

Crunch Time for Agricultural Leases

AGRI-VIEWS

by Chuck Otte, Geary County Extension Agent

The Kansas agricultural lease law has some very specific details that landlords and tenants need to be aware of. Oral agricultural leases are recognized as legal and binding by the state of Kansas. But since there is no way to know what the landlord and tenant may or may not have said, there are quite a few conditions that go with those oral leases IF problems develop. While we don't need to go into all the details contained in those laws, there are a few crucial ones that tenants and landlords need to be aware of.

One of the more pressing considerations is that oral leases are technically only one year leases, but they renew automatically on March 1st of every year. The lease runs March 1 to March 1 and will continue in perpetuity until legal notice of termination is given. Legal notice of termination has three very specific parts to be enforceable. First, it must be in writing. Second, it must set the lease termination date as March 1. Third, it must be in the tenants hands at least 30 days prior to March 1 (January 30th in non-leap years). If all three of these conditions are not met then an oral lease continues for another year. I should also point out that if there is a written lease, it can contain any beginning and ending dates that the two parties agree upon. A written lease can also cover multiple years. However, if a written lease does not contain beginning or ending dates then by default they become March 1.

We are about three weeks out from that deadline to serve notice. Which means that if tenants and landlords want to change terms of the lease they need to do it soon. If new terms can not be agreed upon by January 30th, and notice to terminate is not given, then the lease continues for another year under the previous lease terms. Nothing prohibits landlords and tenants from agreeing later to new lease agreements but if either party doesn't agree to them then the terms of the previous lease continue for another year.

Pasture leases come under the same conditions as crop leases. Crops share leases and cash leases all follow the same conditions. I can not emphasize enough the importance and advisability of having written leases. If for no other reason, a written lease helps heirs to know what was agreed on if one or both parties dies suddenly. I've had a lot of conversations with spouses who were suddenly thrust into making important management decisions without knowing what the terms of a lease were.

Another of the important considerations has to do with right of possession. Unless stated otherwise in a written lease, a tenant assumes all access and control of the rented property. This includes, but not limited to, the right to hunt or fish or to allow others to do the same. There are very specific limits to when the landlord can access the property or what they can do with that property. A simple written lease can solve this potential issue.

It becomes even more crucial to have a written lease with a pasture. The landlord can give in and out dates for the pasture and can set the length of the lease to be six months or whatever they prefer with a written lease. Technically, in the absence of a written lease, the tenant has the pasture for the entire 12 months.

While oral leases are legal and binding, they ultimately can cause landlords and tenants to lose a lot of control. Written leases don't have to be complex. Most of what needs to be in them can be on one or two pages. The real beauty of a written lease is that it insures that both parties have the things that they want in their control. For examples of simple written leases, contact me at the Extension Office.