

# **SB741 OFR Letter of Support.pdf**

Uploaded by: Amy Hennen

Position: FAV

February 26, 2026

**Re: Letter of Support**

Dear Chair, Vice-Chair, and Members of the Committee,

The Office of Financial Regulation (OFR) is Maryland's consumer financial protection agency. OFR provides this testimony in support of Senate Bill 741, Financial Institutions and Activities - Virtual Currency Kiosks - Alterations.

**Key Provisions**

- **Registration Clarification:** Confirms that *both* the owner of a virtual currency kiosk and the operator of the software must register with OFR under Financial Institutions 12-1201 et seq., thereby ensuring that businesses that actually provide services through kiosks must register.
- **Service Distinction:** Clarifies that these kiosks are *not* ATMs and prohibits operators from providing services identical to those of an ATM.

**Impact**

OFR is actively implementing the requirements established by 2025 SB 305 (Ch. 117), which affirmed the Office's authority to regulate these entities. OFR has already registered over 650 kiosks statewide and are working to ensure all relevant entities comply with existing requirements.

The modifications proposed in SB 741 directly address feedback from entities that mistakenly believed they were exempt from registration following last year's bill. By confirming which entities must register, this bill strengthens OFR's ability to:

- Ensure the responsible use of virtual currencies.
- Safeguard Maryland residents from potential fraud and abuse.

**Conclusion**

Because Senate Bill 741 clarifies the law for businesses and enhances consumer protection, the Office of Financial Regulation urges the Committee to issue a **favorable report**.

# **SB741 Testimony Kiosks.pdf**

Uploaded by: Pamela Beidle

Position: FAV

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*Legislative District 32*  
Anne Arundel County

Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management  
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Spending Affordability Committee



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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

February 26, 2026

**SB 741**  
**Financial Institutions and Activities**  
**Virtual Currency Kiosks – Alterations**

Good afternoon, Vice Chair Hayes and Members of the Finance Committee.

Thank you for the opportunity to present SB 741, Financial Institutions and Activities – Virtual Currency Kiosks – Alterations. SB 741 is a clarification of the 2025, SB305 Virtual Currency Kiosks – Registration and Regulation, passed by this committee and the General Assembly.

SB 741 expands the definition of “Virtual currency kiosk operator” and clarifies the term “Virtual currency service”. As well as clearly states that the machines **do not** provide the same services as an ATM.

I respectfully request a “Favorable Report” on SB 741.

# **SB 741 - Financial Institutions and Activities - V**

Uploaded by: Sara Westrick

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**SB 741 Financial Institutions and Activities - Virtual Currency Kiosks - Alterations**  
**Senate Finance Committee**  
**February 26, 2026**  
**FAVORABLE**

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee. Thank you for the opportunity to testify in support of Senate Bill 741, which strengthens Maryland’s oversight of virtual currency kiosks by updating who is regulated and clarifying what services such kiosks may and may not provide.

My name is Sara Westrick, Advocacy Director for AARP Maryland. AARP Maryland is one of the largest membership-based organizations in the state, with approximately 850,000 members. AARP is actively monitoring the use and misuse of cryptocurrency kiosks nationwide to protect consumers from deceptive practices and fraudulent schemes and advocating for stricter regulations and consumer protections.

The virtual currency kiosk industry has grown rapidly, but many operators continue to insist that existing consumer-protection laws “do not apply” to them. SB 741 directly responds to that evasion. By expanding the definition of a “virtual currency kiosk operator” to include not only the owner of the machine but also any person who installs or operates the software that enables virtual currency services, the bill closes a major loophole in current law.

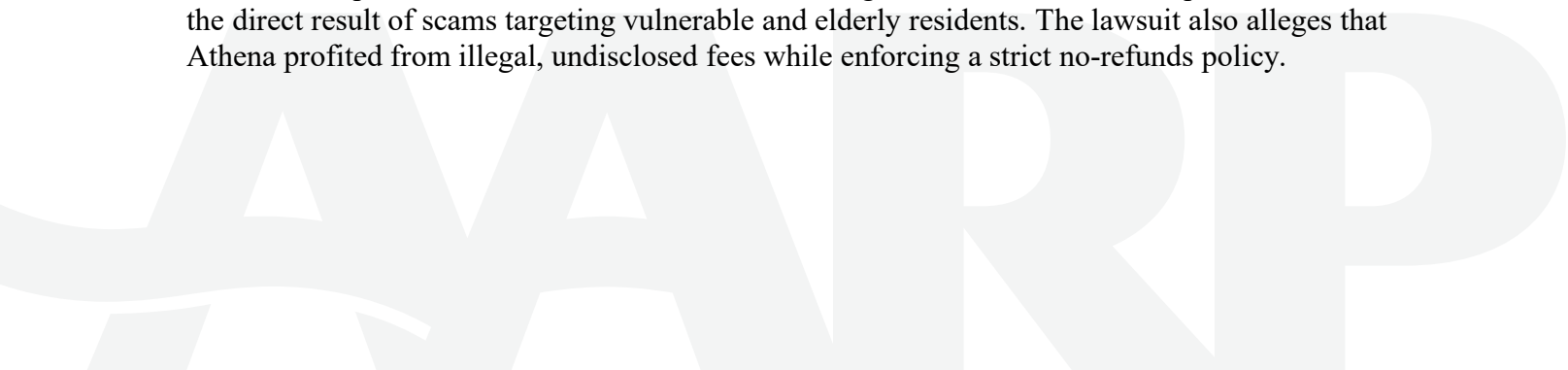
The bill also clarifies the definition of “virtual currency services,” explicitly excluding the accepting or dispensing of cash associated with a credit, deposit, or convenience account. This will help ensure that these kiosks cannot function as unregulated ATMs.

These changes matter because the data speak for themselves.

Across the country, state attorneys general have documented extraordinarily high fraud rates at cryptocurrency kiosks, rates that no responsible industry should accept and no regulator can ignore.

**Documented Scam Rates**

District of Columbia: In a September 8, 2025, lawsuit, the DC Attorney General reported that 93% of all deposits into Athena Bitcoin’s kiosks during its first five months of operations were the direct result of scams targeting vulnerable and elderly residents. The lawsuit also alleges that Athena profited from illegal, undisclosed fees while enforcing a strict no-refunds policy.



Iowa: Iowa's Attorney General found similarly alarming numbers with 98.16% of money sent through Bitcoin Depot kiosks tied to scams and 94.92% of money sent through CoinFlip kiosks tied to scams. These findings accompanied more than \$20 million in losses to Iowans in under three years, primarily affecting older adults.

These are not isolated incidents. They demonstrate a systemic pattern across operators who claim to simply provide "technology," while profiting from transactions overwhelmingly driven by fraud.

### **Why SB 741 Is Necessary**

SB 741 ensures that Maryland's law keeps pace with today's marketplace by requiring that virtual currency kiosks operate solely for virtual currency services and do not provide the same services as ATMs, which can be confusing and misleading.

By capturing both machine owners and software providers under the definition of "operator," Maryland can prevent companies from evading responsibility by outsourcing functions or hiding behind technical distinctions.

Maryland's older residents and other vulnerable consumers deserve strong, clear protections, and honest operators should welcome a level playing field.

### **Conclusion**

Given the overwhelming evidence that crypto kiosks are currently used as high-risk conduits for fraud, SB 741 is an urgently needed modernization of Maryland's regulatory framework. It closes loopholes exploited by operators and strengthens consumer protections.

For these reasons, AARP Maryland respectfully urges a favorable report on SB 741.

If you have any questions, please contact Sara Westrick at [swestrick@aarp.org](mailto:swestrick@aarp.org) or by calling 410-310-0374.