COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Riemer, Floreen, and Leventhal

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

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

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

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

2   **20-76D. Cybersecurity Investment Incentive Tax Credit Supplement.**

3   (a)   The Director of Finance must pay, subject to appropriation, a

4   Cybersecurity Investment Incentive Tax Credit Supplement to each

5   Cybersecurity Company who meets certain eligibility standards.

6   (b)   A Cybersecurity Company is eligible to receive the Supplement if:

7   (1)   the Company has been designated as a qualified Cybersecurity

8   Company under state law and has received a final tax credit

9   certificate for the Maryland cybersecurity investment incentive

10   tax credit for the preceding calendar year; and

11   (2)   the tax credit received by the Cybersecurity Company was

12   generated by an investment in a qualified Maryland cybersecurity

13   company, as defined in state law, that has its headquarters and

14   base of operations in the County.

15   (c)   The County Executive, by regulations issued under Method (1), may

16   impose other eligibility standards. However, those standards must not

17   make any Cybersecurity Company ineligible to receive the Supplement

18   who would be eligible under subsection (b).

19   (d)   (1)   The Supplement paid to each eligible Cybersecurity Company

20   must equal the product of:

21   (A)   the amount of the credit the Company received under the

22   State Cybersecurity Investment Tax Credit Program,

23   divided by the total amount of credits all Montgomery

24   County cybersecurity companies received under the State

25   Cybersecurity Investment Tax Credit Program during the

26   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)
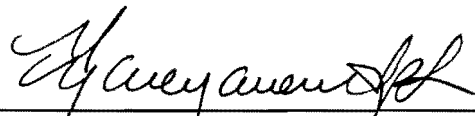
42   to implement this Section.

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   _____   10/1/13
       Nancy Navarro, President, County Council   Date

66   *Approved:*

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    _____
       Isiah Leggett, County Executive   Date

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

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    _____
       Linda M. Lauer, Clerk of the Council   Date