Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective October 1, 2012) As used in this section and sections 2 to 10, inclusive, of this act:

(1) "Museum" means any nonprofit or public institution that is organized for educational, scientific, historic or aesthetic purposes, and which owns, borrows, cares for, studies, archives or exhibits property. Museums may include, but not be limited to, historical societies, parks, historic sites and monuments, archives and libraries;

(2) "Property" means any tangible object in the possession of and under a museum's care that has intrinsic educational, scientific, historical, artistic, aesthetic or cultural value;

(3) "Loan" means a deposit with a museum that (A) title to the property is not transferred to the museum, (B) the loan agreement for such deposit does not include a provision that the museum acquire title at some time after such deposit is made, or (C) the loan agreement for such deposit includes an option for the museum to acquire title at some time after such deposit is made;

(4) "Lender" means a person whose name appears on the records of
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a museum as the person legally entitled to, or claiming to be legally entitled to, property held by the museum or, if such person is deceased, the legal heirs of such person.

Sec. 2. (NEW) (Effective October 1, 2012) (a) Any property on loan to a museum that is subject to a loan agreement shall be deemed to be donated to the museum if (1) no claim of ownership is made or action filed to recover such property by the owner after termination or expiration of the loan, and (2) the museum has given notice, in accordance with the provisions of section 5 of this act, and no claim of ownership is made or action to recover such property is filed on or before sixty days after the publication of the second notice.

(b) A museum may terminate a loan of property for any property that was loaned to the museum for an indefinite term if the property has been in the possession of the museum for at least five years. Any property on loan to a museum and whose loan agreement indicates that such property is on permanent loan to the museum shall be considered loaned for an indefinite term for purposes of this subsection. The property for any loan of property that has been terminated pursuant to this subsection shall be deemed donated to the museum.

(c) A museum may terminate a loan of property for any property that was loaned to the museum for a specified term after the expiration of such specified term, provided the museum provides notice of such termination in accordance with the provisions of section 5 of this act. The property for any loan of property that has been terminated pursuant to this subsection shall be deemed donated to the museum.

(d) The owner of property loaned to a museum shall provide such museum with written notice of (1) any change of the address of such owner, (2) the designated agent of such owner, (3) the address of such designated agent, and (4) the name and address of any new owner of
such property if there is a change in the ownership of such property loaned to the museum.

(e) A museum accepting a loan of property shall provide the owner of such property a written copy of the provisions of sections 1 to 10, inclusive, of this act.

Sec. 3. (NEW) (Effective October 1, 2012) Any property in the possession of a museum that is not subject to a loan agreement shall be deemed to be abandoned if (1) such property is unclaimed and has been in the possession of the museum as unclaimed property for at least five years, and (2) the museum has given notice, in accordance with the provisions of section 5 of this act, and no claim of ownership is made or action to recover such property is filed on or before sixty days after the publication of the second notice. Any abandoned property in the possession of a museum shall become the property of such museum.

Sec. 4. (NEW) (Effective October 1, 2012) Each museum shall maintain a record, in accordance with the regulations adopted by the State Librarian pursuant to section 10 of this act, of all property on loan to the museum, including the name and address of the lender, if known, and the dates that such property is to be on loan to the museum and a copy of the loan agreement for such property. The museum shall provide a copy of such record and the loan agreement to the lender of property at the time that such lender makes the loan of property to the museum. If a museum is notified of a change in ownership of any property on loan to the museum, the museum shall create a new record for such property and update the existing loan agreement and shall provide a written copy of such new record and such updated loan agreement to the new owner of such property. If a museum becomes the owner of any property on loan to the museum, the museum shall maintain a record of such ownership in accordance with the regulations adopted by the State Librarian pursuant to section 10 of
Sec. 5. (NEW) (Effective October 1, 2012) (a) Prior to a museum (1) accepting donated property pursuant to section 2 of this act, or (2) taking ownership of abandoned property pursuant to section 3 of this act, the museum shall make a reasonable good faith effort to find the address of the lender and provide notice that the museum may become the owner of such property. Such notice shall be sent by certified mail, return receipt requested, to the address of the lender on record with the museum.

(b) If the museum does not have an address on record for the lender of the property, or the museum does not receive written proof of receipt of the mailed notice after thirty days after the date such notice was mailed, the museum shall publish a notice, at least once each week for two consecutive weeks, in a newspaper of general circulation in the town in which the museum is located and the town of the lender on record with the museum, if available. Such published notice shall contain: (1) A brief and general description of the unclaimed property, (2) the name and address of the lender on record with the museum, (3) a request that all persons who may have any knowledge of the whereabouts of the lender provide written notice to the museum, and (4) a statement that if no claim of ownership is made or action to recover such property is filed on or before sixty days after publication of the second notice, the property shall be deemed donated or abandoned and shall become the property of the museum.

(c) For purposes of this section, if the loan of property was made to a branch of a museum, the museum shall be considered to be located in the town in which such branch is located. Otherwise the museum is located in the town in which it has its principal place of business.

Sec. 6. (NEW) (Effective October 1, 2012) (a) If a museum receives a written claim of ownership for any property for which notice of
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donation or abandonment was made, pursuant to section 5 of this act, from the lender, or the designated agent of the lender, the museum shall return such property to the lender or carry out the disposition of such property as the lender requests not later than sixty days after receipt of such written claim of ownership. The lender shall advise the museum in writing as to the disposition of such property or how such property is to be returned to the lender. Any costs incurred as a result of returning such property or the disposition of such property shall be the responsibility of the lender unless the lender and the museum have mutually agreed to alternate arrangements.

(b) If a museum receives a written claim of ownership for any property for which notice of donation or abandonment was made, pursuant to section 5 of this act, from a person other than the lender on record with the museum, the museum shall, not later than sixty days after receipt of such written claim of ownership, determine if such ownership claim is valid. A claimant shall submit proof of ownership to the museum with such written claim of ownership. If more than one person submits a written claim of ownership, the museum may delay its determination of ownership until the competing claims are resolved by agreement or legal action. If the museum determines that such written claim of ownership is valid or if the competing claims are resolved by agreement or judicial action, the museum shall return the property to the claimant submitting the valid claim of ownership or dispose of the property as such valid claimant requests. Any costs incurred as a result of returning such property or the disposition of such property shall be the responsibility of the valid claimant unless such valid claimant and the museum have mutually agreed to alternate arrangements.

(c) If no written claim of ownership is presented to the museum on or before sixty days after the publication of the second notice, such property shall be deemed donated or abandoned and title to the
property shall vest in the museum. If a valid claim of ownership for such property is made after title to such property has vested in the museum under this subsection and the museum holds title to such property, then the museum shall return such property to the owner of such property and the title of such property shall revert back to such owner.

(d) Any person who purchases or otherwise acquires property from a museum that obtained such property by donation or abandonment pursuant to this section and sections 2 and 3 of this act shall acquire good title to such property.

Sec. 7. (NEW) (Effective October 1, 2012) (a) A museum may apply conservation or protective measures to any property on loan to the museum without the permission of the lender or formal notice to the lender, unless the written loan agreement for such property provides otherwise, if (1) action is required to (A) protect such property or other property in the possession of the museum, or (B) protect the health and safety of the public or museum staff because such property is a hazard, and (2) (A) the museum is unable to contact the lender at the address on record for the lender within three days before the time the museum determines action is necessary, or (B) the lender does not (i) respond or agree to the conservation or protective measures recommended by the museum, and (ii) terminate the loan and take possession of such property on or before the third day that the museum contacts such lender.

(b) If a museum applies conservation or protective measures to any property on loan to the museum under this section, or with the agreement of the lender, unless the written loan agreement for such property provides otherwise, the museum shall acquire a lien on such property in an amount equal to the costs incurred by the museum for such conservation or protective measures taken.
(c) The museum shall not be liable for injury to or loss of any property that was on loan to the museum and for which conservation or protective measures were taken under this section, if the museum (1) had a reasonable belief at the time the conservation or protective measures were taken that such measures were necessary to protect such property or other property in the possession of the museum, or that such property was a hazard to the health and safety of the public or museum staff, and (2) exercised reasonable care in the choice and application of such conservation and protective measures.

Sec. 8. (NEW) (Effective October 1, 2012) The provisions of sections 1 to 10, inclusive, of this act shall not apply to any property in the possession of a museum pursuant to the Native American Graves Protection and Repatriation Act, P.L. 101-601.

Sec. 9. (NEW) (Effective October 1, 2012) (a) Nothing in sections 1 to 10, inclusive, of this act shall be construed to abrogate the rights and obligations of a lender, claimant or museum identified in a written loan agreement.

(b) The provisions of sections 1 to 10, inclusive, of this act shall not preclude a museum from availing itself of any other means of establishing or perfecting title to property in the possession of the museum.

Sec. 10. (NEW) (Effective October 1, 2012) The State Librarian shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to (1) prescribe the form of written notification to persons loaning property pursuant to section 2 of this act, and (2) the procedures for recording and maintaining records of property on loan to a museum pursuant to section 4 of this act.

Approved June 15, 2012