ECONOMIC RIGHTS OF UNMARRIED COHABITANTS ACT

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

December 6-7, 2019 Drafting Committee Meeting

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# ECONOMIC RIGHTS OF UNMARRIED COHABITANTS ACT

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ECONOMIC RIGHTS OF UNMARRIED COHABITANTS ACT

ARTICLE 1

GENERAL PROVISIONS

SECTION 101. SHORT TITLE. This [act] may be cited as the [Uniform] Economic Rights of Unmarried Cohabitants Act.

SECTION 102. DEFINITIONS. In this [act]:

(1) “Agreement” means the total legal obligation resulting from the bargain of cohabitants that governs the economic rights between the cohabitants as may be expressed in a writing or inferred from the cohabitants’ conduct or language.

(2) “Cohabitant” means one of two individuals who could be married to each other [under the laws of the state in which the agreement [was entered into] or [is sought to be enforced]] and who live together in an intimate committed relationship as evidenced by the duration and purpose of the individuals’ relationship and any pooling of resources and services for joint projects. The term includes individuals who could not be married to each other if at least one of those individuals believed in good faith that the individuals could be married.

(3) “Court” means a tribunal authorized under the law of a State to consider divorce, family, or probate matters.

(4) “Domestic services” includes cooking, cleaning, shopping, or errands for the household, or the provision of nursing care or child care. The term shall be broadly construed to include similar activities. The term does not include sexual conduct.

(5) “Economic right” means any of the following:

(A) a legally cognizable interest in, or liability for, property; or

(B) a legally cognizable interest in, or responsibility for, financial obligations or
(6) “Individual” means a natural person of any age.

(7) “Property” means a thing that may be the subject of ownership, or any interest in the thing, whether real or personal, tangible or intangible, or legal or equitable.

(8) “Record” 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.

(9) “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.

(10) “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.

(11) “Termination of the cohabitants’ relationship” means any of the following:

(A) the death of one of the cohabitants; or

(B) the time at which one cohabitant [knows or] has notice of the other cohabitant’s [express will to end or] ending of the cohabitants’ relationship.

Note: For purposes of this first draft, we are using “Note” to provide information and to raise issues that may merit further discussion. These are notes to the Committee rather than Comments or Legislative Notes that would appear in a final act.

The definition of “agreement” is adapted from UCC Secs. 1-201(3), (12). The definition of “individual” is drawn from Section 102(12) of the Uniform Parentage Act (UPA). The definition of property is drawn from Section 2(6) of the Uniform Premarital and Marital Agreements Act. The definitions of “record”, “sign”, and “state” are drawn from the Uniform Partnership Act Sections 102(17), (20), (21).

The definition of “cohabitant” specifies to whom the Act applies. The parties cannot be in a common law or other lawful marriage at any point during their relationship. A cohabitant may
be an emancipated minor under the age of 18 if otherwise eligible to marry under state law. The definition includes factors drawn from the language of Matter of Marriage of Lindsey, 678 P.2d 328, 331 (Wash. 1984)(“continuous cohabitation, duration of the relationship, purpose of the relationship, and the pooling of resources and services for joint projects.”). Borrowing from the concept of putative spouse recognized in the Uniform Marriage and Divorce Act (UMDA), the definition includes one who has a good faith belief that the parties could be married to one another. See UMDA § 209. There may be situations involving a married cohabitant, an “innocent” cohabitant, and an innocent spouse who does not know of the other spouse’s cohabitant relationship. This definition protects the rights of the innocent cohabitant. This provision is not designed or intended to undercut the rights of the innocent spouse but to ensure equity is done.

The definition of “court” is drawn from Section 102(6) of the Uniform Child Custody Jurisdiction and Enforcement Act. We recognize that in some states, divorce and probate actions are tried by a jury and, in others, tried by a judge. Also, in some states divorce and other family law matters are heard in different courts. While ultimately states will need to decide on the appropriate tribunals to hear cases brought under this [act] this draft includes language intended to provide direction.

The definition of “economic right” recognizes the possibility of liability for ongoing payments between cohabitants or former cohabitants. It does not cover tort suits.

The definition of “termination of the cohabitants’ relationship” is adapted from Section 801 of the Uniform Partnership Act, which states: “A partnership is dissolved, and its business must be wound up, upon the occurrence of any of the following: (1) in a partnership at will, the partnership knows or has notice of a person’s express will to withdraw as a partner[].”

Termination refers to both death and dissolution of the relationship. At dissolution, the draft places the burden on the cohabitant leaving the relationship to ensure the other cohabitant is aware of that intent. Serving a prison sentence, for example, does not, in and of itself, terminate the cohabitation. Issues concerning commencement of the statute of limitations upon termination are addressed in Section 104.

Note:

Uniform Marriage and Divorce Act § 209. [Putative Spouse];

*Any person who has cohabited with another to whom he is not legally married in the good faith belief that he was married to that person is a putative spouse until knowledge of the fact that he is not legally married terminates his status and prevents acquisition of further rights. A putative spouse acquires the rights conferred upon a legal spouse, including the right to maintenance following termination of his status, whether or not the marriage is prohibited (Section 207) or declared invalid (Section 208). If there is a legal spouse or other putative spouses, rights acquired by a putative spouse do not supersede the rights of the legal spouse or those acquired by other putative spouses, but the court shall*
apportion property, maintenance, and support rights among the claimants as appropriate in the circumstances and in the interests of justice.

This means the Act may need to include a definition of “putative cohabitants” as well as related provisions based on this concept of a putative spouse.

**SECTION 103. SCOPE.**

(a) This [act] applies to all of the following:

(1) the recognition of economic rights between two cohabitants to ensure predictable and just outcomes, and to that end should be broadly construed;

(2) agreements between two cohabitants regarding their economic rights and remedies; and

(3) circumstances where one cohabitant has been unjustly enriched and justice requires a remedy.

(b) [This [act] establishes a presumptive equitable partnership between cohabitants, which, in the absence of an agreement or unjust enrichment, creates rights and remedies in limited circumstances based on the nature and duration of the relationship.

(c)] This [act] does not alter, diminish, or enlarge the application of the doctrine of common law marriage as may be recognized or prohibited by this state.

*Note:* This Section is designed to provide an overview of the goals of this act. The Committee should discuss whether a presumptive equitable partnership can be found in addition to an agreement or unjust enrichment.

**SECTION 104. LIMITATION OF ACTION.**

(a) The statute of limitations applicable to an action asserting a claim for relief as a cohabitant under this [act] is [one] year after termination of the cohabitants’ relationship.

(b) If cohabitants marry each other, the marriage terminates the agreement and tolls the statute of limitations until either cohabitant files for divorce.
(c) Either cohabitant may claim an equitable defense limiting the time for enforcement, including laches and estoppel.

Note: This section is drawn from UPMAA Section 11, which provides;

SECTION 11. LIMITATION OF ACTION. A statute of limitations applicable to an action asserting a claim for relief under a premarital agreement or marital agreement is tolled during the marriage of the parties to the agreement, but equitable defenses limiting the time for enforcement, including laches and estoppel, are available to either party.

SECTION 105. PRINCIPLES OF LAW AND EQUITY. The common law of this [state] and principles of equity supplement this [act], except to the extent modified by this [act] or another law of this [state].

Note: This section permits a court to apply a jurisdiction’s law concerning unjust enrichment and other legal and equitable principles. It is drawn from Section 106 of the Uniform Trust Code (2018), which provides:

SECTION 106. COMMON LAW OF TRUSTS; PRINCIPLES OF EQUITY. The common law of trusts and principles of equity supplement this [Code], except to the extent modified by this [Code] or another statute of this State.

ARTICLE 2

AGREEMENT BETWEEN COHABITANTS

SECTION 201. AGREEMENT VALIDITY.

(a) An agreement establishing economic rights between cohabitants is not void as against public policy.

(b) An agreement for which sexual conduct provides sole consideration is void.

Note: Subsection (b) recognizes that sexual conduct is likely to be part of the cohabitation. As currently drafted, subsection (b) does not void the agreement unless sexual conduct is the sole consideration.

SECTION 202. EXPRESS AGREEMENT. An express agreement must be in a record and signed by both cohabitants.

Note: This is adapted from Section 6 (“Formation Requirements”) of the Uniform
Premarital and Marital Agreements Act (UPMAA), which provides: “A premarital agreement or marital agreement must be in a record and signed by both parties. The agreement is enforceable without consideration.”

Note that UCC § 2-201 requires only that a writing be “signed by the party against whom enforcement is sought or by his authorized agent or broker.”

SECTION 203. IMPLIED-IN-FACT AGREEMENT.

(a) In the absence of an express agreement, a court may find an implied-in-fact agreement manifested through the cohabitants’ conduct or language.

(b) In determining whether an implied-in-fact agreement exists, the court shall consider the totality of the circumstances, including the following:

(1) the duration of the relationship;
(2) the consistency of the relationship;
(3) the conduct of the cohabitants concerning their household activities, domestic services, and living arrangements;
(4) the degree to which the cohabitants hold themselves out to others as an economic, social, and domestic unit;
(5) evidence of the cohabitants’ intent to be economically interdependent;
(6) the extent to which direct and indirect contributions have been made by either cohabitant to the other or to their mutual well-being;
(7) the degree of financial dependence or interdependence and any arrangements for financial support between the cohabitants;
(8) the conduct of the cohabitants concerning the care and support of a child who regularly lived with the cohabitants;
(9) language or conduct manifesting assent to the agreement; and
(10) the ownership, use, and acquisition of any property or financial obligations or
assets of either or both cohabitants.

**Note:** An implied-in-fact agreement differs from an express contract only “in the mode of manifesting assent. Just as assent may be manifested by words or other conduct, sometimes including silence, so intention to make a promise may be manifested in language or by implication from other circumstances.” Restatement (Second) of Contracts § 4 cmt. (1981). Subparagraph(b)(9) addresses this aspect.

As an example:

1. A lives in B's home and renders services to B over a period of years, and after B's death claims the value of the services. By statute A is incompetent to testify to transactions with B, and there is no evidence of a verbal promise. Among the factors relevant to a determination whether the services were gratuitous are the following: a request by B that A render the services, the relation between A and B, the value of the services to B, the alternatives foregone and hardship suffered by A, the financial circumstances of the parties, the relation between B and his legatees or distributees, and their connection with A's services.


**SECTION 204. WHEN ACTION MAY BE COMMENCED.** A cohabitant may commence an action to enforce an agreement [during the cohabitation or] after the termination of the cohabitants’ relationship.

**Note:** As indicated in the accompanying memo, the Committee should discuss whether an agreement can be enforced during the cohabitation, and what effect marriage of the cohabitants has on an agreement and on the statute of limitations.

**SECTION 205. EVIDENTIARY STANDARDS.**

(a) An express agreement must be shown by a preponderance of the evidence. The burden of proof is on a cohabitant seeking to enforce the agreement.

(b) The existence of an implied-in-fact agreement and the term sought to be enforced must be shown by clear and convincing evidence. The burden of proof is on a cohabitant seeking to enforce the agreement or the term.

**SECTION 206. UNENFORCEABLE AGREEMENT.** An agreement is unenforceable if a cohabitant against whom enforcement is sought proves the cohabitant’s
consent to the agreement was involuntary or the result of duress or fraud.

Note: This section is adapted from UPMAA Section 9(a).

SECTION 207. UNENFORCEABLE TERMS.

(a) A court may refuse to enforce a term of an agreement if in the context of the agreement taken as a whole any of the following apply:

(1) the term was unconscionable at the time the agreement was entered into; or

(2) the term is illegal in the state where the agreement is sought to be enforced or in the state where the agreement was made; or

(3) enforcement of the term would result in substantial hardship for a cohabitant because of a material change in circumstances arising after the agreement was entered into.

(b) A term in an agreement is not enforceable to the extent that it limits or restricts a remedy available for a victim of domestic violence under law of this state other than this [act].

(c) The court shall decide questions of the enforceability of a term as a matter of law.

Note: The Committee should consider the advisability of including Subsection (a)(3). This section is drawn from UPMAA Sections 9 (f), (g), and 10, which provide as follows:

[Section 9] (f) A court may refuse to enforce a term of a premarital agreement or marital agreement if, in the context of the agreement taken as a whole[,] [(1)] the term was unconscionable at the time of signing[; or (2) enforcement of the term would result in substantial hardship for a party because of a material change in circumstances arising after the agreement was signed].

(g) The court shall decide a question of unconscionability [or substantial hardship] under subsection (f) as a matter of law.

[Section 10] (b) A term in a premarital agreement or marital agreement is not enforceable to the extent that it . . .

(2) limits or restricts a remedy available to a victim of domestic violence under law of this state other than this [act] . . .

SECTION 208. REMEDIES.

(a) An agreement is enforceable according to its terms.

(b) The court may award a cohabitant additional relief, including preliminary and final
injunctive and other equitable relief.

(c) The court may allocate attorneys’ fees and costs, including interim fees and costs, according to law of this state other than this [act], governing fees and costs in a family law or probate proceeding.

**Note:** The Restatement of Contracts recognizes the following types of interests:

- *(a)* his “expectation interest,” which is his interest in having the benefit of his bargain by being put in as good a position as he would have been in had the contract been performed,
- *(b)* his “reliance interest,” which is his interest in being reimbursed for loss caused by reliance on the contract by being put in as good a position as he would have been in had the contract not been made, or
- *(c)* his “restitution interest,” which is his interest in having restored to him any benefit that he has conferred on the other party.

Restatement (Second) of Contracts § 344 (1981).

Injunctive relief may be critical to preventing dissipation of assets.

There are questions concerning the enforceability of an implied-in-fact agreement with respect to provisions to be made at death. An explicit contract is, for example, covered by UPC Section 2-514 (iii), which permits “a writing signed by the decedent evidencing the contract.” If there is no writing, then even if the court finds an implied-in-fact agreement term concerning provisions to be made for the surviving partner at death, that term might be unenforceable under the law of the state in which the agreement was made under Section 207(a)(2) of this Act.

**SECTION 209. GOVERNING LAW.** The validity, enforceability, interpretation, and construction of an agreement is determined by one of the following:

(1) the law of the jurisdiction designated in the agreement if the jurisdiction has a significant relationship to the agreement or either cohabitant and the designated law is not contrary to a fundamental public policy of this state; or

(2) absent an effective designation described in paragraph (1), the law of this state, including the choice-of-law rules of this state.

**Note:** This is drawn from UPMAA Section 4:
SECTION 4. GOVERNING LAW. The validity, enforceability, interpretation, and construction of a premarital agreement or marital agreement are determined:

(1) by the law of the jurisdiction designated in the agreement if the jurisdiction has a significant relationship to the agreement or either party and the designated law is not contrary to a fundamental public policy of this state; or

(2) absent an effective designation described in paragraph (1), by the law of this state, including the choice-of-law rules of this state.

ARTICLE 3

UNJUST ENRICHMENT

SECTION 301. UNJUST ENRICHMENT CLAIM.

(a) A cohabitant who has conferred a benefit on the other cohabitant, where that benefit is not the subject of an agreement under [Article] 2 of this [act], may have a claim for unjust enrichment.

(b) To establish a claim for unjust enrichment, a cohabitant must prove all of the following:

(1) the cohabitant has conferred a benefit on the other cohabitant;

(2) the other cohabitant knew of, or had an appreciation, of the benefit; and

(3) the other cohabitant accepted or retained the benefit under circumstances such that it would be inequitable for that cohabitant to retain the benefit without payment for its value.

Note: “Liability in restitution derives from the receipt of a benefit whose retention without payment would result in the unjust enrichment of the defendant at the expense of the claimant.” Restatement (Third) of Restitution and Unjust Enrichment § 1 cmt. (2011).

To establish a claim for unjust enrichment, the plaintiff must prove three elements: (1) the plaintiff conferred a benefit upon the defendant; (2) the defendant had an appreciation or knowledge of the benefit; and (3) the defendant accepted or retained the benefit under circumstances making it inequitable for the defendant to retain the benefit without payment of its value.

Restatement (Third) of Restitution and Unjust Enrichment § 1 (2011).
SECTION 302. EVIDENTIARY STANDARDS. A cohabitant must prove a claim of unjust enrichment by clear and convincing evidence.

SECTION 303. REMEDIES.

(a) A court may award a cohabitant the measure of damages necessary to prevent unjust enrichment.

(b) The court may award a cohabitant additional relief, including preliminary and final injunctive and other equitable relief.

(c) The court may allocate attorneys’ fees and costs, including interim fees and costs, according to law of this state other than this [act], governing fees and costs in a family law or probate proceeding.

Note: This is based on Restatement (Third) of Restitution and Unjust Enrichment § 28 (2011):

If two persons have formerly lived together in a relationship resembling marriage, and if one of them owns a specific asset to which the other has made substantial, uncompensated contributions in the form of property or services, the person making such contributions has a claim in restitution against the owner as necessary to prevent unjust enrichment upon the dissolution of the relationship.” Moreover, “[w]hen a claimant [...] seeks restitution in respect of services, the measure of recovery is the value of the services rendered, not their traceable product. . . . The practical result is that restitution between former cohabitants does not entitle the claimant to a share of the defendant's wealth, corresponding to the division of assets that would take place if the parties had been married. []

By contrast, where the transactions between the parties permit the claimant to assert equitable ownership of an asset to which the defendant holds legal title, the measure of recovery [...] is the claimant's ownership interest.

Id. cmt. e.

Injunctive relief may be critical to preventing dissipation of assets.
ARTICLE 4

PRESUMPTIVE EQUITABLE PARTNERSHIP

SECTION 401. THE EXISTENCE OF A PRESUMPTIVE EQUITABLE PARTNERSHIP.

(a) A cohabitant has standing to make a claim of a presumptive equitable partnership when one cohabitant has lived with another cohabitant as an economic, social, and domestic interdependent unit for one of the following:

1. a continuous period of not less than [5] years; or
2. a period of some permanence, if there is a child for whom both cohabitants have established legal parentage or could establish parentage.

(b) In determining whether the cohabitants have lived as an economic, social, and domestic interdependent unit, a court shall consider the totality of the circumstances, including all of the following:

1. the duration of the relationship;
2. the consistency of the relationship;
3. the conduct of the cohabitants concerning their household activities, domestic services, and living arrangements;
4. the degree to which the cohabitants hold themselves out to others as an economic, social, and domestic unit;
5. evidence of the intent to be economically interdependent;
6. the extent to which direct and indirect contributions have been made by either cohabitant to the other or to their mutual well-being;
7. the degree of financial dependence or interdependence and any arrangements
for financial support between the cohabitants;

(8) the conduct of the cohabitants concerning care and support of children who regularly lived with the cohabitants; and

(9) the ownership, use, and acquisition of property or financial obligations or assets.

(c) Cohabitants may agree, by an agreement made at any point before the termination of the cohabitation, that the cohabitants do not have claims against one another concerning the existence of a presumptive equitable partnership.

Note: A presumptive equitable partnership is not a partnership pursuant to the jurisdiction’s partnership law. A cohabitant may include an emancipated minor or minors under the age of 18 who are eligible to marry.

The last clause in subprovision (a)(2) is designed to ensure that, even if parentage has not yet been established, the parties are not precluded from establishing a presumptive equitable partnership if they could establish parentage. The Committee will need to address the issue of how a cohabitant can establish parentage.

The elements in (b) are adapted from the following sources: Province of Alberta, Adult Interdependent Relationships Act (2002), http://www.qp.alberta.ca/documents/Acts/A04P5.pdf (hereinafter “Alberta Act”), and Lawrence W. Waggoner, With Marriage on the Decline and Cohabitation on the Rise, What About Marital Rights for Unmarried Partners?, 41 ACTEC L.J. 49, 87-88 (2015). For example, the “holding out” provision is drawn from Section 2(d) of the Alberta Act and is also similar to Section 4(5) of Professor Waggoner’s “Draft De Facto Marriage Act.” Holding out is an important element in establishing a PEP. In common law marriage, the holding out requirement serves an evidentiary function in showing the intent to be married. A PEP is, of course, not common law marriage and here holding out is not a requirement but evidence showing the parties’ intent to live in an economic social, and domestic unit.

Subsection (c) concerns the possibility of opting out of any PEP claims. It does not resolve the issue of whether a PEP can be claimed where there is an agreement under Article 2.

SECTION 402. EVIDENTIARY STANDARDS.

(a) A cohabitant asserting a claim under this [article] must establish a presumptive equitable partnership by clear and convincing evidence based on a totality of the circumstances.

(b) A cohabitant seeking to prove termination of a presumptive equitable partnership
must establish termination by a preponderance of the evidence.

Note: The Alberta Act sets out various actions that indicate termination of a relationship. Because a presumptive equitable partnership must be established by a totality of the circumstances, this Section does not require that each element in Section 401(b) be established by clear and convincing evidence.

SECTION 403. CIVIL ACTION. A claim under this [article] can only be brought after termination of the cohabitants’ relationship.

SECTION 404. REMEDIES.

(a) In an action under this [article], the court may do all of the following:

(1) award interim and final injunctive and other equitable relief; and

(2) allocate attorneys’ fees and costs, including interim fees and costs, according to law of this state other than this [act], governing fees and costs in a family law or probate proceeding.

(b) On finding the existence of a presumptive equitable partnership and termination of the cohabitants’ relationship other than by death of one of the cohabitants, the court may do one or more of the following:

(1) order that one presumptive equitable partner convey an ownership interest or partial interest in property or financial obligations or assets to the other;

(2) enter a money judgment in favor of one presumptive equitable partner in an amount equal to any monetary contributions made by that partner to the acquisition of property or financial obligations or assets during the presumptive equitable partnership; [[or

(3) enter judgment for part or all of any gain made by one presumptive equitable partner resulting from the other’s contributions, whether the contributions were in the form of domestic services or property or financial obligations or assets]; or

(4) enter an award of support.
(c) In an action after the death of a cohabitant, on a finding of the existence of a presumptive equitable partnership, the court may do one or more of the following:

1. award the surviving presumptive equitable partner an intestate share of the decedent partner’s estate, in cases in which the decedent died without a will disposing of the entire estate; or

2. award the surviving presumptive equitable partner an elective share of the decedent partner’s estate; or

3. award relief as is appropriate in a community property state.


Injunctive relief may be critical to preventing dissipation of assets.

Although the Alberta Act allows for support to be awarded, we are unaware of any cases in the United States awarding such support. But see AMERICAN LAW INSTITUTE, PRINCIPLES OF THE LAW OF FAMILY DISSOLUTION § 6.06 (2002). If the Committee decides that a court can award support, the Committee will also need to decide if the court can order interim support.

With respect to relief at death, the ULC has authorized a Drafting Committee on Disposition of Community Property at Death; Section 404(b)(3) should be redrafted so it is in accord with that Act.]

ARTICLE 5

MISCELLANEOUS PROVISIONS

SECTION 501. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.
SECTION 502. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This [act] modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

SECTION 503. REPEALS; CONFORMING AMENDMENTS.

(a) . . . .

(b) . . . .

(c) . . . .

SECTION 504. EFFECTIVE DATE. This [act] takes effect . . . .