

Ag Lease Deadlines Looming

AGRI-VIEWS

by Chuck Otte, Geary County Extension Agent

Over half of all farmland in Kansas is leased. Nearly 90% of all farmers use leased land and most farmers have more than one landlord. In Kansas, agricultural leases can be a written lease or, if there is no written agreement, it is considered an oral lease. Under the eyes of the law, both are legal and binding.

A written lease can be extremely specific. It can dictate nearly everything that is done and any start date and termination date can be utilized. Written leases can be for 1 year, 10 years or 100 years. If a disagreement develops and the courts are involved, the terms of the lease will likely dictate the decision made, or if the lease is silent on certain points of contention, the court will probably look at appropriate statutes and past legal cases.

Oral leases, while very common, are a potential land mine IF a disagreement occurs. When a landlord and tenant, who have an oral lease, wind up in court, the court doesn't care what each party claims to have said. They will go back to very specific state statutes that dictate that an oral lease assigns control of the land to the tenant, limits when and why a landlord can enter the property and very specifically states when and how the lease can be terminated. While I've heard more than once that a landlord or tenant is "good to their word" on a handshake, the legal system is going to defer to statutes and past cases.

Therefore, it is in everyone's best interest to create a simple written lease that specifies who does what, what powers the tenant has or the landlord retains, how long the lease will last and what the terms of shares, or cash, lease will be. An oral lease can wind up as a "tenant said - landlord said" situation. A written lease is there in black and white!

One of the crucial parts of the Kansas Ag Lease Law is termination of an oral lease. By statute, oral leases are one year in length and automatically renew from year to year unless proper notification is given. The lease runs from March 1 to March 1. If a landlord wishes to terminate a lease, the notice must be in writing. The notice must be in the hands of the tenant at least 30 days prior to March 1st and it must set the termination date of the lease as March 1 except for those acres planted to a fall seeded crop like winter wheat or winter barley. For those acres, the lease terminates the day after the last day of harvest OR August 1, whichever comes first. The notice can be hand delivered or mailed. If it is mailed it is recommended to be done well in advance of the deadline and sent as certified mail, with a return receipt so that you can prove that it was delivered. Because this is a leap year, 30 days prior to March 1 is January 31st. Notices to terminate must be in the tenants possession no later than January 31st.

I bring this up now because if a landlord wants to negotiate a new lease and the new terms are not agreed to prior to the 30 day deadline, then there's no way for the landlord to terminate the lease and the lease continues under the prior year's terms. A landlord and tenant could agree to new terms any time of the year, but in an oral lease if the tenant doesn't agree to the new terms, the landlord is stuck until the next opportunity to terminate comes along.

I strongly encourage written leases for many different reasons. But if you have an oral lease, and want to keep it, know the requirements and restrictions. We have an excellent Kansas Ag Lease Law bulletin as well as sample ag lease forms available at no charge from the Extension Office. Contact us for copies of those; 785-238-4161 or 119 East 9th St, Junction City.