

Government of Alberta Grazing Leases

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A provincial grazing lease is a common interest in land with specific rules for transfer/assignment. Often Crown lands are declared to be available to the public and leases are granted. Once issued, however, they become very valuable assets and can be willed to heirs on death. When sold or assigned they can be worth tens of thousands of dollars. There is a standard form of assignment of grazing lease approved by the Minister for both individuals and corporations. The approval time of a grazing lease assignment can take upwards of 12-16 months. Normally the real estate practitioner will seek to separate any transfer closing dates on fee simple lands from the grazing lease assignment, thereby allowing some of the funds to flow to the seller, while the grazing lease consideration continues to be held in trust until the process is concluded. The purchase of the grazing lease can also be financed/used as collateral for refinancing.

The Alberta Department of Environment and Parks forms for which approval of the financing must be obtained are found along with the assignment documents by clicking [here](#).

Currently, the following Department is your contact point for assignment purposes.

- Agriculture Unit
- Approvals and Disposition Section
- Provincial Programs Branch
- Operations Division
- Alberta Environment and Parks

A couple of practise points to be wary of:

1. The assignment fee to the Alberta Government can be large and is often not contemplated in the standard Agricultural Real Estate Purchase Contract. A recent file with an assignment fee of \$16,000.00 required the Buyer and the Seller to re-negotiate whose responsibility it was to pay this.
2. Copies of the grazing lease, denoted by the "GRL" prefix, can be obtained for a fee from the Government of Alberta.
3. The Assignor must have held at least 2/3 of the leased lands for three years to be able to transfer/assign the same to an arm's length third party (Public Lands Administration Regulation, Alta Reg 187/2011 s.156.).
4. Surface Leases from oil companies may also be payable on a grazing lease. This lease revenue should also be assigned and adjusted to the Buyer.

For more information on Alberta Grazing Leases, please contact [us](#).

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