

UNIFORM PARTNERSHIP ACT (EXCERPT)
Act 72 of 1917

PART II
NATURE OF A PARTNERSHIP.

449.6 Partnership; definition; effect of act as to prior and limited partnerships.

Sec. 6. (Partnership defined).

(1) A partnership is an association of 2 or more persons, which may consist of husband and wife, to carry on as co-owners a business for profit; any partnership heretofore established consisting of husband and wife only, formed since January 10, 1942 shall constitute a valid partnership.

(2) But any association formed under any other statute of this state, or any statute adopted by authority, other than the authority of this state, is not a partnership under this act, unless such association would have been a partnership in this state prior to the adoption of this act; but this act shall apply to limited partnerships except in so far as the statutes relating to such partnerships are inconsistent herewith.

History: 1917, Act 72, Eff. Aug. 10, 1917;—CL 1929, 9846;—Am. 1941, Act 272, Eff. Jan. 10, 1942;—CL 1948, 449.6;—Am. 1957, Act 59, Eff. Sept. 27, 1957.

449.7 Rules for determining existence of partnership.

Sec. 7. (Rules for determining the existence of a partnership). In determining whether a partnership exists, these rules shall apply:

(1) Except as provided by section 16 persons who are not partners as to each other are not partners as to third persons;

(2) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not of itself establish a partnership, whether such co-owners do or do not share any profits made by the use of the property;

(3) The sharing of gross returns does not of itself establish a partnership, whether or not the persons sharing them have a joint or common right or interest in any property from which the returns are derived;

(4) The receipt by a person of a share of the profits of a business is prima facie evidence that he is a partner in the business, but no such inference shall be drawn if such profits were received in payment:

(a) As a debt by installments or otherwise,

(b) As wages of an employe or rent to a landlord,

(c) As an annuity to a widow or representative of a deceased partner,

(d) As interest on a loan, though the amount of payment vary with the profits of the business,

(e) As the consideration for the sale of the good-will of a business or other property by installments or otherwise.

History: 1917, Act 72, Eff. Aug. 10, 1917;—CL 1929, 9847;—CL 1948, 449.7.

449.8 Partnership property; definition.

Sec. 8. (Partnership property).

(1) All property originally brought into the partnership stock or subsequently acquired, by purchase or otherwise, on account of the partnership is partnership property;

(2) Unless the contrary intention appears, property acquired with partnership funds is partnership property;

(3) Any estate in real property may be acquired in the partnership name. Title so acquired can be conveyed only in the partnership name;

(4) A conveyance to a partnership in the partnership name, though without words of inheritance, passes the entire estate of the grantor unless a contrary intent appears.

History: 1917, Act 72, Eff. Aug. 10, 1917;—CL 1929, 9848;—CL 1948, 449.8.