



HB 51 - Strategic Digital Asset Reserve Act of Maryland

Committee: House Economic Matters Committee

Date: February 3, 2026

Position: Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** HB 51. This legislation would redirect certain seized gambling proceeds into a newly established Maryland Digital Asset Reserve Fund, where those funds would be invested in cryptocurrency. Authorizing the investment of State assets in cryptocurrency—an asset class that remains highly volatile—elevates speculative investment over prudent, long-term fiscal stewardship.

Under current Maryland law, funds seized from unlawful gambling activities are deposited into an interest-bearing bank account or invested in accordance with Title 17 of the Local Government Article. Maryland’s banks operate within a comprehensive federal and state regulatory framework designed to ensure consumer protection, maintain liquidity, and promote financial stability.

State reserve assets must be stable, predictable, and resilient in the face of market fluctuations. Digital assets, however, have exhibited extreme price volatility driven by speculation, market sentiment, and structural weaknesses. Entrusting public funds—particularly those derived from enforcement actions—to such unpredictable instruments exposes the State to unnecessary fiscal risk. Sound reserve management requires assets with a long-standing record of reliability, liquidity, and consistent market depth, none of which digital assets currently provide.

While Congress enacted the GENIUS Act last year to establish a federal regulatory framework for payment stablecoins, implementation by federal agencies remains underway. Given the continued uncertainty surrounding the future regulatory landscape for digital assets, the Maryland Bankers Association does not believe it is an appropriate time for the State to pursue such investments. Accordingly, MBA urges the issuance of an **UNFAVORABLE** report on HB 51.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 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.