

## **BILL ANALYSIS**

H.B. 2574  
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Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Texas Self Storage Association and self-storage facility owners have called for legislation to modify the requirement for storage unit lien sales to be advertised through a print newspaper in the applicable county. If a county does not have a newspaper, physical advertisements of the sale must be posted near the facility. However, print newspapers are no longer the only effective way to attract bidders to sale, and other methods should be permitted. H.B. 2574 seeks to give facility owners the option to access more effective methods of attracting bidders by advertising these sales from a publicly accessible website or by other commercially reasonable methods.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2574 amends the Property Code to revise notice requirements for a sale of property to enforce a self-service storage facility lien. The bill gives the lessor of such a facility the options of advertising the sale in the following manners as alternatives to publishing the notice in an applicable newspaper:

- publishing notice advertising the sale on a publicly accessible website that regularly advertises or conducts auctions of personal property; or
- giving such notice in a commercially reasonable manner.

The bill removes the requirement that a notice published in a newspaper be published once in each of two consecutive weeks.

H.B. 2574 incorporates these alternative notice options into procedures for the seizure and sale of the property accordingly and, with respect to notice given in a commercially reasonable manner, prohibits the lessor from selling the tenant's property until the 10th day after the date the notice advertising the sale is given. For purposes of advertising the sale, notice is considered to be given in a commercially reasonable manner if at least three independent bidders register for, view, or attend the sale, regardless of whether the sale is conducted at the self-service storage facility or a reasonably near public place or through a publicly accessible website.

H.B. 2574 applies only to a self-service storage facility rental agreement entered into, extended, or renewed on or after the bill's effective date.

**EFFECTIVE DATE**

September 1, 2023.