

# Briefly...

## ■ 82

That's the number of professional third-party management firms listed in this year's *SSA Management Firm Registry*, which is included in this month's *SSA Globe* magazine. These organizations are up to speed on the latest advances in the self storage industry and can help investors make the most of their businesses.

## ■ Rolling, Rolling...

The SSA's efforts to update the industry's antiquated lien laws continue through the 2011 legislative season. Currently 11 states are working to eliminate expensive newspaper advertising stipulations and take advantage of verified mail options that were not available 30 years ago when most of the laws were established. Bills are awaiting signatures of their respective governors in three states.

## ■ Legal Webcasts

Are you taking advantage of the Self Storage Legal Network? It's the most cost-effective way to get answers to your legal questions. SSA members can also take advantage of the free legal webcasts each month. Visit the [selfstorage.org](http://selfstorage.org) for more information.



# Newspapers Seek to Adjust Recently Enacted California Lien Bill

By D. Carlos Kaslow, SSA General Counsel & Tim Dietz, SSA Sr. VP, Government Relations

California enacted a lien law reform bill (AB 655) in 2010 that made a number of improvements to the state's self storage lien law. One change that was not enacted was a provision that would have expanded the ways that facility owners could advertise self storage lien sales. The change was opposed by the California Newspaper Publishers Association (CNPA). So California storage operators are still required to advertise the lien once a week for two consecutive weeks in a newspaper of general circulation. But when the bill was being finalized, the Judicial Council made a technical change that permits self storage operators to advertise in any newspaper that circulates in the *county* where the sale is to be held located instead of the smaller *judicial district*.

The significance of this change escaped everyone's attention until a few storage operators in more populous counties realized that the change expanded their options as to the newspapers in which they could place lien advertisements. This small change in the law made the self storage lien sale advertising market more competitive and storage operators have already reported significant cost savings. Not being a fan of competition, the California Newspaper Publishers Association decided to take action.

The CNPA convinced state Senator Emmerson, the sponsor of the self storage lien reform bill, to introduce SB 279, which limits advertising to newspapers that circulate in the judicial district where the facility is located. California self storage operators are not happy about the bill, the sole purpose of which is to tighten the newspapers' grip on state mandated advertising. It is hard to justify requiring that lien sale advertisements be placed in small circulation newspapers in the internet age. We have also discovered that determining the geographic borders of judicial districts within each county is not easy. It cannot be readily found through an Internet search.

CSSA executive director Erin King has been trying to determine exactly where the judicial districts are in Los Angeles County and neither the Los Angeles

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## California Lien Bill, from page 4

Superior Court nor the *Los Angeles Times* has been able to provide this information. The SSA and California Self Storage Association are both considering active opposition to this bill.

### Legal Ads

The California issue is just one area where the newspaper lobbyists have been opposing self storage lobbying activities. It is the position of the national Self Storage Association that statutorily obligated legal advertisements during the lien process are ineffective and costly. This is particularly true given the reduction in the number of “newspapers of general circulation,” which has enabled the still-viable publications to increase advertising rates. Lien laws in Arizona, Michigan and North Carolina reduced or completely eliminated the legal advertisement publishing requirement.

In a survey commissioned by the SSA in February, more than 80 percent of self storage operators reported that delinquent tenants rarely or only sometimes find out about their lien situation through a newspaper tombstone advertisement. Other industries that deal with legal advertisements are pursuing similar changes to laws governing their sectors. For example in some states the associations that represent municipal governments are attempting the same changes. Senate Bill 97 in Colorado would have enabled governmental entities to post any required public notices on their websites instead of in newspapers.

The bill was killed by the Senate State Veterans & Military Affairs Committee on February 10 with a vote along party lines. There was also a companion bill in the House, HB1098. It allowed pretty much the same thing for governments but was more permissive than the Senate version—a lot like our bill. Opponents from the newspaper industry testified that the Republican-sponsored bills in the House and the Senate would diminish the public reach of information governments are required by law to publish. After hearing testimony in the House Local Government committee, the sponsor of the House bill agreed.

“House Bill 1098, in my opinion and in many counties’ opinions, is a bill that’s time has come,” bill sponsor Rep. Ray Scott, R-Grand Junction, said at the outset of the hearing. But in the end, Scott pulled his bill and said it needed more work. He said counties must first be better positioned to take on the responsibilities that private-sector newspapers accept when publishing financial data.

Under HB1098 counties would have been granted the discretion to publish legally required financial disclosures on their websites. Representatives of Colorado’s counties testified in favor of the bill and called it an opportunity for government to save money during lean financial times. ❖