

SENATE BILL 770

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2lr2386
CF 2lr2387

By: **Senator Edwards**

Introduced and read first time: February 3, 2012

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Business Occupations – Landmen – Registration**

3 FOR the purpose of requiring the Department of Labor, Licensing, and Regulation to
4 establish and maintain a landman registry; prohibiting a person from acting,
5 offering to act, or holding oneself out in the State as a landman unless
6 registered with the Department; requiring a person to apply for registration by
7 submitting a certain form, paying a certain fee, and complying with certain
8 other requirements; specifying the contents of the registration application form;
9 requiring the Department to register and issue a registration number to a
10 certain applicant; prohibiting the transfer, assignment, or pledge of a certain
11 registration number; providing for the expiration of a certain registration;
12 authorizing a certain registrant to renew a registration; requiring the
13 Department to renew a certain registration under certain circumstances;
14 requiring a registrant to send the Department a certain notice; authorizing the
15 Department to take certain disciplinary action; establishing certain penalties
16 for certain violations; providing for the recovery of the penalties in certain civil
17 actions; requiring that certain fees, civil penalties, and fines be deposited into a
18 certain fund; requiring the Department to adopt certain regulations; defining a
19 certain term; and generally relating to the registration of landmen in the State.

20 BY adding to

21 Article – Business Occupations and Professions
22 Section 17.5–101 through 17.5–112 to be under the new title “Title 17.5.
23 Landmen”
24 Annotated Code of Maryland
25 (2010 Replacement Volume and 2011 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – Environment
28 Section 14–122
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2007 Replacement Volume and 2011 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Business Occupations and Professions

TITLE 17.5. LANDMEN.

17.5–101.

IN THIS TITLE, “LANDMAN” MEANS A PERSON THAT, IN THE COURSE AND SCOPE OF THE PERSON’S BUSINESS:

(1) ACQUIRES OR MANAGES PETROLEUM, NATURAL GAS, OR MINERAL INTERESTS;

(2) PERFORMS TITLE OR CONTRACT FUNCTIONS RELATED TO THE EXPLORATION, EXPLOITATION, OR DISPOSITION OF PETROLEUM, NATURAL GAS, OR MINERAL INTERESTS;

(3) NEGOTIATES FOR THE ACQUISITION OR DIVESTITURE OF PETROLEUM, NATURAL GAS, OR MINERAL RIGHTS, INCLUDING THE ACQUISITION OR DIVESTITURE OF LAND OR PETROLEUM, NATURAL GAS, OR MINERAL RIGHTS FOR A PIPELINE; OR

(4) NEGOTIATES BUSINESS AGREEMENTS THAT PROVIDE FOR THE EXPLORATION FOR OR DEVELOPMENT OF PETROLEUM, NATURAL GAS, OR MINERALS.

17.5–102.

THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN A LANDMAN REGISTRY.

17.5–103.

A PERSON MAY NOT ACT, OFFER TO ACT, OR HOLD ONESELF OUT IN THE STATE AS A LANDMAN UNLESS THE PERSON IS REGISTERED WITH THE DEPARTMENT IN ACCORDANCE WITH THIS TITLE.

17.5–104.

(A) TO APPLY FOR REGISTRATION AS A LANDMAN, A PERSON SHALL:

1 (1) SUBMIT AN APPLICATION TO THE DEPARTMENT ON THE FORM
2 PROVIDED BY THE DEPARTMENT;

3 (2) PAY TO THE DEPARTMENT AN INITIAL NONREFUNDABLE
4 2-YEAR REGISTRATION FEE OF \$100; AND

5 (3) COMPLY WITH ANY OTHER REQUIREMENT ESTABLISHED BY
6 THE DEPARTMENT IN REGULATION.

7 (B) THE REGISTRATION APPLICATION FORM SHALL INCLUDE:

8 (1) THE NAME OF THE APPLICANT OR, IF THE APPLICANT IS NOT
9 AN INDIVIDUAL, THE NAMES AND ADDRESSES OF ALL PRINCIPALS OF THE
10 APPLICANT;

11 (2) THE BUSINESS ADDRESS, TELEPHONE NUMBER, AND
12 ELECTRONIC MAIL ADDRESS OF THE APPLICANT;

13 (3) THE SOCIAL SECURITY NUMBER OF THE APPLICANT OR, IF
14 THE APPLICANT IS NOT AN INDIVIDUAL, THE FEDERAL EMPLOYER
15 IDENTIFICATION NUMBER OF THE APPLICANT;

16 (4) A LIST OF ALL STATES AND OTHER JURISDICTIONS IN WHICH
17 THE APPLICANT HOLDS OR HAS HELD A SIMILAR REGISTRATION OR LICENSE;

18 (5) A LIST OF ALL STATES AND OTHER JURISDICTIONS IN WHICH
19 THE APPLICANT HAS HAD A SIMILAR REGISTRATION OR LICENSE SUSPENDED
20 OR REVOKED; AND

21 (6) A STATEMENT WHETHER ANY PENDING JUDGMENTS OR TAX
22 LIENS EXIST AGAINST THE APPLICANT.

23 (C) THE FEES COLLECTED BY THE DEPARTMENT UNDER THIS SECTION
24 SHALL BE DEPOSITED IN THE OIL AND GAS FUND ESTABLISHED IN § 14-122 OF
25 THE ENVIRONMENT ARTICLE.

26 17.5-105.

27 THE DEPARTMENT SHALL REGISTER AND ISSUE A REGISTRATION
28 NUMBER TO AN APPLICANT THAT:

29 (1) MEETS THE REQUIREMENTS OF THIS TITLE; AND

1 **(2) PAYS TO THE DEPARTMENT THE INITIAL REGISTRATION FEE**
2 **REQUIRED BY THIS TITLE.**

3 **17.5–106.**

4 **A REGISTRATION NUMBER ISSUED UNDER THIS TITLE MAY NOT BE**
5 **TRANSFERRED, ASSIGNED, OR PLEDGED.**

6 **17.5–107.**

7 **(A) (1) UNLESS RENEWED IN ACCORDANCE WITH THIS SECTION, A**
8 **REGISTRATION EXPIRES ON THE SECOND ANNIVERSARY OF ITS EFFECTIVE**
9 **DATE.**

10 **(2) BEFORE A REGISTRATION EXPIRES, A REGISTRANT MAY**
11 **RENEW A REGISTRATION FOR AN ADDITIONAL 2–YEAR TERM IF THE**
12 **REGISTRANT MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.**

13 **(B) THE DEPARTMENT SHALL RENEW THE REGISTRATION OF EACH**
14 **REGISTRANT THAT:**

15 **(1) SUBMITS TO THE DEPARTMENT A RENEWAL APPLICATION ON**
16 **THE FORM PROVIDED BY THE DEPARTMENT;**

17 **(2) WOULD QUALIFY FOR AN INITIAL REGISTRATION;**

18 **(3) PAYS TO THE DEPARTMENT A NONREFUNDABLE RENEWAL**
19 **FEE OF \$100; AND**

20 **(4) IS OTHERWISE ENTITLED TO BE REGISTERED.**

21 **(C) THE FEES COLLECTED BY THE DEPARTMENT UNDER THIS SECTION**
22 **SHALL BE DEPOSITED IN THE OIL AND GAS FUND ESTABLISHED IN § 14–122 OF**
23 **THE ENVIRONMENT ARTICLE.**

24 **17.5–108.**

25 **A REGISTRANT SHALL SEND THE DEPARTMENT WRITTEN NOTICE OF ANY**
26 **CHANGE IN THE INFORMATION SUBMITTED UNDER THIS TITLE WITHIN 10 DAYS**
27 **AFTER THE DATE THE CHANGE BECOMES EFFECTIVE.**

28 **17.5–109.**

1 **(A) THE DEPARTMENT MAY DENY REGISTRATION TO AN APPLICANT,**
2 **REPRIMAND A REGISTRANT, SUSPEND OR REVOKE A REGISTRATION, OR IMPOSE**
3 **A CIVIL PENALTY ON A REGISTRANT IF THE DEPARTMENT DETERMINES THAT**
4 **THE APPLICANT OR REGISTRANT:**

5 **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS, ATTEMPTS TO**
6 **OBTAIN, OR USES A REGISTRATION NUMBER;**

7 **(2) USES OR ATTEMPTS TO USE AN EXPIRED, A SUSPENDED, OR A**
8 **REVOKED REGISTRATION NUMBER;**

9 **(3) FALSELY REPRESENTS ONESELF AS A REGISTERED LANDMAN;**

10 **(4) ENGAGES IN ANY OTHER FRAUD, DECEPTION,**
11 **MISREPRESENTATION, OR KNOWING OMISSION OF MATERIAL FACTS RELATED**
12 **TO PETROLEUM, NATURAL GAS, OR MINERAL INTERESTS;**

13 **(5) HAD A SIMILAR REGISTRATION OR LICENSE DENIED,**
14 **SUSPENDED, OR REVOKED IN ANOTHER STATE OR JURISDICTION; OR**

15 **(6) OTHERWISE VIOLATES THIS TITLE.**

16 **(B) THE DEPARTMENT SHALL PROVIDE AN APPLICANT OR A**
17 **REGISTRANT NOTICE AND AN OPPORTUNITY TO REQUEST A HEARING IN**
18 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT**
19 **ARTICLE.**

20 **17.5-110.**

21 **(A) A PERSON THAT WILLFULLY VIOLATES ANY PROVISION OF THIS**
22 **TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE IS LIABLE FOR A CIVIL**
23 **PENALTY TO BE COLLECTED IN A CIVIL ACTION NOT EXCEEDING:**

24 **(1) FOR A FIRST VIOLATION, \$500; AND**

25 **(2) FOR A SECOND OR SUBSEQUENT VIOLATION, \$1,000.**

26 **(B) A PERSON THAT KNOWINGLY AND WILLFULLY VIOLATES ANY**
27 **PROVISION OF THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE IS**
28 **GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:**

1 **(1) FOR A FIRST CONVICTION, A FINE NOT EXCEEDING \$500 OR**
2 **IMPRISONMENT NOT EXCEEDING 60 DAYS OR BOTH; AND**

3 **(2) FOR A SECOND OR SUBSEQUENT CONVICTION, A FINE NOT**
4 **EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 60 DAYS OR BOTH.**

5 **17.5–111.**

6 **(A) IF A LOCAL GOVERNMENT INITIATES A CIVIL ACTION TO ENFORCE**
7 **THIS TITLE, THE LOCAL GOVERNMENT SHALL RECOVER THE CIVIL PENALTIES**
8 **SPECIFIED IN THIS TITLE.**

9 **(B) IF THE STATE INITIATES A CIVIL ACTION TO ENFORCE THIS TITLE,**
10 **THE CIVIL PENALTIES RECOVERED UNDER THIS TITLE SHALL BE DEPOSITED IN**
11 **THE OIL AND GAS FUND ESTABLISHED IN § 14–122 OF THE ENVIRONMENT**
12 **ARTICLE.**

13 **(C) ANY FINES COLLECTED UNDER THIS TITLE SHALL BE PAID INTO**
14 **THE OIL AND GAS FUND ESTABLISHED IN § 14–122 OF THE ENVIRONMENT**
15 **ARTICLE.**

16 **17.5–112.**

17 **THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE**
18 **PROVISIONS OF THIS TITLE.**

19 **Article – Environment**

20 **14–122.**

21 **(a) There is an Oil and Gas Fund.**

22 **(b) The Fund consists of:**

23 **(1) Fees collected by the Department under § 14–105 of this subtitle;**

24 **(2) MONEY COLLECTED BY THE DEPARTMENT OF LABOR,**
25 **LICENSING, AND REGULATION UNDER §§ 17.5–104, 17.5–107, AND 17.5–111 OF**
26 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;**

27 **[(2)] (3) Funds appropriated by the General Assembly for deposit to**
28 **the Fund;**

1 ~~[(3)]~~ (4) Fines and bond forfeitures collected by the Department in
2 accordance with this subtitle that exceed the amount necessary to restore a site; and

3 ~~[(4)]~~ (5) Any additional money made available from any sources,
4 public or private, for the purposes for which the Fund has been established.

5 (c) (1) The Fund is a special, nonlapsing fund that is not subject to §
6 7-302 of the State Finance and Procurement Article.

7 (2) Notwithstanding any law to the contrary, unused money in the
8 Fund may not revert to the General Fund.

9 (d) The Fund shall be maintained and administered by the Department in
10 accordance with the provisions of this subtitle and any regulations the Department
11 adopts.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2012.