

BILL ANALYSIS

Senate Research Center
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S.B. 952
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the statutory regulations regarding how to conduct self-storage lien sales are similar to what they were when the statute was created in 1983. Though technology has advanced, the current Texas Property Code does not specifically address the use of online auctions as a vehicle for conducting self-storage lien sales.

Self-storage lien laws do not address online auctions as a method of sale, since the online method did not exist when these statutes were enacted. Online auctions are a current technology and self-storage operators should be able to utilize this technology without the concerns that it may or may not be a legal method of conducting a lien sale.

There are two primary advantages of online auctions by storage operators: (1) Online auctions drastically expand the audience of potential bidders, which can ultimately reduce the amount owed by a consumer towards the lien. Online lien sales are often viewed by hundreds of potential bidders. Surveys indicate that online bidders will drive up to 75 miles to pick up property purchased after a successful bid. (2) Online auctions reduce the disruptive effect that conducting in-person lien sales have on the operation of the storage facility. Site personnel can tend to the business of helping customers and renting spaces without the distraction of tending to the needs and safety of lien sale bidders.

Current Texas statute should be updated to reflect the new and available technology available to operators by specifically allowing self-storage owner/operators the opportunity to conduct lien auctions via the online method.

As proposed, S.B. 952 amends current law relating to enforcement of a lien on property in a self-service storage facility by a sale conducted through an Internet website.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 59.044, Property Code, by adding Subsection (a-1), to set forth the criteria for the place of a sale for purposes of Subsection (a)(5).

SECTION 2. Amends Section 59.045, Property Code, as follows:

Sec. 59.045. CONDUCT OF SALE. (a) Creates this subsection from existing text. Provides that a sale under this subchapter must be a public sale:

- (1) conducted at the self-service storage facility or a reasonably near public place; or
- (2) conducted through an Internet website accessible to the public.

(b) Creates this subsection from existing text and makes no further changes to the subsection.

SECTION 3. Effective date: September 1, 2017.