Colorado. On February 2, both the Colorado SSA and national SSA testified in support of the new law at a hearing of state legislature's Senate Business, Labor & Technology committee. Despite objections from newspaper publishers, the bill passed through the committee with a unanimous vote.

Among the provisions that the associations hope to change is the requirement that legal notices be placed in newspapers prior to auctions. In his remarks to the Colorado committee, Colorado's Hank Saipe noted that the members of his association have surveyed various operators in the state, as well as bidders at auctions, and could not find any evidence that the expensive advertisements resulted in alerting the non-paying tenant or the independent bidders.

"Thirty years ago this may have been an adequate system of notification, but today it is simply antiquated and, I believe, only serves the goodwill of the publishers of the newspapers," said Saipe. "I submit that no industry should be required to provide financial sustenance to another industry simply because the recipient industry has become accustomed to that revenue."

In Arizona two years ago, newspaper advertising became an option, not a requirement, when the state enabled operators to advertise their auctions via any "commercially reasonable" method. That term was defined as any method that results in at least three independent bidders. Michigan legislators approved similar language, reducing the statutory requirement for newspapers ads to one week, as opposed to the previous two consecutive weeks.

Other than the publishing requirements, the SSA advocates the acceptance of less expensive, but equally assured mail verification; simplified vehicle lien language and value limit standards.

Utah's current bill, HB 237, was not originally championed by the UT-SSA, rather it was introduced on a technical matter related to motor vehicle lien protocols. As has happened in other states, the association may use the opportunity to modernize the lien law.

The SSA is dedicating about a half million dollars in contributions to state lobbying efforts and support activities to pursue the measures during 2011. A

See Lien Improvement, page 20

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SSA Targets Lien Improvement, *from page 4*

Legislative & Regulatory Advisory Committee was established four years ago to consider industry priorities and provide an equitable process for distributing funds. The committee includes board members from the national and state SSAs, and representatives from many of the largest companies in self storage, major contributors to the program. More than 30 stakeholders met in Chicago last November to consider 2011 targets.

“Colorado’s lien bill, introduced in 1980, is a perfect example of the aged statutes that are on the books all over the place,” according to SSA president & CEO, Mike Scanlon. “We tend to find success in increments. For example, one year we may get the mail notification element enacted, but are told ‘no’ on the newspaper item, only to have that issue gain traction the next time around. It may seem tedious, but our program is working very well, state by state.”

In the past three years the SSA has spent more than \$1.5 million and consulted with regional association leaders to improve lien statutes in states including Arizona, California, Connecticut, Maine, Michigan, North Carolina, Wisconsin and Utah. Annualized savings is estimated to range between \$500,000 and more than \$4 million industry-wide, per state. ❖

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