

Bill No. 25-13  
Concerning: Economic Development –  
Cybersecurity Credit – County  
Supplement  
Revised: 6/28/2013 Draft No. 2  
Introduced: September 10, 2013  
Enacted: October 1, 2013  
Executive: October 4, 2013  
Effective: January 3, 2014  
Sunset Date: None  
Ch. 25, Laws of Mont. Co. 2013

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmembers Riemer, Floreen, and Leventhal

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**AN ACT** to:

- (1) authorize the County to supplement the state cybersecurity investment incentive tax credit; and
- (2) generally amend the law governing County financial incentives for investment in certain businesses.

By amending

Montgomery County Code  
Chapter 20, Finance  
Section 20-76D

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

**Sec. 1. Section 20-76D is added as follows:**

**20-76D. Cybersecurity Investment Incentive Tax Credit Supplement.**

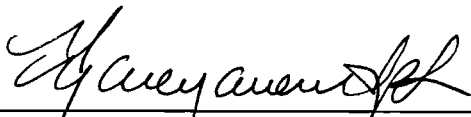
- (a) The Director of Finance must pay, subject to appropriation, a Cybersecurity Investment Incentive Tax Credit Supplement to each Cybersecurity Company who meets certain eligibility standards.
- (b) A Cybersecurity Company is eligible to receive the Supplement if:
  - (1) the Company has been designated as a qualified Cybersecurity Company under state law and has received a final tax credit certificate for the Maryland cybersecurity investment incentive tax credit for the preceding calendar year; and
  - (2) the tax credit received by the Cybersecurity Company was generated by an investment in a qualified Maryland cybersecurity company, as defined in state law, that has its headquarters and base of operations in the County.
- (c) The County Executive, by regulations issued under Method (1), may impose other eligibility standards. However, those standards must not make any Cybersecurity Company ineligible to receive the Supplement who would be eligible under subsection (b).
- (d) (1) The Supplement paid to each eligible Cybersecurity Company must equal the product of:
  - (A) the amount of the credit the Company received under the State Cybersecurity Investment Tax Credit Program, divided by the total amount of credits all Montgomery County cybersecurity companies received under the State Cybersecurity Investment Tax Credit Program during the preceding calendar year; and

- 27                    (B) the total amount of funds appropriated to the Supplement  
 28                    Program for that fiscal year.
- 29            (2) The Supplement paid to any Cybersecurity Company must not  
 30                    exceed:
- 31                    (A) 50% of the State tax credit that the Company receives from  
 32                    the Maryland Cybersecurity Investment Tax Credit  
 33                    Program in the preceding calendar year; or
- 34                    (B) 15% of the total annual appropriation for the Supplement  
 35                    program.
- 36            (e) The Director of Economic Development must request from the  
 37                    Comptroller of the Treasury and Department of Business and Economic  
 38                    Development, by April 30 of each year, a list of each Cybersecurity  
 39                    Company, headquartered and based in Montgomery County that was  
 40                    issued a final credit certificate by the State during the preceding  
 41                    calendar year. The Executive may issue regulations under Method (1)  
 42                    to implement this Section.
- 43            (f) If the Comptroller of the Treasury agrees, the Director of Finance may  
 44                    arrange for the Comptroller to pay the Supplement on behalf of the  
 45                    County. To the extent that the Comptroller does not pay the  
 46                    supplement, the Director must pay the supplement within 60 days after  
 47                    receiving this list to each qualified Cybersecurity Company that was  
 48                    issued a final credit certificate from the State.
- 49            (g) A Cybersecurity Company who submits a false or fraudulent  
 50                    application, or withholds material information, to obtain a payment  
 51                    under this Section has committed a Class A violation. In addition, the  
 52                    Cybersecurity Company must repay the County for all amounts  
 53                    improperly paid and all accrued interest and penalties that would apply

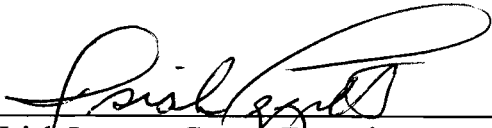
54 to those amounts as if they were overdue taxes. A Cybersecurity  
55 Company who violates this Section is liable for all court costs and  
56 expenses of the County in any civil action brought by the County to  
57 recover any payment, interest, or penalty. The County may collect any  
58 amount due, and otherwise enforce this Section, by any appropriate  
59 legal action.

60 (h) If all or part of the allowed state tax credit is recaptured under the  
61 applicable state law, the Cybersecurity Company must repay the County  
62 within 60 days the portion of any Supplement paid by the County that  
63 was based on the recaptured credit.


64 *Approved:*

65  10/11/13  
Nancy Navarro, President, County Council Date

66 *Approved:*

67  10/4/13  
Isiah Leggett, County Executive Date

68 *This is a correct copy of Council action.*

69  10/7/13  
Linda M. Lauer, Clerk of the Council Date