

HB

3

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES



Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3718
465-4968/4986

914 CLARK COURT
ANCHORAGE, ALASKA 99503
(907) 76-6844

MEMORANDUM

DATE: May 13, 1987

TO: Members of the Senate Labor and Commerce Committee

FROM: Max F. Gruenberg, Jr. *MAX*

RE: CSHB 3(Rules), "An Act Related to the Sale and Consignment of Art."

HB 3 is intended to protect Alaskan artists. It provides that art work delivered to an art dealer for sale constitutes a trust in the legal sense. The bill also guarantees that the right of reproduction is not transferred with the artist's transfer of the work of art itself, unless there's a specific agreement to that effect.

HB 3 is based on HB 517 which passed the House last session, but died in the Senate Rules Committee.

HB 517 was adapted from two New York statutes that were passed in 1966. These statutes are now considered model legislation in this area.

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MEMORANDUM

DATE: May 8, 1987
TO: All Representatives
FROM: Max F. Gruenberg, Jr. *MFG*
RE: C.S. for HB3 (Rules), "An Act Relating to the
Private Sale and Consignment of Works of Art."

Sectional Analysis

Sec. 1

AS 45.02.326(e) The present law protects works of art from the claims of an art dealer's creditors. This section adds language which requires that art dealers post notice that works of art are being sold on consignment so that potential creditors will be on notice that the works of art will not be subject to their claims against the art dealer.

Sec. 2

AS 45.67.010 Provides that works of art sold on consignment and the proceeds from such a sale are trust property. It also requires that the art dealer transmit the proceeds to the artist within 30 days of the sale.

AS 45.670.20 Provides that the only valid waiver of the above provisions is a waiver which is clear, conspicuous, and agreed to in writing by the artist.

AS 45.67.030 Provides that an art dealer will return an unsold work of art to the artist on demand unless otherwise agreed to in writing.

AS 45.67.040 Provides that the provisions of 45.67.010, 020 and 030 do not have an effect on contracts or arrangements in existence before the effective date of the bill unless agreed to in writing.

As 45.67.050 Provides that when a work of art is transferred by an artist, the right to reproduce the artwork remains the property of the artist unless the right is specifically transferred by a written instrument and that conversely when a right to reproduce or publicly display a work of art is transferred by an artist the work of art remains the property of the artist unless specifically transferred in a written instrument.

AS 45.67.100 Defines for the purposes of the bill the terms artist, art dealer, consignment, creditor, right of reproduction and work of art.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: HB 3
Publish Date: HOUSE 2/13/87

Revision Date: _____

Agency Affected: Department of Law
BRU: Legal Services

Title: "An Act relating to the private sale and consignment of works of art."

Sponsor: Repr. Gruenberg

Components: Operations

Requestor: House Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director

Phone: 465-3672

Division: Administrative Services

Date: 1/21/87

Ronald W. Lorensen

Approved by Commissioner: Acting Attorney General

Date: 1/21/87

Agency: Department of Law

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

No. 1

For Bill/Resolution No. HB 3

2/13/87

This bill sets out some of the property rights of artists, providing for the sale and consignment of works of art under Title 45. The bill, which adds a new Chapter to this Title, does not contain penalty provisions. Any disputes arising from the provisions of the bill would be civil matters between private parties and would not involve the Department of Law.