

CHAPTER 324

CONSIGNMENT OF WORKS OF ART

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324.01 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 324.01 to 324.05, the following terms have the meanings given them.

Subd. 2. **Artist.** "Artist" means the creator of a work of art or, if he or she is deceased, that person's heirs or personal representatives.

Subd. 3. **Art.** "Art" means a painting, sculpture, drawing, work of graphic art, photograph, weaving, or work of craft art.

Subd. 4. **Art dealer.** "Art dealer" means a person engaged in the business of selling works of art, other than a person exclusively engaged in the business of selling goods at public auction.

Subd. 5. **Person.** "Person" means an individual, partnership, corporation, association, or other group, however organized.

Subd. 6. **Consignment.** "Consignment" means the delivery of possession of an art work by an artist to an art dealer by which no title to, estate in, or right to possession of, art, superior to that of the artist vests in the art dealer, notwithstanding the art dealer's power or authority to transfer and convey to a third person all of the right, title, and interest of the artist in and to that work of art.

History: 1983 c 165 s 1

324.02 DELIVERY TO AND ACCEPTANCE BY ART DEALER.

Notwithstanding any custom, practice, or usage of the trade to the contrary, if an artist delivers or causes to be delivered a work of art of the artist's own creation to an art dealer in this state for the purpose of exhibition or sale, or both, on a commission, fee, or other basis of compensation, the delivery to and acceptance of the work of art by the art dealer constitutes a consignment, unless the delivery to the art dealer is pursuant to an outright sale for which the artist receives or has received full compensation for the work of fine art upon delivery.

History: 1983 c 165 s 2

324.03 RESULTS OF CONSIGNMENT; ARTIST-ART DEALER RELATIONSHIPS.

A consignment of a work of fine art results in all of the following:

(1) the art dealer, after delivery of the work of art, is an agent of the artist for the purpose of sale or exhibition of the consigned work of art within the state of Minnesota;

(2) the work of art is property held in trust by the consignee for the benefit of the consignor and is not subject to claim by a creditor of the consignee;

(3) the consignee is responsible for the loss of, or damage to, the work of art; and

(4) the proceeds from the sale of the work of art must be held in trust by the consignee for the benefit of the consignor. The proceeds must first be applied to

pay any balance due to the consignor, unless the consignor expressly agrees otherwise in writing.

History: 1983 c 165 s 3

324.04 TRUST PROPERTY.

A work of art received as a consignment remains trust property until the consignor has been paid in full, notwithstanding the subsequent purchase of it by the consignee directly or indirectly for the consignee's own account. If the work is thereafter resold to a bona fide purchaser before the consignor has been paid in full, the proceeds of the resale received by the consignee constitute funds held in trust for the benefit of the consignor to the extent necessary to pay any balance still due to the consignor. The trusteeship continues until the fiduciary obligation of the consignee with respect to this transaction is discharged in full.

History: 1983 c 165 s 4

324.05 APPLICATION.

Sections 324.01 to 324.05 do not apply to a written contract executed prior to August 1, 1983, unless either the parties agree by mutual consent that sections 324.01 to 324.05 apply, or the contract is extended or renewed after August 1, 1983.

The provisions of sections 324.01 to 324.05 prevail over any conflicting or inconsistent provisions of chapter 336 affecting the subject matter of these sections.

History: 1983 c 165 s 5