BILL ANALYSIS

Senate Research Center

H.B. 2689
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Jurisprudence
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Enrolled

DIGEST AND PURPOSE

Under current law, landmen perform professional services with regard to oil and gas and minerals, including researching county records to determine ownership, negotiating and preparing leases for execution by mineral owners, negotiating and preparing well trade, joint venture and operating agreements among oil and mineral operators (working interest owners), negotiating and preparing damage agreements, rights-of-way agreements related to oil and gas and mineral exploration and operations, and other business matters with regard to oil and gas and mineral operations.

Landmen duties have come to be included under the evolving definition of the practice of law. This practice has long been recognized and operated under what is know as the "mineral exemption" or the "landman's exemption" to the current definition of the practice of law under the Texas Government Code.

H.B. 2689 defines what constitutes the unlicensed practice of law in relation to acts involving the lease, purchase, sale, or transfer of a mineral or mining interest in real property.

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 Subtitle B, Title 5, Occupations Code, by adding Chapter 953 as follows:

CHAPTER 953. PETROLEUM AND MINERAL LAND SERVICES

Sec. 953.001. EXCEPTION TO PRACTICE OF LAW. Creates an exception to the practice of law for petroleum and mineral land services. Provides that the definition of the practice of law does not include acts relating to the lease, purchase, sale, or transfer of a mineral or mining interest in real property if: (1) the acts are performed by a person who does not hold the person out to be an attorney; and (2) is not a licensed attorney.

SECTION 2. Effective date: upon passage or September 1, 2003.