

486A.202 Formation of partnership.

1. Except as otherwise provided in subsection 2, the 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.
2. An association formed under a statute other than this chapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this chapter.
3. In determining whether a partnership is formed, the following rules apply:
 - a.* 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.
 - b.* 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.
 - c.* 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 of or for any of the following:
 - (1) Of a debt by installments or otherwise.
 - (2) For services as an independent contractor or of wages or other compensation to an employee.
 - (3) Of rent.
 - (4) Of an annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner.
 - (5) 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.
 - (6) For the sale of the goodwill of a business or other property by installments or otherwise.