



**HB 1389 - Strategic Bitcoin Reserve Act of Maryland**  
**Committee:** House Judiciary & Appropriations Committees  
**Date:** March 11, 2025  
**Position:** Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** HB 1389. This legislation would authorize the State Treasurer to invest seized funds from unlawful gambling in Bitcoin. MBA has concerns that the investment of State funds into Bitcoin creates unnecessary risk for the State.

Currently under Maryland law, funds from unlawful gambling seized by the State are deposited into an interest-bearing bank account or invested in accordance with Title 17 of the Local Government Article. Maryland banks are subject to comprehensive and robust risk management, supervision and examination processes, are subject to consumer protection laws and regulations, maintain strong capital buffers, carry deposit insurance, undertake well-developed anti-money laundering practices and know-your-customer programs, and have substantial experience with incorporating new technologies into the financial system. Bitcoin, on the other hand, is a relatively new technology that has been known for its extreme volatility. There is no comprehensive regulatory framework that establishes guidelines for risk management and consumer protection in the digital asset market. While there is little risk in holding State funds in a Maryland bank, there exists a greater risk that State funds are lost by investing in Bitcoin.

MBA believes that these types of risky investments are ill-advised at this time. Accordingly, MBA urges issuance of an **UNFAVORABLE** report on HB 1389.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in over 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*