

SUBTITLE 2. NATURE OF PARTNERSHIP.

9-201. PARTNERSHIP AS ENTITY.

A PARTNERSHIP IS AN ENTITY DISTINCT FROM ITS PARTNERS.

9-202. FORMATION OF PARTNERSHIP.

(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C), 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) 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;