

Article - Corporations and Associations

§9A-202.

(a) Except as otherwise provided in subsection (c) of this section, the unincorporated association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership and whether or not the association is called “partnership”, “joint venture”, or any other name.

(b) A partnership may be created under:

(1) This title;

(2) The Maryland Uniform Partnership Act and its subsequent amendments; or

(3) A statute of another jurisdiction comparable to this title or the Maryland Uniform Partnership Act and their respective subsequent amendments.

(c) An unincorporated association or entity created under a law other than the laws described in subsection (b) of this section is not a partnership.

(d) In determining whether a partnership is formed, the following rules apply:

(1) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

(2) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

(3) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment:

(i) Of a debt by installments or otherwise;

(ii) For services as an independent contractor or of wages or other compensation to an employee;

(iii) Of rent;

(iv) Of an annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner;

(v) Of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value

derived from the collateral; or

(vi) For the sale of the goodwill of a business or other property by installments or otherwise.