Draft for discussion purposes only Draft dated 1/2/2013

> This document sets out concepts for a bill to address a specific issue: registration of landmen. This document was distributed to the Legislative Committee of the Marcellus Shale Advisory Commission for discussion. This draft is for discussion purposes only and does not necessarily represent the positions of the O'Malley Administration, any Department of the Administration, or the members of the Advisory Commission.

<u>Business Occupations and Professions</u> [In this Article, Department means the Department of Labor, Licensing, and Regulation.]

§ 17.5-101 Definitions

(a) In this title the following words have the meanings indicated.

(b) Landman. -- "Landman" means a person who engages in landwork relating to mineral rights.

(c) Landwork. – "Landwork" means the actual performance or supervision of any one or more of the following functions:

(1) Negotiating for the acquisition or divestiture of mineral rights;

(2) Negotiating business agreements that provide for the exploration for and/or development of minerals;

(3) Determining ownership in minerals through the research of public and private records;

(4) Reviewing the status of title, curing title defects and otherwise reducing title risk associated with ownership in minerals; and

(5) Managing rights or obligations or both derived from the ownership of interests in minerals.

§17.5–102. Registry. – The Department shall establish and maintain a landman registry.

§ 17.5-103 Registration required. -- A person may not conduct business as a landman unless he is registered by the Department as a landman.

§ 17.5-104 Qualifications for registration. – To be eligible for registration as a landman, a person must:

(a) have a four-year degree from an accredited college or university or have been continuously engaged as a landman for four or more years; and

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(b) agree to abide by the Code of Ethics and Standards of Practice of the American Association of Professional Landmen.

§ 17.5-105. Applications for registration -- An applicant for registration as a landman shall:

(a) submit to the Department an application on the form that the Department provides, which shall include at a minimum the following:

(1) the name of the applicant or, if the applicant is not an individual, the names and addresses of all principals of the applicant;

(2) the business address, telephone number, and electronic mail address of the applicant; and

(3) the Social Security number of the applicant or, if the applicant is not an individual, the federal employer identification number of the applicant;

(4) a description of the applicants qualifications as a landman; and

(5) an agreement to abide by the Code of Ethics and Standards of Practice of the American Association of Professional Landmen.

(b) pay to the Department a nonrefundable 2-year registration, the amount of which shall be set by the Department to cover the cost of administering the landman registration program.

§ 17.5-106. Registration and issuance of certificate. --The Department shall register and issue a certificate of registration to each applicant who meets the requirements of this subtitle.

\$17.5-107 Change of information. -- A registrant shall send the Department written notice of any change in the information submitted under this subtitle within 10 days after the date the change becomes effective.

§ 17.5-108. Term and renewal of registration as landman.

(a) Unless renewed in accordance with this section, a registration expires on the second anniversary of its effective date.

(b) The Department shall renew the registration of each registrant who, before the expiration of the registration, submits to the Department a complete application on a form that the Department provides and pays to the Department a non-renewable fee equal to the original application fee.

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§ 17.5-109. Landman conducting business without registration – If a person not registered as a landman conducts business as a landman, any person who enters into a contract, lease or legal agreement with the unregistered person conducting business as a landman may unilaterally cancel, invalidate, or otherwise terminate the agreement at any time.

§ 17.5-110. Penalties -- A person who violates any provision of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$ 500 or imprisonment not exceeding 60 days or both.