

By: Veasey

H.B. No. 689

A BILL TO BE ENTITLED

AN ACT

relating to the licensing and regulation of landmen in certain urban areas defined by the Texas Real Estate Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1101.002, Occupations Code, is amended by adding Subdivision (3-a) to read as follows:

(3-a) "Landman" means a person who, in the course and scope of the person's business:

(A) acquires or manages petroleum, natural gas, or mineral interests;

(B) performs title or contract functions related to the exploration, exploitation, or disposition of petroleum, natural gas, or mineral interests;

(C) negotiates for the acquisition or divestiture of petroleum, natural gas, or mineral rights; or

(D) negotiates business agreements that provide for the exploration for or development of petroleum, natural gas, or minerals.

SECTION 2. Section 1101.005, Occupations Code, is amended to read as follows:

Sec. 1101.005. APPLICABILITY OF CHAPTER. This chapter does not apply to:

(1) an attorney licensed in any state;

(2) an attorney-in-fact authorized under a power of

1 attorney to conduct a real estate transaction;

2 (3) a public official while engaged in official
3 duties;

4 (4) an auctioneer licensed under Chapter 1802 while
5 conducting the sale of real estate by auction if the auctioneer does
6 not perform another act of a broker or salesperson;

7 (5) a person acting under a court order or the
8 authority of a will or written trust instrument;

9 (6) a person employed by an owner in the sale of
10 structures and land on which structures are located if the
11 structures are erected by the owner in the course of the owner's
12 business;

13 (7) an on-site manager of an apartment complex;

14 (8) an owner or the owner's employee who leases the
15 owner's improved or unimproved real estate;

16 (9) a partnership or limited liability partnership
17 acting as a broker or salesperson through a partner who is a
18 licensed broker; or

19 (10) a transaction involving:

20 (A) the sale, lease, or transfer of a mineral or
21 mining interest in real property unless otherwise provided by
22 commission rule adopted under Section 1101.3515;

23 (B) the sale, lease, or transfer of a cemetery
24 lot;

25 (C) the lease or management of a hotel or motel;

26 or

27 (D) the sale of real property under a power of

1 sale conferred by a deed of trust or other contract lien.

2 SECTION 3. Subchapter H, Chapter 1101, Occupations Code, is
3 amended by adding Section 1101.3515 to read as follows:

4 Sec. 1101.3515. LANDMAN LICENSE REQUIRED. (a) The
5 commission by rule may require a person to hold a landman license
6 under this chapter if the commission determines that the
7 negotiation, acquisition, exploration, exploitation, or
8 disposition of petroleum, natural gas, or mineral interests in real
9 property in counties in or near an urban area of this state and the
10 intense concentration of drilling or mining in the urban area is at
11 a level that requires licensing under this chapter to protect the
12 public and minimize the negative impacts on the urban area.

13 (b) If the commission by rule determines licensing is
14 required in an area described by Subsection (a), a person may not
15 act as or represent that the person is a landman in the geographic
16 area defined by commission rule unless the person holds a landman
17 license under this chapter.

18 (c) An applicant for a landman license may not act as a
19 landman in the geographic area defined by commission rule until the
20 person receives a license issued by the commission evidencing that
21 authority.

22 (d) If the commission determines that a landman license is
23 required to protect the public in a geographic area of this state,
24 the commission by rule shall:

25 (1) define the geographic area in which a person must
26 be licensed to act as a landman;

27 (2) establish the eligibility requirements for a

1 landman license holder, including education, experience, and
2 examination requirements as appropriate;

3 (3) establish the moral character requirements,
4 including honesty, trustworthiness, and integrity, an applicant or
5 license holder must satisfy to hold a landman license;

6 (4) establish the form and procedures for applying for
7 a landman license;

8 (5) set the license fee;

9 (6) establish the term of the license and renewal
10 procedures and fees;

11 (7) establish continuing education requirements;

12 (8) determine the scope of practice by a landman
13 license holder; and

14 (9) require a landman license holder to comply with
15 the standards of conduct and ethics established by the commission
16 for a person licensed under this chapter.

17 (e) A licensed landman or person required to be licensed as
18 a landman under commission rule who violates this chapter or rules
19 adopted under this chapter is subject to disciplinary action under
20 this chapter.

21 (f) The commission may determine that an area defined by
22 commission rule no longer meets the standard provided by Subsection
23 (a) and may repeal or amend commission rules to remove the defined
24 area from licensing requirements.

25 SECTION 4. (a) Not later than January 1, 2008, the Texas
26 Real Estate Commission shall conduct a study to determine whether
27 the commission should require a person to hold a license to act as a

1 landman in a defined urban area of this state in order to protect
2 the public as required by Section 1101.3515, Occupations Code, as
3 added by this Act. The commission shall include in the study the
4 impact of drilling on the counties within the Barnett Shale field of
5 the Fort Worth Basin.

6 (b) If the Texas Real Estate Commission determines in the
7 study conducted under Subsection (a) of this section that licensing
8 landmen in a defined urban area is necessary to protect the public,
9 the commission shall adopt the rules necessary to implement the
10 licensing of landmen in that area not later than May 1, 2008.

11 SECTION 5. This Act takes effect September 1, 2007.