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Arizona Business Partnerships

The Law Offices of Donald W. Hudspeth are prepared to help with all business-related matters, no matter what form your business takes. We will help you decide whether a partnership is the right legal structure for your business and, if so, which type of partnership. And we can assist you with any other partnership issues, from disputes between partners to tax matters to partnership dissolution.

Arizona recognizes three chief forms of partnership: general, limited, and limited liability.

Arizona general partnership

A general partnership forms whenever you associate with at least one other person to run a for-profit business. Regardless of whether you intend to form a partnership or file documents with the [Arizona Corporation Commission](#) to that effect, co-owning a for-profit business with one or more other co-owners creates a general partnership. Under a general partnership:

- You may—and probably should—have a written general partnership agreement specifying the rights and responsibilities of each partner, but you do not need one.
- The partnership is a distinct legal entity, and may own property and incur debt in its name. Property owned by the partnership belongs to the partnership, not to the partners individually.
- Arizona law does not restrict the number or type of partners. A corporation or other business entity may be a partner.
- The partnership is liable for the acts of each partner in the ordinary course of business, and each partner is jointly and severally liable for all obligations of the partnership.

Generally general partnerships are not a good idea because you may be completely liable for the acts of your partner even if you had an agreement with your partner that he/she/it would not do the act in question. So, except for joint ventures between entities partnerships are not as commonly used.

Arizona limited partnership

To form a limited partnership, you must file a Certificate of Limited Partnership with the Arizona Secretary of State, specifying:

- The name of the limited partnership
- The office address of the partnership
- The name and address of the agent for service of process
- The name and the business address of each general partner
- The latest date, if any, on which the limited partnership must dissolve
- Any other matters the general partners determine to include

You must also check that the name of your limited partnership is unique from other Arizona business entities or trademarks before filing. Under an **Arizona limited partnership**:

- You do not need any written agreements other than the Certificate of Limited Partnership to form a limited partnership, but Arizona business partnership lawyers strongly recommend that you create a general partnership agreement, specifying the rights and responsibilities of each partner.
- Arizona law does not limit the number of partners or what sort of entity can become a partner, but does require that limited partnerships have at least one general partner and at least one limited partner. Limited partners generally contribute seed money as an investment, but have little—if any—control over day-to-day operations and business management.
- General partners are liable for the obligations of the partnership. Limited partners are not, unless they have taken over management or operational responsibilities.

Arizona limited liability partnerships

Relatively new to Arizona, limited liability partnerships are intended to combine some of the liability protection of a true corporate structure with the intimacy and administrative ease of a partnership. Under a limited liability partnership:

- You must file a Statement of Qualification specifying: the name of the limited liability partnership, the address of the partnership office, the name and address of the partnership agent for service of process, and that you are applying for status as a limited liability partnership.
- The limited liability partnership is a separate entity for most legal purposes—it can own property and incur debt—but not for tax purposes. Such a partnership does not pay taxes on profits and losses on its own, but instead distributes profits and losses among all the partners.
- Partners are not liable for the obligations of the partnership, except to the extent that they have already invested in the partnership.

Arizona business partnership attorneys

Located in midtown Phoenix, Arizona, The Law Offices of Donald W. Hudspeth are easily accessible by light rail or car. Our [business lawyers in Phoenix](#) have helped thousands of businesses over the years, working with business owners throughout Arizona on their legal needs. Our practice extends to other states and countries, including Canada and China, for corporations and LLCs. [Contact](#) us for additional information regarding how we can help you with your legal business matters.

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“The Business of Our Firm is Business”