

## **The Maine Leaseholders Association**

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The Maine Leaseholders Association is an organization devoted to improving communications between private landowners and leaseholders like ourselves. We are business people, retirees, hunters, fishermen, snowmobilers, and camp owners who have for years honored the Maine tradition by serving as stewards of the land we are privileged to rent.

We have been presented with an opportunity to increase news coverage of lease issues and enhance our ability to inform lease holders on meeting times and leasing information.

“All Maine Matters,” a monthly newspaper with wide distribution throughout the state, has agreed to carry a regular column devoted to the Maine Leaseholders Association and we intend to regularly update our web site.

There is also a need for donations to the legal defense fund in order to maintain the necessary legal representation for the members at times when landowners have become difficult to deal with. This is an option that we need to provide in order to protect the best interest of our membership and our property.

As leaseholders, we all have common interests, which are the love of the land and the use of the land. Whether it is snowmobiling, hunting, fishing, camping, or whatever it might be, we must make sure that the use of the land is protected for future generations.

Stu Kallgren

*The Maine Leaseholders Association*

### [All Maine Matters](#)

Vol. 1, No. 2 February 2006

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### **A Discussion With Stu Kallgren, of the Maine Leaseholder's Association**

The Maine Leaseholder's Association was formed in 1990 to address the concerns of leaseholders in the State of Maine. Stu Kallgren has served as its president since 1996.

AMM: Stu, can you tell us something of how the Maine Leaseholder's Association goes about addressing these concerns?

STU: The Maine Leaseholder's Association hopes to protect the rights of property owners who have camps or homes on leased land throughout the state. The organization has worked to address the safety and legal concerns faced by these property owners.

AMM: You and I have talked about this before, so I know that you can appreciate the difficulties that many of us have in balancing the rights of the landowner with the rights of the property owner. For the benefit of our readers, can you talk a little about this issue?

STU: We are property owners. We own the property that sits on land that we lease, but do not own. We pay taxes on our property, so we feel that we should have some protection under the law.

Multinational corporations are coming into the state, buying up hundreds of thousands of acres here in Maine. The problem is that we can't depend on these corporations to live up to the promises that were made to us years ago, or to demonstrate the same sense of ethics or integrity regarding the traditional uses of the land that we were used to when the land was owned by people who lived in this state.

AMM: Given that leaseholders and landowners are both property owners, have you taken steps to come to an agreement that might be acceptable to both?

STU: We've tried to talk to the landowners and come up with some kind of agreement that would protect the rights of both of the property owners, but these talks have been unproductive.

The landowners have basically told us that they own the land, and they are going to do with it as they want. To a point, I can agree with that, but we have been led to believe, over the years, that our property would be just as safe as if we had owned the land that it sat on. With this understanding, people have built, not only camps, but homes on leased land, and this property is now being threatened.

AMM: People in the rural areas of Maine have leased land for generations, and it seems that there was seldom a problem until recently. Can you tell me when this mutual arrangement began to fall apart, and how it has affected the leaseholders in this state?

STU: The problems began with Great Northern, when it was sold the first time.

The tax structure was changed back in the mid-80's. In some cases, we were paying more in taxes than we were paying in leases. So they came up with a formula that assessed the tax by multiplying the tax value of the land by the mill rate of the county in which it was located. Then the landowners added a \$50 administrative fee, and started assessing the value of the land times 1% for seasonal leases and 2% for year-round leases.

At that time, it wasn't too bad, but leaseholders began worrying about where the prices were going to go from there. The average lease went from \$150 a year to \$1800 a year. That concerned us.

Then when Bowater fragmented their land, we saw a lot of land sales and land swaps,

and some of the new owners didn't want to deal with leaseholders whatsoever. Bowater ended up with about 950 leases of the 1,800 they once had.

As kingdom buyers, such as Roxanne Quimby, Dick Brown, and Chris Nash, began buying up the land, they started terminating leases. Leaseholders were told to take what they could with them, but get out. In one hundred percent of the cases, the camps could not be moved.

In other cases, there have been people who have wanted to sell their camps but, since sales have to be approved by the landowners, several people have found that they could not do so.

AMM: Is there any remedy under the law that might alleviate this problem?

STU: Over the years, we've submitted bills to the Legislature. The opposition we've faced has come from the highly paid lobbyists in Augusta who work for the large landowners. Since they have the money, too often they have been able to control the outcome.

We're not looking for something for nothing. We've tried to be fair to the landowners while protecting our own interests, but most of the large landowners don't care about our interests.

The Nature Conservancy has really been the only ones of all the landowners who have done the right thing by the leaseholders. I don't like much of what they do, but I have to give them credit for that. When a leaseholder on land owned by TNC has sought to sell his property, TNC has been willing to buy the camps and match the buyer's price. The camp is, in most cases, then torn down and no one else will ever be allowed to build there, but at least the leaseholder has been treated fairly. This is not what's happening with the other landowners.

Last year, we submitted a bill to the Legislature. LD1646 was heard by the Judiciary Committee. They asked us to try to work with the landowners, and to come up with a solution that would meet all of our needs. We've tried to do that and while some of them have been willing to talk to us, most of them have said no.

LD1646 has been carried over to this year's session.

AMM: Was anyone with Katahdin Timberlands willing to talk with you?

STU: We did talk to Katahdin Timberlands. They came up with a 15-year lease, telling the press that the negotiators had agreed to this lease. But that was a lie.

Marcia McKeague (president of Katahdin Timberlands) stated that Al Mosca (one of the negotiators with the Maine Leaseholder's Association) was very happy with the arrangement and that the governor had given it his blessing. Neither of these statements

was true. The truth is that when Al met with her, he was told that this wasn't a negotiation, it was a business.

AMM: So where do you go from here?

STU: LD1646 will be coming up again this year. We've reworked the wording of the bill to be certain that there was something there for the landowners as well. The bill would permit the landowner who was willing to sell, at fair market value, to the leaseholder, to be able to do so without having to pay capital gains tax.

We don't want something for nothing. We're willing to pay fair market value for the land that our homes and camps are on. If the landowner won't sell, we'd like to have longer-term leases - 25 years - with some safeguards for our property as well as theirs.

Marcia McKeague seems to be the problem. She doesn't deal well with the public, and she doesn't seem to know how to tell the truth. I think she's a very poor choice for that position and I am afraid that she is going to hurt Brascan in the long run. She has turned the public against the company with her arrogant, condescending attitude.