

365.865 Work of art consigned remains trust property until payment received by consignor.

A work of fine art received as a consignment shall remain trust property, notwithstanding the subsequent purchase thereof by the consignee directly or indirectly for the consignee's own account until the price is paid in full to the consignor or upon agreement to an installment sales contract. If an installment sales contract has not been agreed to and such 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 shall constitute funds held in trust for the benefit of the consignor to the extent necessary to pay any balance still due to the consignor and such trusteeship shall continue until the fiduciary obligation of the consignee with respect to such transaction is discharged in full.

Effective: July 15, 1986

History: Created 1986 Ky. Acts ch. 136, sec. 4, effective July 15, 1986.