



OFFICE OF CONSUMER PROTECTION

DEPARTMENT OF COUNTY ADMINISTRATION

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February 4, 2025

Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
Annapolis, Maryland 21401

RE: SB305: Support-Financial Institutions and Activities - Virtual Currency Kiosks - Registration and Regulation

Chair Beidle, Vice Chair Hayes and Members of the Senate Finance Committee,

Undersigned file this comment in support of SB305. SB305 seeks to introduce requirements and standards for the operation of virtual currency kiosks within Maryland. As virtual currency kiosks have become more commonplace, they have also increasingly been used as a tool for criminal actors to exploit vulnerable citizens, particularly seniors. The Office of Consumer Protection for Howard County aim to protect our residents from scams and other financial crimes facilitated with these machines. SB305 creates critical requirements that will help ensure that virtual currency kiosks are operated responsibly, transparently, and with the safety of our communities in mind.

In recent years, virtual currency kiosks have become a hotbed of criminal opportunity. They have been used to carry out illegal activities including fraud and scams, frequently against seniors. The Federal Trade Commission (FTC) found that in the first six months of 2024, Bitcoin ATMs (just one type of virtual currency kiosk) were [used to scam victims out of \\$65 million](#). The FTC also found that consumers over the age of 60 were more than three times as likely as younger adults to report losing money to such scams. In its 2023 Elder Fraud Report, the Federal Bureau of Investigations found that [consumers over the age of 60 lost over \\$1 billion](#) to cryptocurrency-related scams. SB305 aims to further the essential task of protecting our seniors from losing their life savings to bad actors through virtual currency kiosks.

SB305 includes several critical elements that work towards protecting seniors. First, the bill requires kiosk operators to apply for registration. Second, it requires operators to report the physical address or geographical location of their kiosks. By making kiosk locations known and requiring registration with the state, law enforcement will have much-needed visibility into where the machines are located and who is operating them. This will allow law enforcement agencies to monitor the kiosks more effectively, deterring criminal conduct, and will assist with investigations after a crime has been reported.

Additionally, SB305 includes provisions to ensure that these kiosks operate in a manner that prioritizes the user's safety. The bill requires maximum withdrawal and deposit limits for a single user in one day, as well as setting maximum fee amounts chargeable by kiosk operators. This is essential; it ensures that seniors are less likely to lose massive amounts of their savings in seconds. The bill also mandates certain disclosures that warn users of virtual currency kiosk scams. This, again, is an essential provision that will protect scam victims. Such clear disclosures provide an important final safeguard that can give seniors the necessary information they need

to recognize a scam before it is too late. By requiring the installation of these safety measures, SB305 helps to ensure that these machines are not used as tools of exploitation.

SB305 is a necessary response to the growing risks posed by unregulated virtual currency kiosks. This bill works to protect our most vulnerable residents, seniors, from financial loss and ruin at the hands of predatory scammers.

Sincerely,

A handwritten signature in black ink that reads "Tracy Rezvani". The signature is written in a cursive style with a large initial 'T'.

Tracy D. Rezvani, Administrator

Cc: Honorable Dr. Calvin Ball III, Howard County Executive
Maureen Evans Arthur, Director of Government Affairs & Strategic Partnerships