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Law Bulletin

Law you need to know from OSU Extension's Farm Office

THE OHIO STATE UNIVERSITY EXTENSION

Creating an Enforceable Farmland Lease

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A farmland lease is a valuable transaction for landowners and farmers alike. It's important to ensure that a lease conforms to Ohio's legal requirements and can be enforced in a court of law if there is a dispute. Here's what Ohio law requires for creating a legally enforceable lease:

The lease must be in writing. Ohio law requires that a "lease or interest in land" must be granted in writing. This means a court would be unwilling to enforce a verbal farm lease that is not in writing, unless litigation could prove a compelling reason to make an exception to the writing requirement. To avoid such litigation, put the lease in writing. Ohio Rev. Code § 1335.04 and § 1335.05.

The lease should identify the land. Include the legal description, address and precise acreage of the land in the lease agreement. If known, reference the deed for the leased land parcel by volume and page. Ohio Rev. Code § 5301.011.

The lease should properly name the parties and all landowners. List all co-owners of the land, using correct legal names or business names. A party that is a business entity should name the individual with legal authority to act on behalf of the entity.

All parties should sign the lease. Ohio law states that a lease is not enforceable against a party who did not sign the contract. All parties should sign the lease. Ohio Rev. Code § 1335.04 and § 1335.05.

A lease over three years must be acknowledged. Ohio law requires parties to a lease of more than three years to have their signatures acknowledged by a notary public or local official such as a judge, mayor, county auditor, county engineer or clerk of court. Ohio Rev. Code § 5301.01 and § 5301.08.

The parties should record the lease or record a short form of the lease. Ohio law requires a lease to be recorded in the office of the county recorder where the land exists to be valid against a purchaser who lacks knowledge of the lease. The parties may file a shortened "memorandum of lease" that states the names and addresses of each party, a legal description of the land, the period of the lease and whether there are rights of renewal.. Ohio Rev. Code § 5301.25 and § 5301.251.

The terms of a farmland lease are also important to a successful leasing arrangement. For information on lease terms, refer to our **"What's in Your Farmland Lease?"** bulletin in our agricultural law library at farmoffice.osu.edu and see the leasing resources on aglease101.org.

Is your farm lease legally enforceable?

These steps will help ensure you can enforce your lease in a court of law:

- Put the lease agreement in writing.
- Identify the land parcel by legal description, address and acreage amount.
- Include all owners or co-owners in the lease, including spouses that co-own the land.
- Use the correct legal names of all parties.
- Make sure all parties sign the lease.
- For businesses, make sure the person signing has legal authority to represent the business.
- For a lease over three years, have a notary or county official certify the parties' signatures.
- Take the lease or a "memorandum of lease" to the county recorder's office for recording.

To ensure that your lease is valid and fully addresses all of your needs, **rely on the expertise of an agricultural attorney.**