



**HB859: Financial Institutions - Digital Assets and Digital Asset Staking - Regulation  
(Maryland Financial Innovation Act of 2026)**

**Position: UNFAVORABLE**

March 10, 2026

The Honorable Kris Valderrama, Chair  
Economic Matters Committee  
Room 230, House Office Building  
Annapolis, Maryland 21401  
cc: Members, House Economic Matters

Chair Valderrama and Members of the Committee:

Economic Action Maryland Fund urges an unfavorable report on HB859, which would exempt digital assets and staking from government oversight and expose consumers to predatory practices and fraud without any recourse.

Digital assets are a quickly evolving realm for financial transactions. As with any emerging financial sector or technology, it requires oversight to protect consumers from abuse. Indeed, because of the broad lack of oversight Bitcoin has become the primary financial tool used by online scammers and other fraud networks.

Digital assets and digital staking are permissible in Maryland, but like any other activity are rightfully subject to reasonable regulations and oversight. Digital staking, or pooling digital assets, does involve risk. It ties up individual assets for a period of time, and requires trust in the validator holding those assets. This risk rightfully necessitates registration under Maryland law to protect the individuals whose assets are being staked.

Security law should regulate digital staking, as it is the pooling of individual assets. Security law is a heavily regulated field, and for good reason; the government has a legitimate interest in protecting the assets of individuals when they are pooled by an entity for profit. Digital staking clearly falls under the definition and legal justification for securities law; whether the finances are run through traditional markets or digital systems, the risks and reasons for oversight are the same.

HB959 is incredibly broadly written, removing digital assets from a suite of existing laws intended to protect consumers in financial transactions. For these reasons, we urge an unfavorable report on HB859.

Sincerely, Jennifer Bevan-Dangel, Deputy Director

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*

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