SENATE BILL NO. 109

INTRODUCED BY FULLER, ERNST, SPAETH, J. BROWN, TVEIT

BY REQUEST OF THE MONTANA HISTORICAL SOCIETY

IN THE SENATE

January 15, 1985	Introduced and referred to Committee on Education and Cultural Resources.
February 14, 1985	Committee recommend bill do pass as amended. Report adopted.
February 15, 1985	Bill printed and placed on members' desks.
February 16, 1985	Second reading, do pass.
February 18, 1985	Considered correctly engrossed.
February 19, 1985	Third reading, passed. Ayes, 45; Noes, 0.
	Transmitted to House.
IN THE HO	DUSE
February 27, 1985	Introduced and referred to Committee on Education and Cultural Resources.
March 9, 1985	Committee recommend bill be concurred in as amended. Report adopted.
March 12, 1985	Motion pass consideration.
March 13, 1985	Second reading, pass consideration.

March	14,	1985			Second reading, concurred in as amended.
March	16,	1985			Third reading, concurred in.
					Returned to Senate with amendments.
			IN	THE SI	ENATE
March	16,	1985			Received from House.
March	21,	1985			Second reading, amendments not concurred in. Ayes, 47; Noes, 0.
March	25,	1985			On motion, Conference Committee requested and appointed.
April	16,	1985			Conference Committee reported.
					Conference Committee report adopted by House.
April	17,	1985			Second reading, Conference Committee report adopted.
April	18,	1985			Third reading, Conference Committee report adopted.
					Sent to enrolling.
					Reported correctly enrolled.

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Denste BILL NO. 109 1 INTRODUCED BY 2 BY REQUEST OF THE MONTANA HISTORICAL SOCIETY 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LENDERS TO 5 NOTIFY MUSEUMS OF CHANGES OF ADDRESS AND TRANSFERS OF 6 OWNERSHIP OF LOANED PROPERTY: ESTABLISHING A PROCEDURE FOR 7 LENDERS TO PRESERVE THEIR INTERESTS IN PROPERTY LOANED TO A ß MUSEUM; AND VESTING TITLE TO UNCLAIMED PROPERTY IN THE 9 10 MUSEUM THAT HOLDS IT."

11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Short title. This part may be cited as the14 "Museum Loan Act".

Section 2. Purpose. The people of Montana have an 15 16 interest in preserving and protecting objects of scientific, 17 historic, artistic, or cultural value and making them 18 accessible to the public. The purpose of this part is to 19 serve this interest by establishing a uniform procedure for 20 lenders to preserve their interests in property loaned to 21 museums; to require lenders to notify museums of changes of 22 address and transfers of ownership of loaned property; and 23 to vest title to unclaimed property in the museum that holds 24 it.

25 Section 3. Definitions. As used in this part, the



1 following definitions apply:

2 (1) "Loan" means a deposit of property not accompanied3 by a transfer of title to the property.

4 (2) "Museum" means an institution located in Montana 5 and operated by a nonprofit corporation or a public agency 6 primarily for educational, scientific, or aesthetic 7 purposes, and that owns, borrows, or cares for and exhibits, 8 studies, or catalogs property.

9 (3) "Property" includes any tangible object, animate 10 or inanimate, that has intrinsic historic, artistic, 11 scientific, or cultural value.

12 Section 4. Loans for an indefinite term. (1) If a 13 museum accepts a loan of property for an indefinite term or 14 for a term longer than 7 years, the museum must inform the 15 lender in writing at the time of the loan of the provisions 16 of this part.

17 (2) For the purposes of this part, a loan for a
18 specified term becomes a loan for an indefinite term if the
19 property remains in the custody of the museum after the
20 specified term expires.

Section 5. Manner of giving notice to lender. When the provisions of this part require a museum to give notice to a lender, the museum is considered to have given notice if the museum mails the notice to the lender at the lender's address and proof of receipt is received by the museum

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1 within 30 days from the date the notice was mailed. If the 2 museum does not have a current address for the lender or if 3 proof of receipt is not received by the museum, notice is 4 considered given if the museum publishes it at least once a 5 week for 3 consecutive weeks in a newspaper of general 6 circulation in both the county in which the museum is 7 located and the county of the lender's most recent address 8 as shown on the museum's records.

9 Section 6. Notice of intent to preserve interest. 10 (1) The owner of property on loan to a museum may file with 11 the museum a notice of intent to preserve an interest in the 12 property. This notice must be in writing, must contain a 13 description of the property adequate to enable the museum to 14 identify the property, and must be accompanied by documentation sufficient to establish the claimant as owner 15 of the property. 16

17 (2) The filing of a notice of intent to preserve an 18 interest in property on loan to a museum does not validate 19 or make enforceable any claim that would be extinguished 20 under the terms of a written loan agreement or that would 21 otherwise be invalid or unenforceable.

(3) (a) Unless the loaned property is returned to the
claimant, the museum shall retain for not less than 25 years
the original or an accurate copy of any notice filed by a
claimant under this section.

1 (b) The museum need not retain a notice that does not 2 meet the requirements set forth in subsection (1). If the 3 museum does not intend to retain a notice, the museum shall 4 promptly notify the claimant at the address given on the 5 notice that it believes the notice is not effective to 6 preserve an interest and stating the reasons for this 7 belief.

8 (c) The fact that the museum retains a notice may not
9 be construed to mean that the notice is sufficient or
10 accurate or that it is effective to preserve an interest in
11 property on loan to the museum.

12 (4) A notice of intent to preserve an interest in 13 property on loan to a museum satisfies the requirements of 14 subsection (1) if it is in substantially the following form 15 and contains the information and attachments described:

NOTICE TO PRESERVE AN INTEREST IN PROPERTY

16

17

ON LOAN TO A MUSEUM

18 Name of Museum_____ Date_____ 19 Claimant's Name_____ 20 Address 21 (street address; city; state; zip code) 22 Telephone _____ 23 Date Property Loaned Description of Property_____ 24 25

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1	
2	Documentation of ownership check the appropriate box:
3	Legible copy of original loan receipt attached
4	Other documentation attached
5	If you are not the original lender, describe the origin
6	of your interest in the property and attach a copy of any
7	document that creates your interest:
8	
9	
10	
11	I understand that I must promptly notify the museum in
12	writing of any change of address or change in ownership of
13	the loaned property.
14	I declare under penalty of false swearing that to the
15	best of my knowledge the information contained in this
16	notice is true.
17	SIGNED
18	(claimant)
19	OR I declare under penalty of false swearing that I am
20	authorized to act on behalf of the claimant and am informed
21	and believe that the information contained in this notice is
22	true.
23	SIGNED
24	(claimant's representative)
25	Section 7. Notice of change of address or transfer of

ownership. The owner of property on loan to a museum shall
 notify the museum promptly in writing of any change of
 address or change in ownership of the property. Failure to
 notify the museum of these changes may result in the owner's
 loss of rights in the property.

6 Section 8. Conservation or disposal of loaned 7 property. (1) Unless there is a written loan agreement to the contrary, a museum may apply conservation measures to or 8 9 dispose of property on loan to the museum without the lender's permission if immediate action is required to 10 protect the property on loan or other property in the 11 12 custody of the museum or if the property on loan has become 13 a hazard to the health and safety of the public or the 14 museum staff and:

15 (a) the museum is unable to reach the lender at the 16 lender's last address of record; or

17 (b) the lender will not agree to the protective
18 measures the museum recommends, yet is unwilling or unable
19 to terminate the loan and retrieve the property.

20 (2) If a museum applies conservation measures to or
21 disposes of property under the provisions of this section,
22 the museum:

(a) has a lien on the property and on the proceeds of
any disposition thereof for the costs incurred by the
museum; and

1 (b) is not liable for injury to or loss of the 2 property if it:

3 (i) had a reasonable belief at the time the action was 4 taken that the action was necessary to protect the property 5 on loan or other property in the custody of the museum or 6 that the property on loan was a hazard to the health and 7 safety of the public or the museum staff; and

8 (ii) exercised reasonable care in the choice and 9 application of conservation measures.

10 Section 9. Notice of injury or loss. (1) A museum 11 shall give a lender prompt notice of any known injury to or 12 loss of property on loan.

13 (2) A notice of injury or loss must contain the 14 lender's name, the lender's most recent address as shown on the museum's records, the date of the loan, and the name, 15 address, and telephone number of the appropriate office or 16 official to be contacted at the museum for information 17 18 regarding the loan.

19 (3) If the museum is unable to give the lender the 20 notice required by this section by mail, the museum shall 21 publish the notice as provided in [section 5] and in 22 addition shall include a statement containing substantially 23 the following information:

24 The records of _____

25

(name of museum)

to notify it in writing of a change of address or ownership 2 may result in the loss of rights in the loaned property. 3 4 See [section 7], MCA.

indicate that you have property on loan to it. Your failure

Section 10. Notice of intent to terminate loan. A 5 museum may give the lender notice of its intent to terminate 6 a loan made for an indefinite term or for a term longer than 7 7 years. A notice of intent to terminate a loan must include 8 the lender's name, the lender's most recent address as shown 9 on the museum's records, the date of the loan, and the name, 10 address, and telephone number of the appropriate office or 11 official to be contacted at the museum for information 12 regarding the loan. In addition, it must include a 13 following statement containing substantially the 14 15 information:

The records of 16

1

17

(name of museum)

indicate that you have property on loan to it. The 18 institution wishes to terminate the loan. You must contact 19 the institution, establish your ownership of the property, 20 and make arrangements to collect the property. If you fail 21 to do so promptly, you will be considered to have donated 22 the property to the institution. See [section 4], MCA. 23

Section 11. Limitation on action against the museum. 24 (1) No action may be brought against a museum for damages 25

because of injury to or loss of property loaned to the 1 2 museum more than 3 years from the date the museum gives the lender notice of the injury or loss or 10 years from the 3 date of the injury or loss, whichever occurs earlier. 4

5 (2) No action may be brought against a museum to recover property on loan if more than 3 years have passed 6 7 from the date the museum gave the lender notice of its 8 intent to terminate the loan as provided in [section 10].

(3) No action may be brought against a museum to 9 10 recover property on loan if more than 25 years have passed 11 from the date of the last written contact between the lender and the museum, as evidenced in the museum's records. 12

13 (4) A lender is considered to have donated loaned 14 property to the museum if the lender fails to file an action to recover the property on loan to the museum within the 15 periods specified in subsections (1) through (3). 16

17 (5) A person who purchases property from a museum acquires good title to the property if the museum represents 18 that it has acquired title to the property pursuant to 19 20 subsection (4).

(6) Notwithstanding subsections (3) and (4), a lender 21 22 who was not given notice that the museum intended to 23 terminate a loan and who proves that the museum received a notice of intent to preserve an interest in loaned property 24 within the 25 years immediately preceding the filing of an 25

action to recover the property may recover the property or, 1 if the property has been disposed of, the reasonable value 2 of the property at the time it was disposed of plus interest 3 4 at 5% a year.

5 Section 12. Uniform Unclaimed Property Act superseded. The provisions of [this part] supersede the provisions of б Title 70, chapter 9, parts 1 through 3, except that at its 7 option a museum may report property that has been on loan 8 unclaimed by its owner for more than 7 years to the 9 department of revenue for disposition as provided in Title 10 11 70, chapter 9, part 3. 12 Section 13. Codification instruction. (1) Sections 1

through 12 are intended to be codified as a separate part in 13 14 Title 22, chapter 3.

15 (2) Section 12 is also intended to be codified as an

integral part of Title 70, chapter 9, parts 1 through 3, 16

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49th Legislature

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APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

1	SENATE BILL NO. 109
2	INTRODUCED BY FULLER, ERNST, SPAETH, J. BROWN, TYEIT
3	BY REQUEST OF THE MONTANA HISTORICAL SOCIETY
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LENDERS TO
6	NOTIFY MUSEUMS OF CHANGES OF ADDRESS AND TRANSFERS OF
7	OWNERSHIP OF LOANED PROPERTY; ESTABLISHING A PROCEDURE FOR
8	LENDERS TO PRESERVE THEIR INTERESTS IN PROPERTY LOANED TO A
9.	MUSEUM; AND VESTING TITLE TO UNCLAIMED PROPERTY IN THE
10	MUSEUM THAT HOLDS IT."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Short title. This part may be cited as the
14	"Museum Loan Act".
15	Section 2. Purpose. The people of Montana have an
16	interest in preserving and protecting objects of scientific,
17	historic, artistic, or cultural value and making them
18	accessible to the public. The purpose of this part is to
19	serve this interest by establishing a uniform procedure for
20	lenders to preserve their interests in property loaned to
21	museums; to require lenders to notify museums of changes of
22	address and transfers of cwnership of loaned property; and
23	to vest title to unclaimed property in the museum that holds
24	it.

25 Section 3. Definitions. As used in this part, the



1 following definitions apply:

2 (1) "Loan" means a deposit of property not accompanied3 by a transfer of title to the property.

4 (2) "Museum" means an institution located in Montana 5 and operated by a nonprofit corporation or a public agency 6 primarily for educational, scientific, or aesthetic 7 purposes, and that owns, borrows, or cares for and exhibits, 8 studies, or catalogs property.

9 (3) "Property" includes any tangible object, animate 10 or inanimate, that has intrinsic historic, artistic, 11 scientific, or cultural value.

12 Section 4. Loans for an indefinite term. (1) If a 13 museum accepts a loan of property for an indefinite term or 14 for a term longer than 7 years, the museum must inform the 15 lender in writing at the time of the loan of the provisions 16 of this part.

17 (2) For the purposes of this part, a loan for a
18 specified term becomes a loan for an indefinite term if the
19 property remains in the custody of the museum after the
20 specified term expires.

21 Section 5. Manner of giving notice to lender. When the 22 provisions of this part require a museum to give notice to a 23 lender, the museum is considered to have given notice if the 24 museum mails the notice to the lender at the lender's 25 address and proof of receipt is received by the museum

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1 within 30 days from the date the notice was mailed. If the 2 museum does not have a current address for the lender or if proof of receipt is not received by the museum, notice is 3 considered given if the museum publishes it at least once a 4 week for 3 consecutive weeks in a newspaper of general 5 circulation in both the county in which the museum is 6 7 located and the county of the lender's most recent address 8 as shown on the museum's records.

Section 6. Notice of intent to preserve interest. 9 10 (1) The owner of property on loan to a museum may file with the museum a notice of intent to preserve an interest in the 11 property. This notice must be in writing, must contain a 12 description of the property adequate to enable the museum to 13 14 identify the property, and must be accompanied by 15 documentation sufficient to establish the claimant as owner 16 of the property.

17 (2) The filing of a notice of intent to preserve an 18 interest in property on loan to a museum does not validate 19 or make enforceable any claim that would be extinguished 20 under the terms of a written loan agreement or that would 21 otherwise be invalid or unenforceable.

(3) (a) Unless the loaned property is returned to the
claimant, the museum shall retain for not less than 25 years
the original or an accurate copy of any notice filed by a
claimant under this section.

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1 fbt--The--museum-need-not-retain-a-notice-that-does-not 2 meet-the-requirements-set-forth-in-subsection--(1)---If--the 3 museum--does-not-intend-to-retain-e-notice;-the-museum-shait 4 promptiv-notify-the-claimant-at-the--address--given--on--the 5 notice--that--it--believes--the--notice--is-not-effective-to preserve-an--interest--and--stating--the--reasons--for--this б 7 belieffc (B) The fact that the museum retains a notice may 8 9 not be construed to mean that the notice is sufficient or accurate or that it is effective to preserve an interest in 10 property on loan to the museum. 11 12 (4) A notice of intent to preserve an interest in property on loan to a museum satisfies the requirements of 13 14 subsection (1) if it is in substantially the following form and contains the information and attachments described: 15 NOTICE TO PRESERVE AN INTEREST IN PROPERTY 16 ON LOAN TO A MUSEUM 17 Name of Museum_____ Date_____ 18 19 Claimant's Name_____ 20 Address 21 (street address; city; state; zip code) 22 Telephone_____ Date Property Loaned______ 23 Description of Property_____ 24

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2	Documentation of ownership check the appropriate box:
3	Legible copy of original loan receipt attached
4	Other documentation attached
5	If you are not the original lender, describe the origin
6	of your interest in the property and attach a copy of any
7	document that creates your interest:
8	
9	
10	
11	I understand that I must promptly notify the museum in
12	writing of any change of address or change in ownership of
13	the loaned property.
14	I declare under penalty of false swearing that to the
15	best of my knowledge the information contained in this
16	notice is true.
17	SIGNED
18	(claimant)
19	OR I declare under penalty of false swearing that I am
20	authorized to act on behalf of the claimant and am informed
21	and believe that the information contained in this notice is
22	true.
23	SIGNED
24	(claimant's representative)
25	Section 7. Notice of change of address or transfer of

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1 ownership. The owner of property on loan to a museum shall notify the museum promptly in writing of any change of 2 3 address or change in ownership of the property. Pailure-to 4 notify-the-museum-of-these-changes-may-result-in-the-owner+s 5 loss-of-rights-in-the-propertyб Section 8. Conservation or disposal of loaned 7 property. (1) Unless there is a written loan agreement to the contrary, a museum may apply conservation measures to or 8 dispose of property on loan to the museum without the 9 10 lender's permission if immediate action is required to 11 protect the property on loan or other property in the 12 custody of the museum or if the property on loan has become 13 a hazard to the health and safety of the public or the 14 museum staff and: 15 (a) the museum is unable to reach the lender at the lender's last address of record; or 16 (b) the lender will not agree to the protective 17 measures the museum recommends, yet is unwilling or unable 18 to terminate the loan and retrieve the property. 19 20 (2) If a museum applies conservation measures to or 21 disposes of property under the provisions of this section, 22 the museum: (a) has a lien on the property and on the proceeds of 23 24 any disposition thereof for the costs incurred by the 25 museum; and

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1 (b) is not liable for injury to or loss of the 2 property if it:

3 (i) had a reasonable belief at the time the action was 4 taken that the action was necessary to protect the property 5 on loan or other property in the custody of the museum or 6 that the property on loan was a hazard to the health and 7 safety of the public or the museum staff; and

8 (ii) exercised reasonable care in the choice and9 application of conservation measures.

Section 9. Notice of injury or loss. (1) A museum shall give a lender prompt notice of any known injury to or loss of property on loan.

13 (2) A notice of injury or loss must contain the lender's name, the lender's most recent address as shown on the museum's records, the date of the loan, and the name, address, and telephone number of the appropriate office or official to be contacted at the museum for information regarding the loan.

19 (3) If the museum is unable to give the lender the
20 notice required by this section by mail, the museum shall
21 publish the notice as provided in [section 5] and in
22 addition shall include a statement containing substantially
23 the following information:

24

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indicate that you have property on loan to it. Your failure
 to notify it in writing of a change of address or ownership
 may result in the loss of rights in the loaned property.
 See [section 7], MCA.

5 Section 10. Notice of intent to terminate loan. A museum may give the lender notice of its intent to terminate б 7 a loan made for an indefinite term or for a term longer than 8 7 years. A notice of intent to terminate a loan must include 9 the lender's name, the lender's most recent address as shown on the museum's records, the date of the loan, and the name, 10 11 address, and telephone number of the appropriate office or 12 official to be contacted at the museum for information 13 regarding the loan. In addition, it must include a statement containing substantially the following 14 information: 15

16 The records of _____

17

(name of museum)

18 indicate that you have property on loan to it. The 19 institution wishes to terminate the loan. You must contact 20 the institution, establish your ownership of the property, 21 and make arrangements to collect the property. If you fail 22 to do so promptly, you will be considered to have donated 23 the property to the institution. See [section 4], MCA. 24 Section 11. Limitation on action against the museum.

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because of injury to or loss of property loaned to the
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 date of the injury or loss, whichever occurs earlier.

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9 (3) No action may be brought against a museum to 10 recover property on loan if more than 25 years have passed 11 from the date of the last written contact between the lender 12 and the museum, as evidenced in the museum's records.

(4) A lender is considered to have donated loaned
property to the museum if the lender fails to file an action
to recover the property on loan to the museum within the
periods specified in subsections (1) through (3).

17 (5) A person who purchases property from a museum
18 acquires good title to the property if the museum represents
19 that--it has acquired title to the property pursuant to
20 subsection (4).

21 (6) Notwithstanding subsections (3) and (4), a lender
22 who was not given notice that the museum intended to
23 terminate a loan and who proves that the museum received a
24 notice of intent to preserve an interest in loaned property
25 within the 25 years immediately preceding the filing of an

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action to recover the property may recover the property or, if the property has been disposed of, the reasonable value of the property at the time it was disposed of plus interest at 5% 10% a year.

5 Section 12. Uniform Unclaimed Property Act superseded. 6 The provisions of [this part] supersede the provisions of 7 Title 70, chapter 9, parts 1 through 3, except that at its 8 option a museum may report property that has been on loan 9 unclaimed by its owner for more than 7 years to the 10 department of revenue for disposition as provided in Title 11 70, chapter 9, part 3.

Section 13. Codification instruction. (1) Sections 1
 through 12 are intended to be codified as a separate part in

14 Title 22, chapter 3.

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15 (2) Section 12 is also intended to be codified as an

16 integral part of Title 70, chapter 9, parts 1 through 3.

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1 SENATE BILL NO. 109 2 INTRODUCED BY FULLER, ERNST, SPAETH, J. BROWN, TVEIT 3 BY REQUEST OF THE MONTANA HISTORICAL SOCIETY 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LENDERS TO 5 6 NOTIFY MUSEUMS OF CHANGES OF ADDRESS AND TRANSFERS OF OWNERSHIP OF LOANED PROPERTY: ESTABLISHING A PROCEDURE FOR 7 LENDERS TO PRESERVE THEIR INTERESTS IN PROPERTY LOANED TO A A 9 MUSEUM: AND VESTING TITLE TO UNCLAIMED PROPERTY IN THE 10 MUSEUM THAT HOLDS IT." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 Section 1. Short title. This part may be cited as the 14 "Museum Loan Act". 15 Section 2. Purpose. The people of Montana have an 16 interest in preserving and protecting objects of scientific, 17 historic, artistic, or cultural value and making them 18 accessible to the public. The purpose of this part is to serve this interest by establishing a uniform procedure for 19 20 lenders to preserve their interests in property loaned to 21 museums; to require lenders to notify museums of changes of 22 address and transfers of ownership of loaned property; and 23 to vest title to unclaimed property in the museum that holds 24 it.

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Nontana Legislative Counci

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3 by a transfer of title to the property.

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17 (2) For the purposes of this part, a loan for a
18 specified term becomes a loan for an indefinite term if the
19 property remains in the custody of the museum after the
20 specified term expires.

21 Section 5. Manner of giving notice to lender. When the 22 provisions of this part require a museum to give notice to a 23 lender, the museum is considered to have given notice if the 24 museum mails the notice to the lender at the lender's 25 address and proof of receipt is received by the museum

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19 or make enforceable any claim that would be extinguished
20 under the terms of a written loan agreement or that would
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claimant, the museum shall retain for not less than 25 years
the original or an accurate copy of any notice filed by a
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1 fbt--The--museum-meed-mot-retain-a-motice-that-does-not 2 meet-the-requirements-set-forth-in-subsection--fit---If--the 3 museum--does-not-intend-to-retain-a-noticer-the-museum-shail 4 promptly-notify-the-claimant-at-the--address--aiven--on--the 5 notice--that--it--believes--the--notice--is-not-effective-to 6 preserve-an--interest--and--stating--the--reasons--for--this 7 belief. 8 (c)(B) The fact that the museum retains a notice may 9 not be construed to mean that the notice is sufficient or 10 accurate or that it is effective to preserve an interest in 11 property on loan to the museum. 12 (4) A notice of intent to preserve an interest in 13 property on loan to a museum satisfies the requirements of 14 subsection (1) if it is in substantially the following form 15 and contains the information and attachments described: 16 NOTICE TO PRESERVE AN INTEREST IN PROPERTY 17 ON LOAN TO A MUSEUM 18 Name of Museum_____ Date_____ 19 Claimant's Name_____ 20 Address 21 (street address; city; state; zip code) 22 Telephone _____ Date Property Loaned______ 23 Description of Property_____ 24 25

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1	······································
2	Documentation of ownership check the appropriate box:
3	Legible copy of original loan receipt attached
4	Other documentation attached
5	If you are not the original lender, describe the origin
6	of your interest in the property and attach a copy of any
7	document that creates your interest:
8	
9	
10	
11	I understand that I must promptly notify the museum in
12	writing of any change of address or change in ownership of
13	the loaned property.
14	I declare under penalty of false swearing that to the
15	best of my knowledge the information contained in this
16	notice is true.
17	SIGNED
18	(claimant)
19	OR I declare under penalty of false swearing that I $$ am
20	authorized to act on behalf of the claimant and am informed
21	and believe that the information contained in this notice is
22	true.
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24	(claimant's representative)
25	Section 7. Notice of change of address or transfer of

1 ownership. The owner of property on loan to a museum shall 2 notify the museum promptly in writing of any change of 3 address or change in ownership of the property. Pailure-to 4 notify-the-museum-of-these-changes-may-result-in-the-owner+s 5 loss-of-rights-in-the-property-6 Section 8. Conservation or disposal of loaned 7 property. (1) Unless there is a written loan agreement to 8 the contrary, a museum may apply conservation measures to or 9 dispose of property on loan to the museum without the 10 lender's permission if immediate action is required to protect the property on loan or other property in the 11 12 custody of the museum or if the property on loan has become 13 a hazard to the health and safety of the public or the 14 museum staff and: 15 (a) the museum is unable to reach the lender at the 16 lender's last address of record; or 17 (b) the lender will not agree to the protective 18 measures the museum recommends, yet is unwilling or unable 19 to terminate the loan and retrieve the property. 20 (2) If a museum applies conservation measures to or 21 disposes of property under the provisions of this section, 22 the museum: (a) has a lien on the property and on the proceeds of 23 any disposition thereof for the costs incurred by the 24 25 museum; and

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1 (b) is not liable for injury to or loss of the 2 property if it:

3 (i) had a reasonable belief at the time the action was 4 taken that the action was necessary to protect the property 5 on loan or other property in the custody of the museum or 6 that the property on loan was a hazard to the health and 7 safety of the public or the museum staff; and

8 (ii) exercised reasonable care in the choice and9 application of conservation measures.

Section 9. Notice of injury or loss. (1) A museum
 shall give a lender prompt notice of any known injury to or
 loss of property on loan.

(2) A notice of injury or loss must contain the
lender's name, the lender's most recent address as shown on
the museum's records, the date of the loan, and the name,
address, and telephone number of the appropriate office or
official to be contacted at the museum for information
regarding the loan.

19 (3) If the museum is unable to give the lender the
20 notice required by this section by mail, the museum shall
21 publish the notice as provided in [section 5] and in
22 addition shall include a statement containing substantially
23 the following information:

The records of

24 25

(name of museum)

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indicate that you have property on loan to it. Your failure
 to notify it in writing of a change of address or ownership
 may result in the loss of rights in the loaned property.
 See (section 7), MCA.

5 Section 10. Notice of intent to terminate loan. A б museum may give the lender notice of its intent to terminate 7 a loan made for an indefinite term or for a term longer than 8 7 years. A notice of intent to terminate a loan must include 9 the lender's name, the lender's most recent address as shown 10 on the museum's records, the date of the loan, and the name, 11 address, and telephone number of the appropriate office or 12 official to be contacted at the museum for information 13 regarding the loan. In addition, it must include a 14 statement containing substantially the following 15 information:

The records of _____

16

17

(name of museum)

18 indicate that you have property on loan to it. The
19 institution wishes to terminate the loan. You must contact
20 the institution, establish your ownership of the property,
21 and make arrangements to collect the property. If you fail
22 to do so promptly, you will be considered to have donated
23 the property to the institution. See [section 4], MCA.

24 Section 11. Limitation on action against the museum.25 (1) No action may be brought against a museum for damages

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because of injury to or loss of property loaned to the
 museum more than 3 years from the date the museum gives the
 lender notice of the injury or loss or 10 years from the
 date of the injury or loss, whichever occurs earlier.

5 (2) No action may be brought against a museum to 6 recover property on loan if more than 3 years have passed 7 from the date the museum gave the lender notice of its 8 intent to terminate the loan as provided in (section 10).

9 (3) No action may be brought against a museum to 10 recover property on loan if more than 25 years have passed 11 from the date of the last written contact between the lender 12 and the museum, as evidenced in the museum's records.

(4) A lender is considered to have donated loaned
property to the museum if the lender fails to file an action
to recover the property on loan to the museum within the
periods specified in subsections (1) through (3).

17 (5) A person who purchases property from a museum
18 acquires good title to the property if the museum represents
19 that--it has acquired title to the property pursuant to
20 subsection (4).

(6) Notwithstanding subsections (3) and (4), a lender who was not given notice that the museum intended to terminate a loan and who proves that the museum received a notice of intent to preserve an interest in loaned property within the 25 years immediately preceding the filing of an

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SB 109

action to recover the property may recover the property or,
 if the property has been disposed of, the reasonable value
 of the property at the time it was disposed of plus interest
 at 5% 10% a year.

5 Section 12. Uniform Unclaimed Property Act superseded. 6 The provisions of [this part] supersede the provisions of 7 Title 70, chapter 9, parts 1 through 3, except that at its 8 option a museum may report property that has been on loan 9 unclaimed by its owner for more than 7 years to the 10 department of revenue for disposition as provided in Title 11 70, chapter 9, part 3.

Section 13. Codification instruction. (1) Sections 1
 through 12 are intended to be codified as a separate part in
 Title 22, chapter 3.

15 (2) Section 12 is also intended to be codified as an

16 integral part of Title 70, chapter 9, parts 1 through 3.

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HOUSE

STANDING COMMITTEE REPORT

	MARCH 8	
MRSPEAKER		
We, your committee on	EDUCATION AND CULTURAL RESOURCES	
having had under consideration	SENATE	Bill No 109
THIRD reading copy (BLUE) color	
MUSEUM LOAN ACT		
· ·		
	•	

Bill No. 109 SENATE Respectfully report as follows: That

BE AMENDED AS FOLLOWS:

1. Page 3, lines 14 through 16. Following: "property" Strike: remainder of line 14 through "property" on line 16

AND, AS AMENDED BE CONCURRED IN MOLYXXX 5

Chairman.

REP. HARRINGTON DAN

COMMITTEE OF THE WHOLE AMENDMENT

3130930P.CW

HO	USE
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3-	13	-	8	5
	DA	TE		

9:30 TIME

MR. CHAIRMAN: I MOVE TO AMEND ______ Senate Bill

No. 109

third reading copy (blue) as follows: Color

> Title, line 10. Following: "IT" 1. Insert: "; AND PROVIDING AN APPLICABILITY DATE"

2. Page 10, following line 16. Insert: "Section 14. Applicability. This act applies only to property loaned to a museum on or after the effective date of this act."

REJECT

Hannah HANNAH

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SB 0109/03

1	SENATE BILL NO. 109	1	following definitions apply:
2	INTRODUCED BY FULLER, ERNST, SPAETH, J. BROWN, TVEIT	2	(1) "Loan" means a deposit of property not accompanied
3	BY REQUEST OF THE MONTANA HISTORICAL SOCIETY	3	by a transfer of title to the property.
4		4	(2) "Museum" means an institution located in Montana
5	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LENDERS TO	5	and operated by a nonprofit corporation or a public agency
6	NOTIFY MUSEUMS OF CHANGES OF ADDRESS AND TRANSFERS OF	6	primarily for educational, scientific, or aesthetic
7	OWNERSHIP OF LOANED PROPERTY; ESTABLISHING A PROCEDURE FOR	7	purposes, and that owns, borrows, or cares for and exhibits,
8	LENDERS TO PRESERVE THEIR INTERESTS IN PROPERTY LOANED TO A	8	studies, or catalogs property.
9	MUSEUM; AND VESTING TITLE TO UNCLAIMED PROPERTY IN THE	9	(3) "Property" includes any tangible object, animate
10	MUSEUM THAT HOLDS IT; AND PROVIDING AN APPLICABILITY DATE."	10	or inanimate, that has intrinsic historic, artistic,
11		11	scientific, or cultural value.
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12	Section 4. Loans for an indefinite term. (1) If a
13	Section 1. Short title. This part may be cited as the	13	museum accepts a loan of property for an indefinite term or
14	"Museum Loan Act".	14	for a term longer than 7 years, the museum must inform the
15	Section 2. Purpose. The people of Montana have an	15	lender in writing at the time of the loan of the provisions
16	interest in preserving and protecting objects of scientific,	16	of this part.
17	historic, artistic, or cultural value and making them	17	(2) For the purposes of this part, a loan for a
18	accessible to the public. The purpose of this part is to	18	specified term becomes a loan for an indefinite term if the
19	serve this interest by establishing a uniform procedure for	19.	property remains in the custody of the museum after the
20	lenders to preserve their interests in property loaned to	20	specified term expires.
21	museums; to require lenders to notify museums of changes of	21	Section 5. Manner of giving notice to lender. When the
22	address and transfers of ownership of loaned property; and	22	provisions of this part require a museum to give notice to a
23	to vest title to unclaimed property in the museum that holds	23	lender, the museum is considered to have given notice if the
24	it.	24	museum mails the notice to the lender at the lender's
25	Section 3. Definitions. As used in this part, the	25	address and proof of receipt is received by the museum

Montana Legislative Council

SB 109 REFERENCE BILL

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within 30 days from the date the notice was mailed. If the 1 museum does not have a current address for the lender or if 2 proof of receipt is not received by the museum, notice is 7 considered given if the museum publishes it at least once a 4 week for 3 consecutive weeks in a newspaper of general 5 circulation in both the county in which the museum is 6 located and the county of the lender's most recent address 7 8 as shown on the museum's records.

9 Section 6. Notice of intent to preserve interest. (1) The owner of property on loan to a museum may file with the 10 11 museum a notice of intent to preserve an interest in the property. This notice must be in writing, AND must contain 12 a description of the property adequate to enable the museum 13 to identify the property--and--must--be--accompanied--by 14 15 documentation-sufficient-to-establish-the-claimant-as--owner 16 of-the-property.

17 (2) The filing of a notice of intent to preserve an 18 interest in property on loan to a museum does not validate 19 or make enforceable any claim that would be extinguished 20 under the terms of a written loan agreement or that would 21 otherwise be invalid or unenforceable.

(3) (a) Unless the loaned property is returned to the
claimant, the museum shall retain for not less than 25 years
the original or an accurate copy of any notice filed by a
claimant under this section.

1 fb}--The--museum-need-not-retain-a-notice-that-does-not 2 meet-the-requirements-set-forth-in-subsection--fi)---If--the 3 museum--does-not-intend-to-retain-a-notice;-the-museum-shall promptly-notify-the-claimant-at-the--address--given--on--the л notice--that--it--believes--the--notice--is-not-effective-to 5 6 preserve-an-+interest--and--stating--the--reasons--for--this 7 belief-R (c)(B) The fact that the museum retains a notice may not be construed to mean that the notice is sufficient or q 10 accurate or that it is effective to preserve an interest in 11 property on loan to the museum. 12 (4) A notice of intent to preserve an interest in 13 property on loan to a museum satisfies the requirements of 14 subsection (1) if it is in substantially the following form 15 and contains the information and attachments described: 16 NOTICE TO PRESERVE AN INTEREST IN PROPERTY 17 ON LOAN TO A MUSEUM 18 Name of Museum _____ Date_____ 19 Claimant's Name 20 Address 21 (street address; city; state; zip code) 22 Telephone_____ Date Property Loaned_____ 23 24 Description of Property_____ 25

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SB 109

-4-

1	· · · · · · · · · · · · · · · · · · ·
2	Documentation of ownership check the appropriate box:
3	Legible copy of original loan receipt attached
4	Other documentation attached
5	If you are not the original lender, describe the origin
6	of your interest in the property and attach a copy of any
7	document that creates your interest:
8	
9	
10	
11	I understand that I must promptly notify the museum in
12	writing of any change of address or change in ownership of
13	the loaned property.
14	I declare under penalty of false swearing that to the
15	best of my knowledge the information contained in this
16	notice is true.
17	SIGNED
18	(claimant)
19	OR I declare under penalty of false swearing that I am
20	authorized to act on behalf of the claimant and am informed
21	and believe that the information contained in this notice is
22	true.
23	SIGNED
24.	(claimant's representative)
25	Section 7. Notice of change of address or transfer of
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ownership. The owner of property on loan to a museum shall
 notify the museum promptly in writing of any change of
 address or change in ownership of the property. Failure-to
 notify-the-museum-of-these-changes-may-result-in-the-owner's
 toss-of-rights-in-the-property-

6 Section 8. Conservation or disposal of loaned 7 property. (1) Unless there is a written loan agreement to 8 the contrary, a museum may apply conservation measures to or 9 dispose of property on loan to the museum without the lender's permission if immediate action is required to 10 protect the property on loan or other property in the 11 12 custody of the museum or if the property on loan has become 13 a hazard to the health and safety of the public or the 14 museum staff and:

15 (a) the museum is unable to reach the lender at the 16 lender's last address of record; or

17 (b) the lender will not agree to the protective
18 measures the museum recommends, yet is unwilling or unable
19 to terminate the loan and retrieve the property.

(2) If a museum applies conservation measures to or
 disposes of property under the provisions of this section,
 the museum:

(a) has a lien on the property and on the proceeds of
any disposition thereof for the costs incurred by the
museum; and

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1 2

(b) is not liable for injury to or loss of the property if it:

3 (i) had a reasonable belief at the time the action was 4 taken that the action was necessary to protect the property 5 on loan or other property in the custody of the museum or 6 that the property on loan was a hazard to the health and 7 safety of the public or the museum staff; and

8 (ii) exercised reasonable care in the choice and9 application of conservation measures.

Section 9. Notice of injury or loss. (1) A museum
shall give a lender prompt notice of any known injury to or
loss of property on loan.

13 (2) A notice of injury or loss must contain the 14 lender's name, the lender's most recent address as shown on 15 the museum's records, the date of the loan, and the name, 16 address, and telephone number of the appropriate office or 17 official to be contacted at the museum for information 18 regarding the loan.

(3) If the museum is unable to give the lender the
notice required by this section by mail, the museum shall
publish the notice as provided in [section 5] and in
addition shall include a statement containing substantially
the following information:

The records of _____

24 25

(name of museum)

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indicate that you have property on loan to it. Your failure
 to notify it in writing of a change of address or ownership
 may result in the loss of rights in the loaned property.
 See [section 7], MCA.

5 Section 10. Notice of intent to terminate loan. A 6 museum may give the lender notice of its intent to terminate 7 a loan made for an indefinite term or for a term longer than 7 years. A notice of intent to terminate a loan must include 8 9 the lender's name, the lender's most recent address as shown 10 on the museum's records, the date of the loan, and the name, 11 address, and telephone number of the appropriate office or 12 official to be contacted at the museum for information 13 regarding the loan. In addition, it must include a 14 statement containing substantially the following 15 information:

The records of _____

16

17

(name of museum)

18 indicate that you have property on loan to it. The 19 institution wishes to terminate the loan. You must contact 20 the institution, establish your ownership of the property, 21 and make arrangements to collect the property. If you fail 22 to do so promptly, you will be considered to have donated 23 the property to the institution. See [section 4], MCA. 24 Section 11. Limitation on action against the museum.

Section 11. Limitation on action against the museum.
(1) No action may be brought against a museum for damages

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because of injury to or loss of property loaned to the
 museum more than 3 years from the date the museum gives the
 lender notice of the injury or loss or 10 years from the
 date of the injury or loss, whichever occurs earlier.

5 (2) No action may be brought against a museum to 6 recover property on loan if more than 3 years have passed 7 from the date the museum gave the lender notice of its 8 intent to terminate the loan as provided in [section 10].

9 (3) No action may be brought against a museum to 10 recover property on loan if more than 25 years have passed 11 from the date of the last written contact between the lender 12 and the museum, as evidenced in the museum's records.

13 (4) A lender is considered to have donated loaned
14 property to the museum if the lender fails to file an action
15 to recover the property on loan to the museum within the
16 periods specified in subsections (1) through (3).

17 (5) A person who purchases property from a museum
18 acquires good title to the property if the museum represents
19 that--it has acquired title to the property pursuant to
20 subsection (4).

(6) Notwithstanding subsections (3) and (4), a lender who was not given notice that the museum intended to terminate a loan and who proves that the museum received a notice of intent to preserve an interest in loaned property within the 25 years immediately preceding the filing of an action to recover the property may recover the property or,
 if the property has been disposed of, the reasonable value
 of the property at the time it was disposed of plus interest
 at 5% 10% a year.

5 Section 12. Uniform Unclaimed Property Act superseded. б The provisions of [this part] supersede the provisions of Title 70, chapter 9, parts 1 through 3, except that at its 7 option a museum may report property that has been on loan 8 9 unclaimed by its owner for more than 7 years to the 10 department of revenue for disposition as provided in Title 11 70, chapter 9, part 3. Section 13. Codification instruction. (1) Sections 1 12

13 through 12 are intended to be codified as a separate part in 14 Title 22, chapter 3.

15 (2) Section 12 is also intended to be codified as an16 integral part of Title 70, chapter 9, parts 1 through 3.

17 SECTION 14. APPLICABILITY. THIS ACT APPLIES ONLY TO

18 PROPERTY LOANED TO A MUSEUM ON OR AFTER THE EFFECTIVE DATE

OF THIS ACT.

19

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	C	ONFERENC	E COMMI	TTEE REP	ORT F	Report No1
						APR 15, 1985
MR. SPEAKER						
We, your		·····				_ Conference Committee of
<u></u>	SE	NATE BILL N	<u>10.109, r</u> e	ference c	opy,	······
met and considered	·	on April 13	3, 1985, t	he House	Amendi	ments to
SENA	TE BILL	NO.109.	<u>+</u>	<u></u>		
				······································		
	<u></u>		<u></u>		-	
We recommend as	follows:	:				
	SENATE	BILL NO.109), referen	ice copy,	salmor	n, be amended
	Page 10					

CCSB109

And that this Conference Committee report be adopted.

	FOR THE SENATE
)	FUETER, CAM.
K	Martin
、 、	MAZUKEK
)	- D. Down
	BROWN

ADOPT REJECT

FOR THE HOUSE
A. Lit
FRITZ, CHM
Hannah
HANNAH
Delson
NELSON
The Solve
SCHYE

1	SENATE BILL NO. 109
2	INTRODUCED BY FULLER, ERNST, SPAETH, J. BROWN, TVEIT
3.	BY REQUEST OF THE MONTANA HISTORICAL SOCIETY
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LENDERS TO
6	NOTIFY MUSEUMS OF CHANGES OF ADDRESS AND TRANSFERS OF
7	OWNERSHIP OF LOANED PROPERTY; ESTABLISHING A PROCEDURE FOR
8	LENDERS TO PRESERVE THEIR INTERESTS IN PROPERTY LOANED TO A
9	MUSEUM; AND VESTING TITLE TO UNCLAIMED PROPERTY IN THE
10	MUSEUM THAT HOLDS IT; AND PROVIDING AN APPLICABILITY DATE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Short title. This part may be cited as the
14	"Museum Loan Act".
15	Section 2. Purpose. The people of Montana have an
16	interest in preserving and protecting objects of scientific,
17	historic, artistic, or cultural value and making them
18	accessible to the public. The purpose of this part is to
19	serve this interest by establishing a uniform procedure for
20	lenders to preserve their interests in property loaned to
21	museums; to require lenders to notify museums of changes of
22	address and transfers of ownership of loaned property; and
23	to vest title to unclaimed property in the museum that holds
24	it.
25	Section 3. Definitions. As used in this part, the

following definitions apply:

1

2 (1) "Loan" means a deposit of property not accompanied3 by a transfer of title to the property.

4 (2) "Museum" means an institution located in Montana 5 and operated by a nonprofit corporation or a public agency 6 primarily for educational, scientific, or aesthetic 7 purposes, and that owns, borrows, or cares for and exhibits, 8 studies, or catalogs property.

9 (3) "Property" includes any tangible object, animate
10 or inanimate, that has intrinsic historic, artistic,
11 scientific, or cultural value.

12 Section 4. Loans for an indefinite term. (1) If a 13 museum accepts a loan of property for an indefinite term or 14 for a term longer than 7 years, the museum must inform the 15 lender in writing at the time of the loan of the provisions 16 of this part.

17 (2) For the purposes of this part, a loan for a
18 specified term becomes a loan for an indefinite term if the
19 property remains in the custody of the museum after the
20 specified term expires.

21 Section 5. Manner of giving notice to lender. When the 22 provisions of this part require a museum to give notice to a 23 lender, the museum is considered to have given notice if the 24 museum mails the notice to the lender at the lender's 25 address and proof of receipt is received by the museum

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SB 109 REFERENCE BILL: INCLUDES CONFERENCE COMMITTEE REPORT. DATED

A Montana Legislative Council

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within 30 days from the date the notice was mailed. If the 1 2 museum does not have a current address for the lender or if proof of receipt is not received by the museum, notice is 3 4 considered given if the museum publishes it at least once a 5 week for 3 consecutive weeks in a newspaper of general circulation in both the county in which the museum is 6 7 located and the county of the lender's most recent address as shown on the museum's records. я

9 Section 6. Notice of intent to preserve interest. (1) 10 The owner of property on loan to a museum may file with the museum a notice of intent to preserve an interest in the 11 property. This notice must be in writing; AND must contain 12 a description of the property adequate to enable the museum 13 to identify the property7--and--must--be--accompanied--by 14 documentation-sufficient-to-establish-the-claimant-as--owner 15 16 of-the-property.

(2) The filing of a notice of intent to preserve an 17 interest in property on loan to a museum does not validate 18 or make enforceable any claim that would be extinguished 19 under the terms of a written loan agreement or that would 20 otherwise be invalid or unenforceable. 21

22 (3) (a) Unless the loaned property is returned to the claimant, the museum shall retain for not less than 25 years 23 the original or an accurate copy of any notice filed by a 24 25 claimant under this section.

1 fb}--The--museum-need-not-retain-a-notice-that-does-not meet-the-requirements-set-forth-in-subsection--(1)---If--the 3 museum--does-not-intend-to-retain-a-notice7-the-museum-shall promptiv-notify-the-claimant-at-the--address--given--on--the notice--that--it--believes--the--notice--is-not-effective-to preserve-an--interest--and--stating--the--reasons--for--this belief. (e) (B) The fact that the museum retains a notice may not be construed to mean that the notice is sufficient or accurate or that it is effective to preserve an interest in property on loan to the museum. (4) A notice of intent to preserve an interest in

12 13 property on loan to a museum satisfies the requirements of subsection (1) if it is in substantially the following form 14 and contains the information and attachments described: 15 NOTICE TO PRESERVE AN INTEREST IN PROPERTY 16

ON LOAN TO A MUSEUM 17 Name of Museum_____ Date_____ 18 19 Claimant's Name 20 Address 21 (street address; city; state; zip code) Telephone 22 Date Property Loaned_____ 23 Description of Property_____ 24 25

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1	
2 ·	Documentation of ownership check the appropriate box:
3	Legible copy of original loan receipt attached
4	Other documentation attached
5	If you are not the original lender, describe the origin
6	of your interest in the property and attach a copy of any
7	document that creates your interest:
8	
9	
10	
11	I understand that I must promptly notify the museum in
12	writing of any change of address or change in ownership of
13	the loaned property.
14	I declare under penalty of false swearing that to the
15	best of my knowledge the information contained in this
16	notice is true.
17	SIGNED
18	(claimant)
19	OR I declare under penalty of false swearing that I am
20	authorized to act on behalf of the claimant and am informed
21	and believe that the information contained in this notice is
22	true.
23	SIGNED
24	(claimant's representative)
25	Section 7. Notice of change of address or transfer of
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ownership. The owner of property on loan to a museum shall
 notify the museum promptly in writing of any change of
 address or change in ownership of the property. Pailure-to
 notify-the-museum-of-these-changes-may-result-in-the-owner's
 boss-of-rights-in-the-property-

6 Section 8. Conservation or disposal of loaned 7 property. (1) Unless there is a written loan agreement to 8 the contrary, a museum may apply conservation measures to or 9 dispose of property on loan to the museum without the 10 lender's permission if immediate action is required to 11 protect the property on loan or other property in the custody of the museum or if the property on loan has become 12 13 a hazard to the health and safety of the public or the museum staff and: 14

15 (a) the museum is unable to reach the lender at the 16 lender's last address of record; or

17 (b) the lender will not agree to the protective
18 measures the museum recommends, yet is unwilling or unable
19 to terminate the loan and retrieve the property.

(2) If a museum applies conservation measures to or
disposes of property under the provisions of this section,
the museum:

23 (a) has a lien on the property and on the proceeds of
24 any disposition thereof for the costs incurred by the
25 museum; and

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(b) is not liable for injury to or loss of the property if it: 2

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3 (i) had a reasonable belief at the time the action was taken that the action was necessary to protect the property Δ on loan or other property in the custody of the museum or 5 that the property on loan was a hazard to the health and 6 7 safety of the public or the museum staff; and

8 (ii) exercised reasonable care in the choice and 9 application of conservation measures.

Section 9. Notice of injury or loss. (1) A museum 10 shall give a lender prompt notice of any known injury to or 11 12 loss of property on loan.

(2) A notice of injury or loss must contain the 13 lender's name, the lender's most recent address as shown on 14 15 the museum's records, the date of the loan, and the name. address, and telephone number of the appropriate office or 16 official to be contacted at the museum for information 17 regarding the loan. 18

(3) If the museum is unable to give the lender the 19 20 notice required by this section by mail, the museum shall publish the notice as provided in [section 5] and in 21 addition shall include a statement containing substantially 22 the following information: 23

24 25 The records of

(name of museum)

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1 indicate that you have property on loan to it. Your failure 2 to notify it in writing of a change of address or ownership 3 may result in the loss of rights in the loaned property. 4 See [section 7], MCA.

Section 10. Notice of intent to terminate loan. A 5 6 museum may give the lender notice of its intent to terminate 7 a loan made for an indefinite term or for a term longer than R 7 years. A notice of intent to terminate a loan must include q the lender's name, the lender's most recent address as shown 10 on the museum's records, the date of the loan, and the name, address, and telephone number of the appropriate office or 11 12 official to be contacted at the museum for information regarding the loan. In addition, it must include a 13 statement containing substantially the 14 following 15 information:

The records of

16

17 (name of museum) indicate that you have property on loan to it. The 18 institution wishes to terminate the loan. You must contact 19 the institution, establish your ownership of the property, 20 21 and make arrangements to collect the property. If you fail to do so promptly, you will be considered to have donated 22 23 the property to the institution. See [section 4], MCA.

24 Section 11. Limitation on action against the museum. 25 (1) No action may be brought against a museum for damages

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because of injury to or loss of property loaned to the
 museum more than 3 years from the date the museum gives the
 lender notice of the injury or loss or 10 years from the
 date of the injury or loss, whichever occurs earlier.

5 (2) No action may be brought against a museum to 6 recover property on loan if more than 3 years have passed 7 from the date the museum gave the lender notice of its 8 intent to terminate the loan as provided in [section 10].

9 (3) No action may be brought against a museum to 10 recover property on loan if more than 25 years have passed 11 from the date of the last written contact between the lender 12 and the museum, as evidenced in the museum's records.

(4) A lender is considered to have donated loaned
property to the museum if the lender fails to file an action
to recover the property on loan to the museum within the
periods specified in subsections (1) through (3).

17 (5) A person who purchases property from a museum
18 acquires good title to the property if the museum represents
19 that--it has acquired title to the property pursuant to
20 subsection (4).

(5) Notwithstanding subsections (3) and (4), a lender
who was not given notice that the museum intended to
terminate a loan and who proves that the museum received a
notice of intent to preserve an interest in loaned property
within the 25 years immediately preceding the filing of an

action to recover the property may recover the property or,
 if the property has been disposed of, the reasonable value
 of the property at the time it was disposed of plus interest
 at 5% 10% a year.

5 Section 12. Uniform Unclaimed Property Act superseded. 6 The provisions of [this part] supersede the provisions of 7 Title 70, chapter 9, parts 1 through 3, except that at its 8 option a museum may report property that has been on loan 9 unclaimed by its owner for more than 7 years to the 10 department of revenue for disposition as provided in Title 11 70, chapter 9, part 3.

Section 13. Codification instruction. (1) Sections 1
through 12 are intended to be codified as a separate part in
Title 22, chapter 3.

15 (2) Section 12 is also intended to be codified as an
16 integral part of Title 70, chapter 9, parts 1 through 3.

SECTION 14. APPLICABILITY. THIS ACT APPLIES ONLY TO
 PROPERTY LOANED TO A MUSEUM ON OR AFTER THE EFFECTIVE DATE
 OF THIS ACT OR TO EXISTING LOANED PROPERTY WITH A MARKET

20 VALUE OF \$1,000 OR LESS AT THE TIME OF DISPOSAL.

-End-

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