

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 245.73, subdivision 2, is amended to read:

Subd. 2. **APPLICATION; CRITERIA.** County boards may submit an application and budget for use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. ~~The commissioner shall give first priority to for residential facilities for adult mentally ill persons operating as of July 1, 1980, to meet licensing requirements of the commissioner pursuant to sections 245.781 to 245.813 245.812.~~ Funds shall not be used to supplant or reduce local, state, or federal expenditure levels supporting existing resources unless the reduction in available moneys is the result of a state or federal decision not to refund an existing program. State funds received by a county pursuant to this section shall be used only for direct service costs. Both direct service and other costs, including but not limited to renovation, construction or rent of buildings, purchase or lease of vehicles or equipment as required for licensure as a facility for adult mentally ill persons under sections 245.781 to 245.812, may be paid out of the matching funds required under subdivision 3. Neither the state funds nor the matching funds shall be used for room and board costs.

Approved May 18, 1983

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CHAPTER 165 — H.F.No. 584

*An act relating to commerce; regulating the consignment of works of art; specifying the rights and duties of consignors and consignees; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [324.01] **DEFINITIONS.**

Subdivision 1. SCOPE. For the purposes of sections 1 to 5, 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.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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.

**Sec. 2. [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.

**Sec. 3. [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.

**Sec. 4. [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

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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.

Sec. 5. [324.05] APPLICATION.

Sections 1 to 5 do not apply to a written contract executed prior to August 1, 1983, unless either the parties agree by mutual consent that sections 1 to 5 apply, or the contract is extended or renewed after August 1, 1983.

The provisions of sections 1 to 5 prevail over any conflicting or inconsistent provisions of chapter 336 affecting the subject matter of these sections.

Approved May 18, 1983

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CHAPTER 166 — H.F.No. 605

*An act relating to education; requiring the higher education coordinating board to report its recommendations concerning credit transferability and institutional and program requirements; requiring reports to the legislature; providing that students shall be entitled to complete programs according to requirements as of the time the student began the program; amending Minnesota Statutes 1982, section 136A.042; proposing new law coded in Minnesota Statutes, chapter 136A.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 136A.042, is amended to read:

136A.042 CREDIT TRANSFERABILITY.

The higher education coordinating board shall recommend to the various ~~post-secondary and higher education systems~~ and to the legislature, after consultation with the state board for vocational education, community college board, state university board, and the regents of the University of Minnesota, measures which will ~~increase~~ facilitate transferability of credits between the institutions ~~and among the systems~~, which will improve student awareness of the credit transfer policies of each system or institution, and which will cause student transcripts to reflect credits earned at other post-secondary and higher education institutions. The higher education coordinating board is directed to encourage communications among faculty, staff and students at the various institutions in order to accomplish the purposes of this section. The higher education coordinating board shall report the measures recommended by it by January 15, 1984.

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