



Meeting Summary
Maryland Cybersecurity Council
Subcommittee on Economic Development
Thursday, December 14, 2017
11:00 am – 12:30 pm
College Park Marriott at UMUC (Room 3114)
3501 University Boulevard East
Hyattsville, Maryland

Attendance

Subcommittee members attending: Bel Leong-hong (chair), Brian Corbett, Tami Howie, Brian Israel, Miheer Khona, Mathew Lee, Ken McCreedy, Christine Ross, Stacey Smith, Steven Tiller

Contributors: Steven Chen, Peter Dunbar

Subcommittee members not able to attend: Donald Fry and Joseph Haskins. Jim Dinegar has stepped down from the Washington Board of Trade and a replacement has not been named.

Staff attending: Howard Barr (OAG) and Dr. Greg von Lehmen (UMUC)

Quorum: yes.

1. The chair recapped
 - a. The purpose of the subcommittee: to make recommendations to incentivize entrepreneurship in cybersecurity and to otherwise attract, retain and grow cybersecurity companies with an emphasis on product companies.
 - b. The accomplishment of the last year: (i) success of the bill extending the tax credit for firms against the cost of security clearances (sponsored by Delegate Carey) and (ii) supporting the development of an asset map by the Department of Commerce that is centered on cyber firms.
 - c. Carry-over issues from last year and discussed at the December 14, 2017, meeting: (i) investment tax credit, (ii) income tax credit to help incentivize cyber professionals to move to Maryland, (iii) finding sources of funding for start-ups and other resources (like executive mentorships) for firms that are growing.
2. Subcommittee discussion:
 - a. To attract more capital, the current investment tax credit should be available to the investors rather than to the Maryland firm they have invested in. Additionally, changes in the definition of a “Maryland” firm may be advantageous since a firm may be incorporated elsewhere but located and providing jobs in the state. It was noted that support for the investment tax credit is waning among key state legislators and the concern is that repeal would not only have some material impact on investment but also would send the wrong signal to investors.
 - b. The state would benefit from a ‘hub’ or one-stop shop for investors to provide comprehensive information about the state’s business incentives, which

companies are in start-up mode, introduce investors to companies or entrepreneurs, and serve as a platform for other services. This entity should be separate from the state to better ensure continuity from administration to administration. Social media would be the best virtual platform to market the hub to the investor community. It was noted that the Excel Maryland report has similarly focused this need.

- c. The state's cybersecurity sector needs more product firms, since service firms are hostage to the federal budget cycles. Tax incentives should be provided to service firms to commercialize products that they developed to provide services.
 - d. The state's cyber industry would benefit from a tax credit to businesses purchasing services and products from Maryland cyber firms. There have been reports that the governor's office may propose such legislation.
 - e. There is concern that Maryland is falling behind other states in promoting economic development of its cyber sector and protecting citizens from cyber attacks.
 - f. The state needs an 'elevator pitch' about why to invest in Maryland.
 - g. The governor may be proposing subsidies or tax credits for apprenticeships in cyber. DLLR has awarded grants to TranZed among other organizations to facilitate apprenticeship programs.
3. Action items:
- a. The Tech Council, CAMI and the Chamber of Commerce will present a united front to defend the investment tax credit in the upcoming sessions.
 - b. Mr. Chen is willing to organize investors to meet with key legislators to assist with this effort.
 - c. Ms. Howie will share a list of legislation from other states in cyber that might inform bills the subcommittee could propose to the full Council.
 - d. The Tech Council is building a list of the incentives that already exist in Maryland for small businesses and will share this information with the subcommittee.
 - e. Ken McCreedy or Stacey Smith will provide the link for the Department of Commerce asset map that will be officially unveiled in 2018.
4. Other business. None
5. The meeting was adjourned at 12:45 pm.

Presented to the subcommittee on 12/18/2017 with no corrections received.