

HOUSE BILL 1389

E2, B1

5lr3424

By: **Delegate Young**

Introduced and read first time: February 7, 2025

Assigned to: Judiciary and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Strategic Bitcoin Reserve Act of Maryland**

3 FOR the purpose of establishing the Maryland Bitcoin Reserve Fund to serve as a reserve
4 asset for the State through the investment of Bitcoin; authorizing the State
5 Treasurer to invest the funds obtained by the State through the enforcement of
6 certain gambling violations in Bitcoin; and generally relating to the investment of
7 State funds in Bitcoin.

8 BY repealing and reenacting, without amendments,
9 Article – Criminal Procedure
10 Section 13–101 and 13–102
11 Annotated Code of Maryland
12 (2018 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Criminal Procedure
15 Section 13–104
16 Annotated Code of Maryland
17 (2018 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – State Finance and Procurement
20 Section 6–226(a)(2)(i)
21 Annotated Code of Maryland
22 (2021 Replacement Volume and 2024 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – State Finance and Procurement
25 Section 6–226(a)(2)(ii)204. and 205.
26 Annotated Code of Maryland
27 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(ii)206. and 7–332
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2024 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Criminal Procedure**

9 13–101.

- 10 (a) In this subtitle the following words have the meanings indicated.
- 11 (b) “Final disposition” includes an acquittal, dismissal, nolle prosequi, finding of
12 guilty, probation before judgment, plea of guilty or of nolo contendere, marking the charge
13 “stet” on the docket, and an order of an appellate court ending a criminal case.
- 14 (c) “Financial authority” means:
- 15 (1) if the seizing authority is the State, the State Treasurer;
- 16 (2) if the seizing authority is a unit of a county, the treasurer or director of
17 finance of that county; or
- 18 (3) if the seizing authority is a unit of a municipal corporation, the
19 treasurer or director of finance of that municipal corporation.

20 13–102.

- 21 (a) Money is prima facie contraband if a law enforcement officer in the State
22 seizes the money in connection with an arrest for:
- 23 (1) unlawfully playing or operating a bookmaking scheme;
- 24 (2) unlawfully betting on a horse race, athletic event, lottery, or game; or
- 25 (3) using an unlawful gaming table or gaming device.
- 26 (b) (1) For purposes of this subsection, the Police Department of Baltimore
27 City is not a State authority.
- 28 (2) All rights in, title to, and interest in money seized under subsection (a)
29 of this section shall immediately vest in and to:

1 (i) the county or the municipal corporation, if the money is seized by
2 the police of the local government, including a sheriff's department that is the local law
3 enforcement unit; or

4 (ii) the State, if the money is seized by a State authority.

5 13-104.

6 (A) [Pending] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, PENDING A**
7 final disposition, the financial authority shall account for and deposit seized money in an
8 interest-bearing bank account or invest the seized money in accordance with Title 17 of the
9 Local Government Article.

10 (B) **IF THE SEIZING AUTHORITY IS THE STATE, THE STATE TREASURER**
11 **SHALL:**

12 (1) **DEPOSIT SEIZED MONEY INTO THE MARYLAND BITCOIN RESERVE**
13 **FUND ESTABLISHED UNDER § 7-331 OF THE STATE FINANCE AND PROCUREMENT**
14 **ARTICLE; AND**

15 (2) **RETAIN IN THE MARYLAND BITCOIN RESERVE FUND ANY SEIZED**
16 **MONEY THAT IS FORFEITED TO THE STATE IN ACCORDANCE WITH THIS SUBTITLE.**

17 **Article – State Finance and Procurement**

18 6-226.

19 (a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024
20 through 2028.

21 2. Notwithstanding any other provision of law, and unless
22 inconsistent with a federal law, grant agreement, or other federal requirement or with the
23 terms of a gift or settlement agreement, net interest on all State money allocated by the
24 State Treasurer under this section to special funds or accounts, and otherwise entitled to
25 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
26 Fund of the State.

27 (ii) The provisions of subparagraph (i) of this paragraph do not apply
28 to the following funds:

29 204. the Victims of Domestic Violence Program Grant Fund;
30 [and]

31 205. the Proposed Programs Collaborative Grant Fund; **AND**

32 **206. THE MARYLAND BITCOIN RESERVE FUND.**

1 **7-332.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) "BITCOIN" MEANS A DECENTRALIZED DIGITAL ASSET THAT
5 UTILIZES A BLOCKCHAIN LEDGER AND IS SECURED BY CRYPTOGRAPHIC
6 TECHNOLOGY.

7 (3) "FUND" MEANS THE MARYLAND BITCOIN RESERVE FUND
8 ESTABLISHED UNDER THIS SECTION.

9 (B) (1) THERE IS A MARYLAND BITCOIN RESERVE FUND.

10 (2) THE PURPOSE OF THE FUND IS TO:

11 (I) RETAIN MONEY SEIZED AND FORFEITED TO THE STATE
12 UNDER § 13-104 OF THE CRIMINAL PROCEDURE ARTICLE; AND

13 (II) SERVE AS A RESERVE ASSET FOR THE STATE THROUGH
14 INVESTMENT IN BITCOIN.

15 (3) THE STATE TREASURER SHALL ADMINISTER THE FUND.

16 (4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
17 SUBJECT TO § 7-302 OF THIS SUBTITLE.

18 (II) SUBJECT TO SUBSECTION (G) OF THIS SECTION, THE STATE
19 TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL
20 ACCOUNT FOR THE FUND.

21 (C) THE FUND CONSISTS OF:

22 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 13-104 OF THE
23 CRIMINAL PROCEDURE ARTICLE;

24 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

25 (3) INTEREST EARNINGS; AND

26 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
27 THE BENEFIT OF THE FUND.

1 **(D) THE FUND MAY BE USED ONLY TO INVEST IN BITCOIN.**

2 **(E) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
3 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

4 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
5 **THE FUND.**

6 **(F) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
7 **WITH THE STATE BUDGET.**

8 **(G) BITCOIN ACQUIRED AS AN INVESTMENT UNDER THIS SECTION SHALL BE**
9 **HELD BY:**

10 **(1) THE STATE TREASURER THROUGH A SECURE PLATFORM THAT IS**
11 **SPECIFICALLY CREATED TO STORE, MANAGE, AND SAFEGUARD DIGITAL ASSETS FOR**
12 **INSTITUTIONS; OR**

13 **(2) A QUALIFIED CUSTODIAN AS DETERMINED BY THE STATE**
14 **TREASURER.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2025.