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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>STBTC</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>3/3/2023</u>
<b>SHORT TITLE</b> <u>Self-Storage Lien Sale Advertisements</u>	<b>BILL NUMBER</b> <u>CS/Senate Bill 299/STBTCS</u>
	<b>ANALYST</b> <u>Gray</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

New Mexico Attorney General (NMAG)  
Administrative Office of the Courts (AOC)

## SUMMARY

### Synopsis of STBTC Substitute of Senate Bill 299

The Senate Tax, Business and Transportation Committee substitute of Senate Bill 299 amends statute related to self-storage facility liens. The bill provides:

- That a self-storage facility owner can charge and collect a late fee of \$20 or 20 percent of the monthly rent, whichever is greater; and
- That a self-storage facility owner can publish an advertisement of the sale of property on a website that customarily conducts or advertises online auctions or sales in addition to the existing option to publish advertisements in a newspaper.

SB299 also provides that a rental agreement at a self-service storage facility may specify a limit on the value of personal property that may be stored in an occupant's leased space, and that a rental agreement shall contain a space for the occupant to designate an alternative contact in order to enforce a lien pursuant to statute. The bill also provides that the owner of a self-service storage facility may provide an electronic notification advising the tenant of the ability to designate an alternative contact.

Additionally, the option has been removed that allowed a self-storage facility owner to post the advertisement at least 10 days prior to the sale in at least six consecutive places in the areas where the self-storage facility is located.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

There are no estimated fiscal impacts.

## **SIGNIFICANT ISSUES**

The bill proposes to allow that a rental agreement may limit the value of personal property that may be stored in the leased space. Analysis from the Office of the Attorney General (NMAG) notes that it is unclear how the owner of a self-service storage facility may determine the value of personal property stored in an occupant's leased space.

NMAG analysis writes:

Without more specifics or guidelines, the owner of a self-service storage facility might state a low limit for a large unit that could hurt consumers utilizing such self-service storage facilities, who may not be aware that a limit exists in their signed rental agreement.

BG/al/ne/al/ne