

Senate Study Bill 3079 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON SENG)

A BILL FOR

1 An Act requiring that agreements to terminate farm tenancies be
2 in writing.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 562.6, Code 2016, is amended to read as
2 follows:

3 **562.6 Agreement for termination.**

4 If ~~an~~ a written agreement is made fixing the time of the
5 termination of a tenancy, ~~whether in writing or not,~~ the
6 tenancy shall terminate at the time agreed upon, without
7 notice. Except for a farm tenant who is a mere cropper or a
8 person who holds a farm tenancy with an acreage of less than
9 forty acres where an animal feeding operation is the primary
10 use of the acreage, a farm tenancy shall continue beyond the
11 agreed term for the following crop year and otherwise upon
12 the same terms and conditions as the original lease unless
13 written notice for termination is served upon either party or
14 a successor of the party in the manner provided in section
15 562.7, whereupon the farm tenancy shall terminate March 1
16 following. However, the tenancy shall not continue because of
17 an absence of notice if there is default in the performance of
18 the existing rental agreement.

19

EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 BILL. This bill would require parties to a lease for land
23 used in farming to make any agreement terminating the lease in
24 writing.

25 BACKGROUND. A farm tenancy is a type of lease in which
26 the lessor receives some form of rent from a lessee who uses
27 the leased land to produce crops or livestock. The relevant
28 statutes refer to the lessee as the "farm tenant" and the
29 farm's tenant's leasehold interest as a "farm tenancy" (see
30 Code section 562.1A). The lease may be made either in writing
31 or orally. Generally, all farm tenancies terminate on March
32 1 at the end of the farm tenant's crop year. However, in
33 order to effectuate the termination, one party to the lease
34 must have given the other party written notice of termination
35 by the previous September 1 (Code sections 562.5 through

1 562.7). Without such timely written notice of the termination,
2 the lease automatically continues, under its same terms and
3 conditions. The following September 1 is the latest date
4 that a party may again exercise a right of termination by
5 written notice effective the following first day of March. One
6 exception to the written notice requirement allows the parties
7 to agree to the termination either in writing or orally. The
8 parties may make the agreement any time during the term of the
9 lease, and the agreement may provide for a termination date
10 earlier than March 1.

11 The bill, in part, is a response to the Iowa Court of
12 Appeals' decision in Auen v. Auen, 851 N.W.2d 547 (Iowa Ct.
13 App. 2014).