Part 1
General Provisions

48-1d-101 Title.

This chapter may be cited as the "Utah Uniform Partnership Act."

Enacted by Chapter 412, 2013 General Session

48-1d-102 Definitions.

As used in this chapter:
(1) "Business" includes every trade, occupation, and profession.
(2) "Contribution," except in the phrase "right of contribution," means property or a benefit described in Section 48-1d-501 which is provided by a person to a partnership to become a partner or in the person's capacity as a partner.
(3) "Debtor in bankruptcy" means a person that is the subject of:
   (a) an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
   (b) a comparable order under federal, state, or foreign law governing insolvency.
(4) "Distribution" means a transfer of money or other property from a partnership to a person on account of a transferable interest or in a person's capacity as a partner. The term:
   (a) includes:
      (i) a redemption or other purchase by a partnership of a transferable interest; and
      (ii) a transfer to a partner in return for the partner's relinquishment of any right to participate as a partner in the management or conduct of the partnership's activities and affairs or have access to records or other information concerning the partnership's activities and affairs; and
   (b) does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.
(5) "Division" means the Division of Corporations and Commercial Code.
(6) "Foreign limited liability partnership" means a foreign partnership whose partners have limited liability for the debts, obligations, or other liabilities of the foreign partnership under a provision similar to Subsection 48-1d-306(3).
(7) "Foreign partnership" means an unincorporated entity formed under the law of a jurisdiction other than this state which would be a partnership if formed under the law of this state. The term includes a foreign limited liability partnership.
(8) "Jurisdiction," used to refer to a political entity, means the United States, a state, a foreign country, or a political subdivision of a foreign country.
(9) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:
   (a) under whose law the entity is formed; or
   (b) in the case of a limited liability partnership or foreign limited liability partnership, in which the partnership's statement of qualification is filed.
(10) "Limited liability partnership," except in the phrase "foreign limited liability partnership," means a partnership that has filed a statement of qualification under Section 48-1d-1101 and does not have a similar statement in effect in any other jurisdiction.
(11) "Partner" means a person that:
(a) has become a partner in a partnership under Section 48-1d-401 or was a partner in a partnership when the partnership became subject to this chapter under Section 48-1d-1405; and
(b) has not dissociated as a partner under Section 48-1d-701.
(12) "Partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under this chapter or that becomes subject to this chapter under Part 10, Merger, Interest Exchange, Conversion, and Domestication, or Section 48-1d-1405. The term includes a limited liability partnership.
(13) "Partnership agreement" means the agreement, whether or not referred to as a partnership agreement, and whether oral, implied, in a record, or in any combination thereof, of all the partners of a partnership concerning the matters described in Subsection 48-1d-106(1). The term includes the agreement as amended or restated.
(14) "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.
(15) "Person" means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, limited cooperative association, unincorporated nonprofit association, statutory trust, business trust, common-law business trust, estate, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.
(16) "Principal office" means the principal executive office of a partnership or a foreign limited liability partnership, whether or not the office is located in this state.
(17) "Professional services" means a personal service provided by:
(a) a public accountant holding a license under Title 58, Chapter 26a, Certified Public Accountant Licensing Act, or a subsequent law regulating the practice of public accounting;
(b) an architect holding a license under Title 58, Chapter 3a, Architects Licensing Act, or a subsequent law regulating the practice of architecture;
(c) an attorney granted the authority to practice law by the:
   (i) Utah Supreme Court; or
   (ii) one or more of the following that licenses or regulates the authority to practice law in a state or territory of the United States other than Utah:
      (A) a supreme court;
      (B) a court other than a supreme court;
      (C) an agency;
      (D) an instrumentality; or
      (E) a regulating board;
(d) a chiropractor holding a license under Title 58, Chapter 73, Chiropractic Physician Practice Act, or a subsequent law regulating the practice of chiropractics;
(e) a doctor of dentistry holding a license under Title 58, Chapter 69, Dentist and Dental Hygienist Practice Act, or a subsequent law regulating the practice of dentistry;
(f) a professional engineer registered under Title 58, Chapter 22, Professional Engineers and Professional Land Surveyors Licensing Act, or a subsequent law regulating the practice of engineers or land surveyors;
(g) a naturopath holding a license under Title 58, Chapter 71, Naturopathic Physician Practice Act, or a subsequent law regulating the practice of naturopathy;
(h) a nurse licensed under Title 58, Chapter 31b, Nurse Practice Act, or Chapter 44a, Nurse Midwife Practice Act, or a subsequent law regulating the practice of nursing;
(i) an optometrist holding a license under Title 58, Chapter 16a, Utah Optometry Practice Act, or a subsequent law regulating the practice of optometry;
(j) an osteopathic physician or surgeon holding a license under Title 58, Chapter 68, Utah Osteopathic Medical Practice Act, or a subsequent law regulating the practice of osteopathy;
(k) a pharmacist holding a license under Title 58, Chapter 17b, Pharmacy Practice Act, or a subsequent law regulating the practice of pharmacy;
(l) a physician, surgeon, or doctor of medicine holding a license under Title 58, Chapter 67, Utah Medical Practice Act, or a subsequent law regulating the practice of medicine;
(m) a physician assistant holding a license under Title 58, Chapter 70a, Utah Physician Assistant Act, or a subsequent law regulating the practice as a physician assistant;
(n) a physical therapist holding a license under Title 58, Chapter 24b, Physical Therapy Practice Act, or a subsequent law regulating the practice of physical therapy;
(o) a podiatric physician holding a license under Title 58, Chapter 5a, Podiatric Physician Licensing Act, or a subsequent law regulating the practice of podiatry;
(p) a psychologist holding a license under Title 58, Chapter 61, Psychologist Licensing Act, or a subsequent law regulating the practice of psychology;
(q) a principal broker, associate broker, or sales agent holding a license under Title 61, Chapter 2f, Real Estate Licensing and Practices Act, or a subsequent law regulating the sale, exchange, purchase, rental, or leasing of real estate;
(r) a clinical or certified social worker holding a license under Title 58, Chapter 60, Part 2, Social Worker Licensing Act, or a subsequent law regulating the practice of social work;
(s) a mental health therapist holding a license under Title 58, Chapter 60, Mental Health Professional Practice Act, or a subsequent law regulating the practice of mental health therapy;
(t) a veterinarian holding a license under Title 58, Chapter 28, Veterinary Practice Act, or a subsequent law regulating the practice of veterinary medicine; or
(u) an individual licensed, certified, or registered under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act, or a subsequent law regulating the practice of appraising real estate.

(18) "Property” means all property, whether real, personal, or mixed, or tangible or intangible, or any right or interest therein.
(19) "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
(20) "Registered agent” means an agent of a limited liability partnership or foreign limited liability partnership which is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the partnership.
(21) "Registered foreign limited liability partnership" means a foreign limited liability partnership that is registered to do business in this state pursuant to a statement of registration filed by the division.
(22) "Sign” means, with present intent to authenticate or adopt a record:
(a) to execute or adopt a tangible symbol; or
(b) to attach to or logically associate with the record an electronic symbol, sound, or process.
(23) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
(24) "Transfer” includes:
(a) an assignment;
(b) a conveyance;
(c) a sale;
(d) a lease;
(e) an encumbrance, including a mortgage or security interest;
(f) a gift; and
(g) a transfer by operation of law.

(25) "Transferable interest" means the right, as initially owned by a person in the person's capacity as a partner, to receive distributions from a partnership in accordance with the partnership agreement, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.

(26) "Transferee" means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner.

(27) "Tribal partnership" means a partnership:
(a) formed under the law of a tribe; and
(b) that is at least 51% owned or controlled by the tribe under whose law the partnership is formed.

(28) "Tribe" means a tribe, band, nation, pueblo, or other organized group or community of Indians, including an Alaska Native village, that is legally recognized as eligible for and is consistent with a special program, service, or entitlement provided by the United States to Indians because of their status as Indians.

Amended by Chapter 349, 2019 General Session

48-1d-103 Knowledge -- Notice.

(1) A person knows a fact if the person:
(a) has actual knowledge of it; or
(b) is deemed to know it under Subsection (4)(a) or law other than this chapter.

(2) A person has notice of a fact if the person:
(a) has reason to know the fact from all the facts known to the person at the time in question; or
(b) is deemed to have notice of the fact under Subsection (4)(b).

(3) Subject to Subsection 48-1d-116(6), a person notifies another person of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not those steps cause the other person to know the fact.

(4) A person not a partner is deemed:
(a) to know of a limitation on authority to transfer real property as provided in Subsection 48-1d-303(7); and
(b) to have notice of:
   (i) a partner's dissociation 90 days after a statement of dissociation under Section 48-1d-804 becomes effective; and
   (ii) a partnership's:
      (A) dissolution 90 days after a statement of dissolution under Subsection 48-1d-902(2)(b)(i) becomes effective;
      (B) termination 90 days after a statement of termination under Subsection 48-1d-902(2)(b)(vi) becomes effective;
      (C) participation in a merger, interest exchange, conversion, or domestication 90 days after a statement of merger, interest exchange, conversion, or domestication under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and
      (D) abandonment of a merger, interest exchange, conversion, or domestication 90 days after a statement of abandonment of merger, interest exchange, conversion, or domestication under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.
(5) A partner's knowledge or notice of a fact relating to the partnership is effective immediately as knowledge of or notice to the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

Enacted by Chapter 412, 2013 General Session

48-1d-104 Governing law.

The internal affairs of a partnership and the liability of a partner as a partner for the debts, obligations, or other liabilities of the partnership are governed by:
(1) in the case of a limited liability partnership, the law of this state; and
(2) in the case of a partnership that is not a limited liability partnership, the law of the state of the jurisdiction in which the partnership has its principal office.

Enacted by Chapter 412, 2013 General Session

48-1d-105 Supplemental principles of law.

Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

Enacted by Chapter 412, 2013 General Session

48-1d-106 Partnership agreement -- Scope, function, and limitations.

(1) Except as otherwise provided in Subsections (3) and (4), the partnership agreement governs:
(a) relations among the partners as partners and between the partners and the partnership;
(b) the activities and affairs of the partnership and the conduct of those activities and affairs; and
(c) the means and conditions for amending the partnership agreement.

(2) To the extent the partnership agreement does not provide for a matter described in Subsection (1), this chapter governs the matter.

(3) A partnership agreement may not:
(a) vary the law applicable under Section 48-1d-104;
(b) vary the provisions of Section 48-1d-111;
(c) vary the provisions of Section 48-1d-307;
(d) unreasonably restrict the duties and rights under Section 48-1d-403, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under that section and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;
(e) eliminate the duty of loyalty or the duty of care, except as otherwise provided in Subsection (4);
(f) eliminate the contractual obligation of good faith and fair dealing under Subsection 48-1d-405(4), but the partnership agreement may prescribe the standards, if not unconscionable or against public policy, by which the performance of the obligation is to be measured;
(g) relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or recklessness;
(h) vary the power to dissociate as a partner under Subsection 48-1d-702(1), except to require the notice under Subsection 48-1d-701(1) to be in a record;
(i) vary the right of a court to expel a partner in the events specified in Subsection 48-1d-701(5);
(j) vary the causes of dissolution specified in Subsection 48-1d-901(4), (5), or (6);
(k) vary the requirement to wind up the partnership's activities and affairs as specified in Subsections 48-1d-902(1), (2)(a), and (4);

(l) vary the right of a partner to approve a merger, interest exchange, conversion, or domestication under Subsection 48-1d-1023(1)(b), 48-1d-1033(1)(b), 48-1d-1043(1)(b), or 48-1d-1053(1)(b);

(m) vary any requirement, procedure, or other provision of this chapter pertaining to:
   (i) registered agents; or
   (ii) the division, including provisions pertaining to records authorized or required to be delivered to the division for filing under this chapter; or

(n) except as otherwise provided in Section 48-1d-107 and Subsection 48-1d-108(2), restrict the rights under this chapter of a person other than a partner.

(4) Subject to Subsection (3)(e), without limiting other terms that may be included in a partnership agreement, the following rules apply:
   (a) The partnership agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.
   (b) If not unconscionable or against public policy, the partnership agreement may:
      (i) alter or eliminate the aspects of the duty of loyalty stated in Subsection 48-1d-405(2);
      (ii) identify specific types or categories of activities that do not violate the duty of loyalty;
      (iii) alter the duty of care, except to authorize intentional misconduct or knowing violation of law; and
      (iv) alter or eliminate any other fiduciary duty.

(5) The court shall decide as a matter of law whether a term of a partnership agreement is unconscionable or against public policy under Subsection (3)(f) or (4)(b). The court:
   (a) shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and
   (b) may invalidate the term only if, in light of the purposes and business of the partnership, it is readily apparent that:
      (i) the objective of the term is unconscionable or against public policy; or
      (ii) the means to achieve the term's objective is unconscionable or against public policy.

Enacted by Chapter 412, 2013 General Session

48-1d-107 Partnership agreement -- Effect on partnership and person becoming partner -- Preformation agreement.
(1) A partnership is bound by and may enforce the partnership agreement, whether or not the partnership has itself manifested assent to the partnership agreement.

(2) A person that becomes a partner of a partnership is deemed to assent to the partnership agreement.

(3) Two or more persons intending to become the initial partners of a partnership may make an agreement providing that upon the formation of the partnership the agreement will become the partnership agreement.

Enacted by Chapter 412, 2013 General Session

48-1d-108 Partnership agreement -- Effect on third parties and relationship to records effective on behalf of partnership.
(1) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the partnership agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

(2) The obligations of a partnership and its partners to a person in the person's capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under Subsection 48-1d-604(2)(b) to effectuate a charging order, an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

(a) is effective with regard to any debt, obligation, or other liability of the partnership or its partners to the person in the person's capacity as a transferee or person dissociated as a partner; and

(b) is not effective to the extent the amendment:

(i) imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner; or

(ii) prejudices the rights under Section 48-1d-801 of a person that dissociated as a partner before the amendment was made.

(3) If a record delivered by a partnership to the division for filing becomes effective under this chapter and contains a provision that would be ineffective under Subsection 48-1d-106(3) or (4) (b) if contained in the partnership agreement, the provision is ineffective in the record.

(4) Subject to Subsection (3), if a record delivered by a partnership to the division for filing becomes effective under this chapter and conflicts with a provision of the partnership agreement:

(a) the partnership agreement prevails as to partners, persons dissociated as partners, and transferees; and

(b) the record prevails as to other persons to the extent they reasonably rely on the record.

Enacted by Chapter 412, 2013 General Session

48-1d-109 Delivery of record.
(1) Except as otherwise provided in this chapter, permissible means of delivery of a record include delivery by hand, the United States Postal Service, commercial delivery service, and electronic transmission.

(2) Delivery to the division is effective only when a record is received by the division.

Enacted by Chapter 412, 2013 General Session

48-1d-110 Signing of records to be delivered for filing to division.
(1) A record delivered to the division for filing pursuant to this chapter must be signed as follows:

(a) Except as otherwise provided in Subsections (1)(b) and (c), a record signed by a partnership must be signed by a person authorized by the partnership.

(b) A record filed on behalf of a dissolved partnership that has no partner must be signed by the person winding up the partnership's activities and affairs under Subsection 48-1d-902(3) or a person appointed under Subsection 48-1d-902(4) to wind up the business.

(c) A statement of denial by a person under Section 48-1d-304 must be signed by that person.

(d) Any other record delivered on behalf of a person to the division for filing must be signed by that person.
(2) Any record filed under this chapter may be signed by an agent. Whenever this chapter requires a particular individual to sign a record and the individual is deceased or incompetent, the record may be signed by a legal representative of the individual.

(3) A person that signs a record as an agent or legal representative thereby affirms as a fact that the person is authorized to sign the record.

Enacted by Chapter 412, 2013 General Session

48-1d-111 Signing and filing pursuant to judicial order.
(1) If a person required by this chapter to sign a record or deliver a record to the division for filing under this chapter does not do so, any other person that is aggrieved may petition the district court to order:
   (a) the person to sign the record;
   (b) the person to deliver the record to the division for filing; or
   (c) the division to file the record unsigned.

(2) If a petitioner under Subsection (1) is not the partnership or foreign limited liability partnership to which the record pertains, the petitioner shall make the partnership or foreign limited liability partnership a party to the action.

(3) A record filed under Subsection (1)(c) is effective without being signed.

Enacted by Chapter 412, 2013 General Session

48-1d-112 Filing requirements.
(1) To be filed by the division pursuant to this chapter, a record must be received by the division, comply with this chapter, and satisfy the following:
   (a) The filing of the record must be required or permitted by this chapter.
   (b) The record must be physically delivered in written form unless and to the extent the division permits electronic delivery of records.
   (c) The words in the record must be in English, and numbers must be in Arabic or Roman numerals, but the name of an entity need not be in English if written in English letters or Arabic or Roman numerals.
   (d) The record must be signed by a person authorized or required under this chapter to sign the record.
   (e) The record must state the name and capacity, if any, of each individual who signed it, either on behalf of the individual or the person authorized or required to sign the record, but need not contain a seal, attestation, acknowledgment, or verification.

(2) If law other than this chapter prohibits the disclosure by the division of information contained in a record delivered to the division for filing, the division shall accept the record if the record otherwise complies with this chapter but the division may redact the information.

(3) When a record is delivered to the division for filing, any fee required under this chapter and any fee, tax, interest, or penalty required to be paid under this chapter or law other than this chapter must be paid in a manner permitted by the division or by that law.

(4) The division may require that a record delivered in written form be accompanied by an identical or conformed copy.

Enacted by Chapter 412, 2013 General Session

48-1d-113 Effective time and date.
Except as otherwise provided in Section 48-1d-114 and subject to Subsection 48-1d-115(3), a record filed under this chapter is effective:

(1) on the date and at the time of its filing by the division, as provided in Section 48-1d-116;
(2) on the date of filing and at the time specified in the record as its effective time, if later than the time under Subsection (1);
(3) at a specified delayed effective time and date, which may not be more than 90 days after the date of filing; or
(4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the date specified, which may not be more than 90 days after the date of filing.

Enacted by Chapter 412, 2013 General Session

48-1d-114 Withdrawal of filed record before effectiveness.

(1) Except as otherwise provided in Sections 48-1d-1024, 48-1d-1034, 48-1d-1044, and 48-1d-1054, a record delivered to the division for filing may be withdrawn before it takes effect by delivering to the division for filing a statement of withdrawal.

(2) A statement of withdrawal must:
   (a) be signed by each person that signed the record being withdrawn, except as otherwise agreed by those persons;
   (b) identify the record to be withdrawn; and
   (c) if signed by fewer than all the persons that signed the record being withdrawn, state that the record is withdrawn in accordance with the agreement of all the persons that signed the record.

(3) On filing by the division of a statement of withdrawal, the action or transaction evidenced by the original record does not take effect.

Enacted by Chapter 412, 2013 General Session

48-1d-115 Correcting filed record.

(1) A person on whose behalf a filed record was delivered to the division for filing may correct the record if:
   (a) the record at the time of filing was inaccurate;
   (b) the record was defectively signed; or
   (c) the electronic transmission of the record to the division was defective.

(2) To correct a filed record, a person on whose behalf the record was delivered to the division must deliver to the division for filing a statement of correction.

(3) A statement of correction:
   (a) may not state a delayed effective date;
   (b) must be signed by the person correcting the filed record;
   (c) must identify the filed record to be corrected;
   (d) must specify the inaccuracy or defect to be corrected; and
   (e) must correct the inaccuracy or defect.

(4) A statement of correction is effective as of the effective date of the filed record that it corrects except for purposes of Subsection 48-1d-103(4) and as to persons relying on the uncorrected filed record and adversely affected by the correction. For those purposes and as to those persons, the statement of correction is effective when filed.

Enacted by Chapter 412, 2013 General Session
48-1d-116 Duty of division to file -- Review of refusal to file -- Transmission of information by division.
(1) The division shall file a record delivered to the division for filing which satisfies this chapter. The duty of the division under this section is ministerial.
(2) When the division files a record, the division shall record it as filed on the date and at the time of its delivery. After filing a record, the division shall deliver to the person that submitted the record a copy of the record with an acknowledgment of the date and time of filing and, in the case of a statement of denial, also to the partnership to which the statement pertains.
(3) If the division refuses to file a record, the division, not later than 15 business days after the record is delivered, shall:
   (a) return the record or notify the person that submitted the record of the refusal; and
   (b) provide a brief explanation in a record of the reason for the refusal.
(4) If the division refuses to file a record, the person that submitted the record may petition the district court to compel filing of the record. The record and the explanation of the division of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding.
(5) The filing of or refusal to file a record does not create a presumption that the information contained in the record is correct or incorrect.
(6) Except as otherwise provided by Section 16-17-301 or by law other than this chapter, the division may deliver any record to a person by delivering it:
   (a) in person to the person that submitted it;
   (b) to the address of the person's registered agent;
   (c) to the principal office of the person; or
   (d) to another address the person provides to the division for delivery.

Enacted by Chapter 412, 2013 General Session

48-1d-117 Liability for inaccurate information in filed record.
(1) If a record delivered to the division for filing under this chapter and filed by the division contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from:
   (a) a person that signed the record, or caused another to sign it on the person's behalf, and knew the information to be inaccurate at the time the record was signed; and
   (b) a partner, if:
      (i) the record was delivered for filing on behalf of the partnership; and
      (ii) the partner had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the partner reasonably could have:
         (A) effected an amendment under Subsection 48-1d-1101(6);
         (B) filed a petition under Section 48-1d-111; or
         (C) delivered to the division for filing a statement of change under Section 16-17-206 or a statement of correction under Section 48-1d-115.
(2) An individual who signs a record authorized or required to be filed under this chapter affirms under penalty of perjury that the information stated in the record is accurate.

Enacted by Chapter 412, 2013 General Session

48-1d-118 Reservation of power to amend or repeal.
The Legislature of this state has power to amend or repeal all or part of this chapter at any time, and all domestic and foreign limited liability partnerships subject to this chapter are governed by the amendment or repeal.

Enacted by Chapter 412, 2013 General Session