

Introduced: 1/27/86
Referred: Labor & Commerce
and Judiciary

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1 IN THE HOUSE

2 HOUSE BILL NO. 517

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the private sale and consignment
7 of works of art."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 67. ARTISTS AND WORKS OF ART.

11 Sec. 45.67.010. ARTISTS AND ART DEALER RELATIONSHIPS. (a) When
12 an artist delivers or causes to be delivered a work of art of the
13 artist's own creation to an art dealer for the purpose of sale, or
14 exhibition and sale, on a commission, fee, or other basis of compen-
15 sation, the acceptance of the work of art by the art dealer is a
16 consignment, and

17 (1) the art dealer is, with respect to the work of art, the
18 agent of the artist;

19 (2) the work of art is trust property in the hands of the
20 art dealer for the benefit of the artist; and

21 (3) proceeds from the sale of the work of art are trust
22 funds in the hands of the art dealer for the benefit of the artist.

23 (b) A work of art initially received as a consignment remains
24 trust property notwithstanding the subsequent purchase of the artwork
25 by the art dealer directly or indirectly for the art dealer's own
26 account until the consignment price due to the artist is paid in full.
27 If the work of art is resold to a bona fide third party before the
28 artist has been paid in full, the proceeds of the resale are trust
29 funds in the hands of the art dealer for the benefit of the artist to

1 the extent necessary to pay any balance still due to the artist. The
2 trusteeship continues until the fiduciary obligation of the art dealer
3 with respect to the transaction is discharged in full.

4 (c) The proceeds due to the artist from a sale or resale of the
5 work of art are not subject or subordinate to a claim, lien or
6 security interest of the art dealer's creditors. The provisions of
7 AS 45.02.326(e) apply to a work of art held by an art dealer under (a)
8 or (b) of this section.

9 Sec. 45.67.020. WAIVER. (a) A provision of a contract or
10 agreement whereby the artist waives a provision of AS 45.67.010 is
11 void except as provided in this subsection. An artist may waive the
12 provisions of AS 45.67.010(a)(3) if the waiver is clear, conspicuous,
13 and agreed to in writing by the artist. A waiver under this subsec-
14 tion is not valid with respect to the proceeds of a work of art
15 initially received as a consignment but subsequently purchased by the
16 art dealer directly or indirectly for the art dealer's own account.

17 (b) A waiver under (a) of this section may not inure to the
18 benefit of the art dealer's creditors in a manner that is inconsis-
19 tent with the artist's rights under AS 45.67.010.

20 Sec. 45.67.030. APPLICABILITY. (a) The provisions of AS 45.-
21 67.010 and 45.67.020 may not be construed to have an effect upon a
22 written or oral contract or arrangement in existence on the effective
23 date of this section, except by the mutual written consent of the
24 parties.

25 (b) The provisions of AS 45.67.010 and 45.67.020 apply notwith-
26 standing the absence of, or a conflict with, a written agreement
27 between the artist and the art dealer concerning any matter covered by
28 AS 45.67.010 and 45.67.020. In the event of a conflict between
29 AS 45.67.010 or 45.67.020 and AS 45.01 - AS 45.09 (Uniform Commercial

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1 interest of the consignor, in and to the goods;

2 (4) "creditor" has the meaning given in AS 45.01.201;

3 (5) "right of reproduction" means a right to reproduce,
4 prepare derivative works of, distribute copies of, or publicly display
5 a work of art;

6 (6) "work of art" means a painting, sculpture, drawing,
7 work of graphic art, photograph, or craft work, in any medium.