



April 17, 2025

Sen. Nicole Grohoski, Chair  
Rep. Kristen Cloutier, Chair  
Joint Standing Committee on Taxation  
Maine State Legislature  
100 State House Station  
Augusta, ME 04333

Re: *LD 1491, An Act to Provide a Tax Credit for New Attorneys Practicing in Underserved Areas*

Dear Sen. Grohoski, Rep. Cloutier, and Members of the Taxation Committee:

On behalf of the Board of Governors of the Maine State Bar Association, we write to provide comments in support of *LD 1491, An Act to Provide a Tax Credit for New Attorneys Practicing in Underserved Areas*. Many areas of the state, largely rural areas, face critical shortages of attorneys required for both criminal and civil matters. LD 1491 represents one important tool to attract new lawyers to these underserved areas and improve access to justice statewide. We support this bill and encourage this Committee to consider modification which would incentivize additional attorneys to relocate to underserved areas.

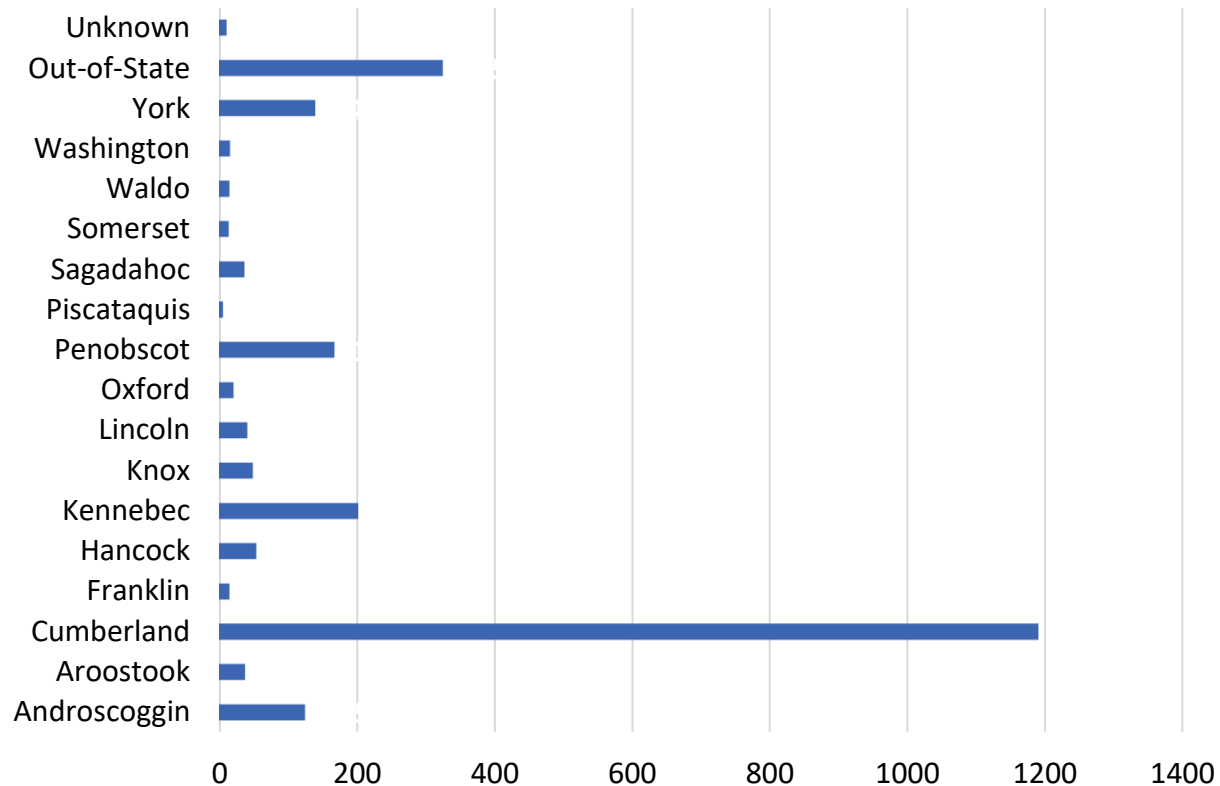
**About MSBA.** The Maine State Bar Association is a statewide trade association chartered in 1891 by the Maine Legislature. The Association currently represents approximately 2,500 attorneys in the State in both public service and private practice. The Association maintains 28 separate sections covering nearly every field of law practiced in Maine, from Administrative Law to Workers' Compensation Law.

**What does LD 1491 do?** LD creates an \$18,000 tax credit for attorneys new to practice in Maine who agree to practice in an underserved area of the state for five years. An attorney who purchases an existing law practice in an underserved area is also eligible for the tax credit. The bill directs the Maine Commission on Public Defense Services (Commission) to identify "underserved areas" of the state for the purpose of the bill's tax credit eligibility.

**Discussion.** Access to justice is an important issue for our Association and our members and we have played an active role in efforts to improve access to criminal defense and civil legal services statewide. Despite laudable efforts from the Legislature in recent years to increase funding of the Commission and expand indigent criminal defense, the reality is that many (primarily rural) areas of the state face significant shortages of attorneys needed to assist residents in criminal and civil matters. Maine's rural areas need lawyers, and with every passing year, the number of lawyers serving rural areas in Maine has been going down. This reflects the "graying" of Maine's Bar, and the challenge of attracting and retaining professionals—including lawyers -- in many of Maine's rural communities.

The following chart of our Association's membership by county demonstrates how few attorneys practice in many areas of the state:

## MSBA MEMBERS BY COUNTY



Residents of rural areas of the state struggle to access basic legal services like wills and trusts, real estate closings, dispute resolution, criminal defense, and family law – the types of services that are essential to life in Maine and everywhere else in this country. The shortage of lawyers in rural areas also means fewer lawyers willing or able to take on services to indigent residents on a reduced cost or pro bono basis. Similarly, fewer lawyers in rural areas also means higher costs as lawyers must travel from urban areas to rural areas to represent their clients. Likewise, in towns with only one lawyer or firm, disputes involving two or more parties will require at least one party to seek counsel from lawyers outside the community since a single firm is generally allowed to represent only one party in an adversarial dispute.

LD 1491 provides the state with one tool to attract more lawyers to practice in rural areas. In particular, the tax credit would assist small, rural law firms in recruiting and retaining new attorneys and increasing the number of clients they can assist. While many small firms are eager to expand their footprints, it is challenging to recruit new attorneys to practice in rural areas when more lucrative jobs are available in Portland and out-of-state. Additionally, because the tax credit would also be available to any attorney that purchases an existing law practice in an underserved area, the bill may incentivize experienced attorneys practicing in more populated areas of the state to relocate to rural areas and simultaneously minimize the impact to these communities when attorneys practicing there retire.

**Possible amendment.** It should be noted that, as drafted, the tax credit would not be available to attorneys who have practiced in more populous areas of the state who then relocate to an underserved area to open a new practice or join an existing small firm. We think it makes sense to incentivize more experienced attorneys to relocate and practice in underserved areas, not just those who are able purchase existing law practices. Accordingly, we encourage this Committee to consider amending the bill to expand the class of attorneys eligible for the tax credit by including any attorney who relocates to practice in an underserved area. This modification would help close a gap in the current bill.

**Conclusion.** We need to think creatively to address access to justice issues throughout our state, especially in rural areas. LD 1491 represents a positive step the State can take to incentivize more attorneys to work in underserved areas. For this reason, we urge the Committee to support LD 1491, and if the Committee sees fit, to include the amendment noted above.

If you have questions or need additional information, please do not hesitate to let us know.

Sincerely,



Susan Faunce  
President, Board of Governors

cc: Angela Armstrong, Executive Director  
Rachel Okun, Chair, MSBA Legislative Committee  
James I. Cohen, Verrill Dana, LLP, Legislative counsel for MSBA