

California Self-Storage Lien Law Regresses to Suit Newspaper Publishers

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To the disappointment of California self-storage operators and the satisfaction of the state's newspaper publishers, Gov. Jerry Brown signed a revision to the self-storage lien law last week, reverting it to an older, less storage-friendly version.

Despite efforts by the national and California Self Storage Associations, state officials succumbed to pressure from the newspaper lobby, undoing the legislative changes achieved by the associations last year. Although Assembly Bill 655 still required self-storage operators to advertise their lien sales in a newspaper of general circulation, the law had been expanded to include any newspaper in the storage operator's county as opposed to the smaller and less clearly defined "judicial district." Senate Bill 279 reversed this modification.

According to the California Self Storage Association (CSSA), the law as it was passed last year made the lien-sale advertising market more competitive, and storage operators had begun to report significant cost savings. But the state's newspapers, suffering from declining advertising revenue, were outraged.

"We opposed SB 279 because it was not in the best interests of our members or the customers of self-storage facilities who have payment problems," said CSSA Executive Director Erin King. "The CSSA believes that limiting advertising of self-storage lien sales to newspapers of general circulation is bad public policy in the Internet age."

SB 279 puts even more limits on how self-storage lien sales can be advertised by restricting placement to the judicial district where the sale is held, King explained. By law, a judicial district is a geographical area where only 40,000 people reside. In the large coastal counties, this can be an area of just a few square blocks.

"Each day, fewer people go to newspapers to get specialized information such as where self-storage lien sales are held," King said. "Unfortunately, the California Newspaper Publishers Association is still a very powerful special-interest group and was able to use its formidable political clout to force a bill through the legislature that only serves the narrow interests of the newspaper industry."

"We believe that the newspaper monopoly on public-notice advertising will eventually be broken, but that will take time and effort by organizations like the California Self Storage Association and its members who see every day the fiscal impact that this legislatively mandated monopoly has upon small businesses and their customers across the state."

The CSSA will host a Manager Education Day on Aug. 9 in Sacramento, Calif., to teach members about legislative changes and best practices. The event will be presented by Carlos Kaslow, an attorney and the original author of the California lien-law bill. He will provide a practical explanation of the California Lien Law 21700 of the Business and Professions Code as well as a detailed focus on the significant statutory changes surrounding the passage of AB655. Event details can be found at CaliforniaSelfStorage.org.