

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Bonamici, Dingfelder, Kruse, Whitsett, Prozanski
Nays:	0
Exc.:	0
Prepared By:	Cheyenne Ross, Counsel
Meeting Dates:	5/12

WHAT THE MEASURE DOES: Protects consignor’s art work or consignor’s portion of proceeds from sale of same, from creditor’s claims against consignee. Inserts reference to art law provisions that are subject of this measure into Oregon’s Uniform Commercial Code. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Corrective change
- Consistency of terms throughout
- Repeal of section now preempted by federal copyright law
- Definition of “fine art” at ORS 359.200(6)

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 2708 A comes from the Oregon Law Commission in response to an opinion in a New York case that pointed out an error in Oregon law. In deciding *Zucker v. Hirschl & Adler Galleries, Inc.*, 170 Misc.2d 426 (1996), the New York court surveyed existing laws in other states, including Oregon, and discovered the error. As currently written, Oregon’s law protects an artist’s work not only from a gallery’s creditors, as intended, but from the artist’s creditors as well. House Bill 2708 A corrects this over-protection to allow an artist’s creditors to reach art work to satisfy an artist’s debt, but not a gallery’s creditors to satisfy a gallery debt.