Ohio Governor Signs Law Exempting Landmen from Licensing Requirement

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On December 19, 2018, Ohio Governor John Kasich signed Ohio Senate Bill No. 263, which amended O.R.C. 4735.01 to exempt oil and gas land professionals (landmen) from the real-estate licensing requirement made necessary by the Ohio Supreme Court in <u>Dundics v. Eric Petroleum</u> <u>Corp.</u>, No. 2017-0448, 2018 WL 4727711 (Ohio Sept. 25, 2018).

The bill defines an "oil and gas land professional" as a person "regularly engaged in the preparation and negotiation of agreements for the purpose of exploring for, transporting, producing, or developing oil and gas mineral interests, including, but not limited to, oil and gas leases and pipeline easements."

In granting exemption from the real estate broker licensure requirements, the bill distinguishes between landmen employed by a company for which they are acquiring property interests and independent landmen. Consistent with an existing, general exemption for the "regular employees" of Ohio real property owners, employee landmen appear to be fully exempt under the new law. In contrast, independent landmen are prohibited from engaging in fee transactions, and they must comply with certain additional conditions to receive exemption and subsequently remain exempt.

To receive exemption, independent landmen must:

- Register annually with the superintendent of real estate and pay an annual fee not to exceed \$100;
- 2. Maintain membership in an established professional organization that develops a set of performance and ethical standards for landmen (such as the American Association of Professional Landmen); and
- 3. Provide certain disclosures to landowners on forms approved by the superintendent.

Click here to read the full text of the bill. The new law goes into effect on March 19, 2019.

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