

362.1-302 Transfer of partnership property.

- (1) Partnership property may be transferred as follows:
 - (a) Subject to the effect of a statement of partnership authority under KRS 362.1-303, partnership property held in the name of the partnership may be transferred by an instrument of transfer executed by a partner in the partnership name.
 - (b) Partnership property held in the name of one (1) or more partners with an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, but without an indication of the name of the partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.
 - (c) Partnership property held in the name of one (1) or more persons other than the partnership, without an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.
- (2) A partnership may recover partnership property from a transferee only if it proves that execution of the instrument of initial transfer did not bind the partnership under KRS 362.1-301 and:
 - (a) As to a subsequent transferee who gave value for property transferred under subsection (1)(a) or (b) of this section, proves that the subsequent transferee had notice that the person who executed the instrument of initial transfer lacked authority to bind the partnership; or
 - (b) As to a transferee who gave value for property transferred under subsection (1)(c) of this section, proves that the transferee had notice that the property was partnership property and that the person who executed the instrument of initial transfer lacked authority to bind the partnership.
- (3) A partnership shall not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection (2) of this section, from any earlier transferee of the property.
- (4) If a person holds all of the partners' interests in the partnership, all of the partnership property vests in that person. The person may execute a document in the name of the partnership to evidence vesting of the property in that person and may file or record the document.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 29, effective July 12, 2006.