

Amendment No. 345

Senate Amendment to Senate Bill No. 329	(BDR 7-784)
<b>Proposed by:</b> Senate Committee on Judiciary	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

DY/BAW



Date: 4/14/2015

S.B. No. 329—Revises provisions relating to partnerships. (BDR 7-784)



SENATE BILL NO. 329—SENATORS LIPPARELLI, HAMMOND,  
ROBERSON; GUSTAVSON AND HARDY

MARCH 16, 2015

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to partnerships. (BDR 7-784)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to partnerships; exempting, under certain circumstances, certain persons from liability as a partner by estoppel and liability as a purported partner; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law sets forth various provisions governing partnerships, including the formation of such business associations and the rights and obligations of partners in a partnership. (Chapter 87 of NRS) Under existing law, partnerships are governed either by the provisions of the Uniform Partnership Act, which were enacted in 1931, or the more recent provisions of the Uniform Partnership Act, which were enacted in 1997, depending on the date of the partnership's formation. (NRS 87.025, 87.4314) Also under existing law, a person who is not an actual partner of a partnership may be held liable as a partner under certain circumstances and as a result of the words or conduct of the person. (NRS 87.160, 87.4332) This bill provides that those provisions do not apply to a person who announces an association of persons for the sole purpose of a business development, regardless of whether such an announcement uses, or the association is described by, certain terms, so long as the business development is undertaken for furtherance of forming an entity in accordance with title 7 of NRS, by one or more corporations or limited-liability companies.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 87.160 is hereby amended to read as follows:

87.160 1. When a person, by words spoken or written or by conduct, represents himself or herself, or consents to another representing him or her to anyone, as a partner in an existing partnership or with one or more persons not actual partners, the person is liable to any such person to whom such representation has been made who has, on the faith of such representation, given credit to the actual or apparent partnership, and if the person has made such representation or consented to its being made in a public manner the person is liable to such person, whether the representation has or has not been made or communicated to such

1 person so giving credit by or with the knowledge of the apparent partner making the  
2 representation or consenting to its being made.

3 (a) When a partnership liability results, the person is liable as though the  
4 person were an actual member of the partnership.

5 (b) When no partnership liability results, the person is liable jointly with the  
6 other persons, if any, so consenting to the contract or representation as to incur  
7 liability, otherwise separately.

8 2. When a person has been thus represented to be a partner in an existing  
9 partnership, or with one or more persons not actual partners, the person is an agent  
10 of the persons consenting to such representation to bind them to the same extent  
11 and in the same manner as though he or she were a partner in fact, with respect to  
12 persons who rely upon the representation. Where all the members of the existing  
13 partnership consent to the representation, a partnership act or obligation results; but  
14 in all other cases it is the joint act or obligation of the person acting and the persons  
15 consenting to the representation.

16 3. *This section does not apply to any person who, by words spoken or*  
17 *written or by conduct, announces an association of persons for the sole purpose*  
18 *of a business development, regardless of whether such an announcement uses, or*  
19 *the association of persons is described by, the terms "partnering" or "joint*  
20 *venturing" or any other similar term, so long as the business development is*  
21 *undertaken ~~in furtherance of forming an entity in accordance with title 7 of~~*  
22 *~~NRS.~~ by one or more corporations or limited-liability companies.*

23 Sec. 2. NRS 87.4332 is hereby amended to read as follows:

24 87.4332 1. If a person, by words or conduct, purports to be a partner, or  
25 consents to being represented by another as a partner, in a partnership or with one  
26 or more persons not partners, the purported partner is liable to a person to whom the  
27 representation is made, if that person, relying on the representation, enters into a  
28 transaction with the actual or purported partnership. If the representation, either by  
29 the purported partner or by a person with the purported partner's consent, is made  
30 in a public manner, the purported partner is liable to a person who relies upon the  
31 purported partnership even if the purported partner is not aware of being held out as  
32 a partner to the claimant. If partnership liability results, the purported partner is  
33 liable with respect to that liability as if the purported partner were a partner. If no  
34 partnership liability results, the purported partner is liable with respect to that  
35 liability jointly and severally with any other person consenting to the  
36 representation.

37 2. If a person is thus represented to be a partner in an existing partnership, or  
38 with one or more persons not partners, the purported partner is an agent of persons  
39 consenting to the representation to bind them to the same extent and in the same  
40 manner as if the purported partner were a partner, with respect to persons who enter  
41 into transactions in reliance upon the representation. If all of the partners of the  
42 existing partnership consent to the representation, a partnership act or obligation  
43 results. If fewer than all of the partners of the existing partnership consent to the  
44 representation, the person acting and the partners consenting to the representation  
45 are jointly and severally liable.

46 3. A person is not liable as a partner merely because the person is named by  
47 another in a statement of partnership authority.

48 4. A person does not continue to be liable as a partner merely because of a  
49 failure to file a statement of dissociation or to amend a statement of partnership  
50 authority to indicate the partner's dissociation from the partnership.

51 5. Except as otherwise provided in subsections 1 and 2, persons who are not  
52 partners as to each other are not liable as partners to other persons.

1        6. Subsections 1 and 2 do not apply to any person who, by words spoken or  
2        written or conduct, announces an association of persons for the sole purpose of a  
3        business development, regardless of whether such an announcement uses, or the  
4        association of persons is described by, the terms “partnering” or “joint  
5        venturing” or any other similar term, so long as the business development is  
6        undertaken ~~in furtherance of forming an entity in accordance with title 7 of~~  
7        ~~NRS,~~ by one or more corporations or limited-liability companies.

8        Sec. 3. This act becomes effective upon passage and approval.