START\_STATUTE37-288.  Default on short-term lease; forfeiture and cancellation of lease; extension of time for payment; penalty and interest on delinquent rental; automatic termination for arrearage

A.  If a lessee of a lease of ten years or less defaults in a payment of rent, as provided in the lease, or fails to comply with a condition, covenant or requirement of the lease, the lease and the lessee's rights under the lease are subject to forfeiture and cancellation as provided by this section and section 37‑289.

B.  If the lessee of a lease of ten years or less fails to pay the rent when due, the department may extend the time for payment an additional period not to exceed ninety days.  The department shall not extend the period for payment of rental more than three times in one lease year and in no event for more than two hundred seventy days.

C.  There shall be added to the delinquent rental a penalty and delinquent interest. The rate of interest on delinquent rent shall be set by the state treasurer.  The penalty shall be the greater of a minimum processing cost as determined by the commissioner or five per cent.  The delinquent rent, penalty and interest shall be a lien on the improvements, crops and property on the land.

D.  If, on a lease of ten years or less, the annual rental at any time is one calendar year in arrears from the date the rental payment was due, the lease shall automatically terminate and the department shall proceed to cancel it on the records of the department. END\_STATUTE