

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 454 (Delegates Boaf0 and Vogel)
 Economic Matters

Digital Asset and Blockchain Technology Task Force - Establishment

This bill establishes the Digital Asset and Blockchain Technology Task Force, staffed by the Office of Financial Regulation (OFR) in the Maryland Department of Labor (MD Labor). The task force must conduct an analysis of the expansion of blockchain technology and cryptocurrency in the State and make recommendations regarding the use and regulation of blockchain technology and cryptocurrency. By October 1, 2026, the task force must report its findings and recommendations to the Governor, the General Assembly, the Senate Finance Committee, and the House Economic Matters Committee. Task force members may not receive compensation but are entitled to reimbursement for travel expenses. **The bill takes effect July 1, 2025, and terminates December 31, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$59,817 in FY 2026 and \$25,174 in FY 2027 for contractual staffing costs. Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	59,800	25,200	0	0	0
Net Effect	(\$59,800)	(\$25,200)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force's analysis of the expansion of blockchain technology and cryptocurrency in the State must include the following topics:

- a discussion of the overall concepts of blockchain technology and cryptocurrency;
- an examination of the risks, including privacy risks, and the benefits of using blockchain technology and cryptocurrency in State and local government and private business in the State;
- an assessment of the impact of the cryptocurrency industry on the State, including its effect on State revenues and energy consumption; and
- any other related topic, as determined by the task force.

Current Law: The financial services industry in Maryland is regulated by OFR within MD Labor and the Securities Division of the Office of the Attorney General. Under the direction and authority of the Commissioner of Financial Regulation, OFR regulates State-chartered and State-licensed financial institutions operating in Maryland. These include depository institutions such as Maryland-chartered banks, trust companies, bank holding companies, and credit unions, as well as nondepository entities such as money transmitters, check cashers, consumer lenders, sales finance companies, installment lenders, mortgage lenders, mortgage loan originators, credit services businesses, debt management services providers, debt settlement services providers, consumer reporting agencies, and collection agencies.

OFR's activities are set out in Titles 1 through 7, 11, and 12 of the Financial Institutions Article. In addition, the office supervises certain activities found in Title 12 and Title 14 of the Commercial Law Article and Title 7 of the Business Regulation Article.

The mission of OFR is to ensure that the citizens of Maryland are able to conduct their financial transactions through safe, sound, and well-managed institutions that comply with Maryland law, while providing a flexible, yet sound regulatory environment that promotes fair competition, encourages innovative business development, and supports the economy of Maryland. OFR supervises the activities of the financial services industry through periodic on-site examinations and off-site monitoring programs. Additionally, OFR provides assistance to consumers by investigating complaints of questionable business practices involving State-chartered, licensed, and registered financial institutions under its supervision and authority.

State Expenditures: OFR lacks the capacity or expertise to staff the task force with existing personnel. Therefore, general fund expenditures for MD Labor increase by \$59,817 in fiscal 2026, which accounts for the bill's July 1, 2025 effective date. This

estimate reflects the cost of hiring one full-time contractual administrative specialist to staff the task force, as required. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$52,172
Operating Expenses	<u>7,645</u>
Total FY 2026 State Expenditures	\$59,817

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses and the termination of the bill (and the staffing) on December 31, 2026.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Comptroller’s Office; Department of Commerce; Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 24, 2025
km/mcr

Analysis by: Kayvon Samadani

Direct Inquiries to:
(410) 946-5510
(301) 970-5510