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**SB 305 Financial Institutions and Activities – Virtual Currency Kiosks – Registration and Regulation**  
**House Economic Matters Committee**  
**FAVORABLE**  
**March 25, 2025**

Good Afternoon, Chair Wilson and Members of the House Economic Matters Committee, My name is Tammy Bresnahan, and I serve as the Senior Director of Advocacy for AARP Maryland. On behalf of our 850,000 members across the state, I thank you for the opportunity to testify in support of SB 305: Financial Institutions and Activities – Virtual Currency Kiosks – Registration and Regulation.

We greatly appreciate the leadership of Senators Beidle and Hettleman in introducing this vital legislation, which addresses a growing concern: the misuse of cryptocurrency kiosks in fraudulent schemes that target consumers, particularly older adults.

While virtual currency kiosks—also known as Bitcoin ATMs—can provide legitimate services, they have increasingly become tools for criminals. These bad actors exploit the anonymity and lack of regulation surrounding kiosks to defraud Marylanders out of their hard-earned money. SB 305 takes an essential step toward closing these gaps and protecting the public.

**The Problem: Unregulated Kiosks and Rampant Fraud**

Cryptocurrency kiosks are commonly found in gas stations, grocery stores, and convenience stores. They allow users to exchange cash for digital currency. However, unlike traditional ATMs, they are not connected to regulated financial institutions and offer far fewer consumer protections.

This regulatory gap has made them a prime tool for scammers. In 2023 alone, the FBI received over 5,500 complaints involving cryptocurrency kiosks, with total losses exceeding \$189 million. Alarming, more than 65% of those losses were reported by adults aged 60 and older.

One real-world example here in Maryland involved a resident who received a call from someone posing as a Microsoft representative. The scammer claimed the victim's bank account was compromised and instructed them to withdraw \$4,500 in cash and deposit it into a nearby cryptocurrency kiosk. The funds were immediately converted into digital currency, transferred through multiple anonymous wallets, and ultimately used for international payments—completely unrecoverable.

## A National Response

This issue is not unique to Maryland. In 2024, Minnesota and Vermont enacted AARP-supported legislation to regulate cryptocurrency kiosks. We are also working on similar efforts in Rhode Island and other states. Maryland has the opportunity to be a leader in protecting consumers through SB 305.

## Key Consumer Protections in SB 305

This legislation outlines several common-sense measures to ensure consumer safety:

1. **Licensing Requirements** – All kiosk operators would be required to register with the Commissioner of Financial Regulation, ensuring that only legitimate businesses operate within our state.
2. **Daily Transaction Limits** – Limits would help prevent large-scale fraud.
3. **Fraud Warnings** – All kiosks must post clear, visible warnings about common scams.
4. **Transparency** – Operators must clearly disclose transaction fees and exchange rates prior to transactions.
5. **Oversight and Enforcement** – The Commissioner would have the authority to investigate violations and impose penalties for noncompliance.

These provisions will help reduce fraud, ensure transparency, and establish accountability for kiosk operators—without stifling innovation.

## Protecting Older Adults and All Marylanders

AARP strongly supports SB 305 because it balances technological advancement with necessary consumer protections. Older adults are frequently targeted in these types of frauds, and this legislation provides a proactive safeguard against further harm.

We respectfully request a favorable report on SB 305. Thank you again for the opportunity to testify. I am happy to answer any questions the Committee may have. You may contact me at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or 410-302-8451 for further information.