

A Banner Legislative Year For SSA and Affiliated States

By Tim Dietz – SSA VP, Communications & Government Relations

2009 was a busy and successful legislative year for the SSA, with victories in many states that will result in tangible, bottom-line savings for self storage operators. Many of the legislative targets were considered by the SSA's Legislative Advisory Committee early in the year. The committee is made up of regular SSA members, including representatives from the largest companies, state association representatives and members of the SSA board of directors. Together they consider legislative targets each year and vote on proposals for financial support from the SSA Legislative Issues Fund.

In addition to the proactive efforts of the Advisory Committee, other advocacy was the response to legislature-derived measures that could have unnecessarily injured the industry. One example of such an ill-conceived law came out of the state of Oregon's treasurer. The burdensome provision would have required new, additional steps to sell contents of a unit in no-bid situations. Specifically, the law would have created an entire new step for operators to realize "fair market value" for property not sold at auction. Compliance for such an ambiguous regulation would have been impossible and expensive. Because Oregon does not have a state self storage association, the national SSA moved unilaterally to address the situation. Working directly with state officials, the provision was dropped and self storage businesses were given the right to dispose of the property in any reasonable manner.

Most successful activity, however, involved working directly with state associations to improve the laws that govern the industry. For the first time, the SSA recognized state leaders who helped achieve success within their respective state legislatures during the 2009 session. Eight individuals were honored September 10 during the general session of the SSA Fall Conference & Trade Show in Las Vegas.

Sales Taxes

From the Arkansas Self Storage Association, Bill Humble and Leroy Lemon were recognized for their successful efforts to win repeal of the state sales tax on self storage. This was the first-ever repeal of a tax specifically levied on self storage. The repeal will be instituted in July 2011. Over the past two years, the SSA contributed \$12,000 to this important and successful effort.

During 2010, the SSA expects to again battle sales tax legislation, specifically in Illinois, North Carolina and Georgia. The SSA feels that sales taxes on self storage are patently unfair. Imposing the tax on self storage tenants would injure the very citizens that the government should be helping to protect. The SSA has carried out extensive customer demographic research that indicates more than half of self storage consumers come from households with annual income of less than \$50,000. Half of all self storage tenants are also renting the space during a relocation period. It is also worth noting that 70 percent of long-term self storage customers have no choice but to seek outside storage space because they live in dwellings that are too small to include storage.

A sales and use tax on self storage rents is also fundamentally unfair,

because it is based upon an incorrect assumption that self storage is a service such as warehousing, moving and storage, or cold-storage businesses. It is well established that self storage is a segment of the commercial real property business. Nationally, our industry pays a total of some \$3.5 billion annually in property taxes to state and local governments. In the state of Maine alone it is estimated that self storage businesses already pay approximately \$28 million each year in property taxes.



Rhonda Hallett Pope was recognized at the SSA Fall Conference & Trade Show for her work that helped to prevent burdensome abandoned records regulations from becoming law.

See Legislative Year, page 10

Lien Laws

Arizona's Richard Marmor was responsible for one of the biggest lien law improvements this industry has ever seen. Thanks to his hard work, the advertising and notice requirements in Arizona are far less burdensome than they were last year. The national SSA also contributed \$11,000 help the Arizona SSA pay for lobbying support. North Carolina made similar improvements to its lien bill. Spearheading that campaign were Allen Massey and Bobby Mann from the NC SSA. The SSA contributed \$10,000 to help the North Carolina SSA achieve its goals.

When Utah officials proposed changes to the self storage lien law that would have required posting actual physical notices of lien at various sites near the self storage facility, Terry Bagley went to work. He helped avoid this calamity by lobbying directly in the Utah capital. Bagley was also recognized in Las Vegas for his efforts. Bagley joins the SSA board of directors in January.

Privacy

It was a busy year in Maine, where that state's SSA president, Rhonda Hallett Pope of Adams Park Self Storage, acted swiftly to prevent threatening measures related to

abandoned records within self storage facilities. Thanks to Pope, who worked closely with SSA staff and other self storage operators in her state, the original law was scrubbed in favor of a new law that the self storage industry was actually able to write.






Abandoned records legislation has also been enacted in California, although that measure resulted in no liability on the part of self storage operators. Due to the recent turmoil in the economy it is likely that many small businesses will struggle to stay solvent, while failures of companies that hold private information could result in further regulatory action by various states.

Tenant Insurance

Patrick Reilly in the state of Washington helped pass a specialty insurance licensing bill that clarified the rights of self storage operators to offer tenant insurance at the point of rent. The national SSA contributed \$10,000 to help with this effort.

The SSA has already invested significantly in specialty insurance licensing for the state of New York. Governor Paterson vetoed the measure in a controversial move during the summer. The SSA will continue to work with the NY-SSA to pursue specialty licensing in that state next year. ❖

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