

BILL ANALYSIS

Senate Research Center
88R19180 TSS-F

C.S.S.B. 604
By: King
Natural Resources & Economic Development
3/31/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 604 will update relevant provisions of the Texas statutes to match those with the current scope, breadth, and accuracy of those definition as reflection in the American Association of Professional Landmen (AAPL) bylaws. In 2021, AAPL updated its bylaws to better reflect the full scope of work performed by landmen and their role in the state of Texas. These amendments to definitions ensure that the most accurate descriptions of landman, landwork, and land professional match with the state code. The current law does not reflect accurate definitions of the full scope of work performed by a landman. This legislation would amend:

Occupations Code Section 954.001. Landmen are protected from unauthorized practice of law penalties as provided by statute. This legislation ensures that the definition of land work in that provision reflects the full scope and breadth of work performed by landmen accordingly.

Occupations Code Section 1702.324. Landmen who meet specified criteria may be recognized as independent contractors, and with that the protections the law affords. This legislation ensures that the full scope and breadth of work performed by independent contractor landmen is protected.

Tax Code Section 171.1011(g-11). Landmen are provided with the requisite tax exemption as provided in this section. This legislation would ensure the provision fully captures the complete definition of those areas in which Texas landmen work.

Occupations Code Section 1101.005(9)(A). Landmen are protected in the sale, lease, or transfer of a mineral or mining interest in real property. This legislation expands these protections to other energy sources defined by Section 954.001(3).

This legislation is supported by the American Association of Professional Landmen (AAPL).

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 604 amends current law relating to land services preformed by a landman.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 954, Occupations Code, as follows:

CHAPTER 954. New heading: LAND SERVICES FOR PETROLEUM, MINERAL, AND
OTHER ENERGY SOURCES

Sec. 954.001. New heading: DEFINITIONS. Defines "land services," "mineral," and
"other energy source."

Sec. 954.002. EXCEPTION TO PRACTICE OF LAW. Provides that for the purposes of the definition in Section 81.101 (Definition), Government Code, the "practice of law" does not include engaging in land services, rather than does not include acts relating to the lease, purchase, sale, or transfer of a mineral or mining interest in real property or an easement or other interest associated with a mineral or mining interest in real property, if certain criteria are met.

SECTION 2. Amends Section 1101.005, Occupations Code, as follows:

Sec. 1101.005. APPLICABILITY OF CHAPTER. Provides that Chapter 1101 (Real Estate Brokers and Sales Agents) does not apply to:

(1)-(8) makes no changes to these subdivisions;

(9) a transaction involving:

(A)-(B) makes no changes to these paragraphs;

(C)-(D) makes nonsubstantive changes to these paragraphs; or

(E) the sale, lease, or transfer of an interest in real property relating to another energy source, as defined by Section 954.001.

SECTION 3. Amends Section 1702.324(a), Occupations Code, to redefine "landman."

SECTION 4. Amends Section 171.1011(g-11), Tax Code, to redefine "landman services."

SECTION 5. Makes application of Section 171.1011(g-11), Tax Code, as amended by this Act, prospective to January 1, 2024.

SECTION 6. Effective date, except as provided by Subsection (b) of this section: upon passage or September 1, 2023.

(b) Effective date, Section 171.1011(g-11), Tax Code, as amended by this Act: January 1, 2024.