

SENATE BILL 759

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6lr1041
CF HB 859

By: **Senators Watson, Ready, and West**
Introduced and read first time: February 6, 2026
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Digital Assets and Digital Asset Staking – Regulation**
3 **(Maryland Financial Innovation Act of 2026)**

4 FOR the purpose of prohibiting certain regulation of certain activities involving digital
5 assets by ~~an agency or other instrumentality of the State or a political subdivision of~~
6 ~~the State~~ certain units of local government; clarifying that the provision of digital
7 asset staking as a service is excluded
8 from a certain definition and certain filing and registration requirements under the
Maryland Securities Act; and generally relating to digital asset regulation.

9 BY adding to

10 Article – Financial Institutions
11 Section 12–1301 through 12–1304 to be under the new subtitle “Subtitle 13. Digital
12 Assets and Digital Asset Staking”
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Financial Institutions**

18 **SUBTITLE 13. DIGITAL ASSETS AND DIGITAL ASSET STAKING.**

19 **12–1301.**

20 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

22 **(B) “BLOCKCHAIN” MEANS DATA THAT IS:**

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1 (1) SHARED ACROSS A PEER-TO-PEER NETWORK TO CREATE A
2 LEDGER OF VERIFIED TRANSACTIONS AND OTHER INFORMATION, LINKED
3 TOGETHER USING CRYPTOGRAPHY TO MAINTAIN THE INTEGRITY OF THE LEDGER
4 AND TO EXECUTE OTHER FUNCTIONS; AND

5 (2) DISTRIBUTED AMONG NETWORK PARTICIPANTS IN AN
6 AUTOMATED FASHION TO CONCURRENTLY UPDATE NETWORK PARTICIPANTS ON
7 THE STATE OF THE LEDGER AND OTHER FUNCTIONS.

8 (C) "BLOCKCHAIN PROTOCOL" MEANS A DECENTRALIZED PROTOCOL THAT
9 IS DEPLOYED TO A BLOCKCHAIN.

10 (D) "DECENTRALIZED PROTOCOL" MEANS AUTONOMOUS COMPUTER
11 SOFTWARE EXECUTED WITHOUT HUMAN INTERVENTION ACCORDING TO RULES
12 ALTERED BY A PREDETERMINED MECHANISM TO FACILITATE THE TRANSFER OF
13 DATA TO BE BROADCAST TO NODES.

14 (E) "DIGITAL ASSET" MEANS A VIRTUAL CURRENCY INCLUDING
15 CRYPTOCURRENCY, STABLECOINS, FUNGIBLE TOKENS, NONFUNGIBLE TOKENS, AND
16 OTHER DIGITAL REPRESENTATIONS OF VALUE USED AS A MEDIUM OF EXCHANGE,
17 UNIT OF ACCOUNT, OR STORE OF VALUE.

18 (F) "HARDWARE WALLET" MEANS A PHYSICAL DEVICE, AND ITS
19 ASSOCIATED KEYS, THAT:

20 (1) IS NOT CONTINUOUSLY CONNECTED TO THE INTERNET; AND

21 (2) ALLOWS A PERSON TO SECURE, TRANSFER, AND RETAIN
22 INDEPENDENT CONTROL OVER A DIGITAL ASSET.

23 (G) (1) "NODE" MEANS SOFTWARE RUN ON A COMPUTER THAT:

24 (I) COMMUNICATES WITH OTHER DEVICES OR PARTICIPANTS
25 ON A BLOCKCHAIN TO MAINTAIN CONSENSUS AND INTEGRITY OF THE BLOCKCHAIN;

26 (II) CREATES AND VALIDATES DATA ON A BLOCKCHAIN; OR

27 (III) CONTAINS AND UPDATES A COPY OF A BLOCKCHAIN.

28 (2) "NODE" DOES NOT INCLUDE COMPUTER SOFTWARE THAT
29 EXERCISES DISCRETION OVER A TRANSACTION INITIATED BY THE END USER OF A
30 BLOCKCHAIN PROTOCOL.

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1 (H) "SELF-HOSTED WALLET" MEANS A DIGITAL INTERFACE, AND ITS
 2 ASSOCIATED KEYS, THAT ALLOWS A PERSON TO SECURE, TRANSFER, AND RETAIN
 3 INDEPENDENT CONTROL OVER A DIGITAL ASSET.

4 (I) "STAKING" MEANS COMMITTING A DIGITAL ASSET TO A BLOCKCHAIN TO
 5 PARTICIPATE IN THE BLOCKCHAIN'S OPERATIONS.

6 (J) (1) "STAKING AS A SERVICE" MEANS THE PROVISION OF TECHNICAL
 7 OR CUSTODIAL STAKING SERVICES BY A SERVICE PROVIDER, INCLUDING THE
 8 OPERATION OF A NODE AND THE INFRASTRUCTURE NECESSARY TO FACILITATE
 9 PARTICIPATION IN A BLOCKCHAIN BY THE SERVICE PROVIDER ON BEHALF OF THE
 10 PERSON THAT OWNS THE DIGITAL ASSET BEING STAKED.

11 (2) "STAKING AS A SERVICE" DOES NOT INCLUDE THE PROVISION OF
 12 SERVICES DESIGNED TO GENERATE INVESTMENT RETURNS OR OTHER INCOME ON
 13 BEHALF OF THE PERSON THAT OWNS THE DIGITAL ASSET BEING STAKED OTHER
 14 THAN REWARDS ISSUED BY A BLOCKCHAIN.

15 (K) "VALIDATION" MEANS THE PROCESS BY WHICH A BLOCKCHAIN
 16 PROTOCOL, THROUGH ITS CONSENSUS MECHANISM, CONFIRMS THE AUTHENTICITY
 17 AND ACCURACY OF TRANSACTIONS OR OTHER DATA ENTRIES THAT ARE THEN
 18 RECORDED ON A BLOCKCHAIN.

19 (L) "VIRTUAL CURRENCY" HAS THE MEANING STATED IN § 12-1201 OF THIS
 20 TITLE.

21 12-1302.

22 (A) ~~AN AGENCY OR OTHER INSTRUMENTALITY OF THE STATE OR A~~
 23 ~~POLITICAL SUBDIVISION OF THE STATE~~ A LOCAL GOVERNMENT UNIT, AS DEFINED IN § 10-101 OF THE
 24 STATE GOVERNMENT ARTICLE, MAY NOT PROHIBIT, RESTRICT, OR
 OTHERWISE IMPAIR THE ABILITY OF A PERSON IN THE STATE TO:

25 (1) ACCEPT A DIGITAL ASSET AS A METHOD OF PAYMENT FOR A GOOD
 26 OR SERVICE;

27 (2) TAKE CUSTODY OF A DIGITAL ASSET USING A SELF-HOSTED
 28 WALLET OR HARDWARE WALLET;

29 (3) OPERATE A NODE FOR THE PURPOSE OF CONNECTING TO A
 30 BLOCKCHAIN AND PARTICIPATING IN A BLOCKCHAIN;

31 (4) DEVELOP SOFTWARE TO DEPLOY ON A BLOCKCHAIN;

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1 (5) TRANSFER DIGITAL ASSETS TO ANOTHER PERSON USING A
2 BLOCKCHAIN; OR

3 (6) PARTICIPATE IN STAKING ON A BLOCKCHAIN.

4 (B) SUBSECTION (A) OF THIS SECTION PREEMPTS ANY EXISTING
5 REGULATION, RULE, OR ORDINANCE THAT CONFLICTS WITH THIS SECTION.

6 12-1303.

7 AN OFFER TO PROVIDE OR THE PROVISION OF DIGITAL ASSET STAKING AS A
8 SERVICE DOES NOT CONSTITUTE THE OFFER OF OR THE SALE OF AN INVESTMENT
9 CONTRACT OR OTHER SECURITY UNDER THE MARYLAND SECURITIES ACT AND IS
10 NOT SUBJECT TO § 11-205 OR § 11-501 OF THE CORPORATIONS AND ASSOCIATIONS
11 ARTICLE.

12 12-1304.

13 THIS SUBTITLE MAY NOT BE INTERPRETED TO ABROGATE OR RESTRICT THE
14 AUTHORITY OF:

15 (1) THE COMMISSIONER TO REGULATE DIGITAL ASSETS UNDER ~~THE~~
16 ~~MARYLAND MONEY TRANSMISSION ACT~~ ANY PROVISION OF LAW; OR

17 (2) THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF
18 THE ATTORNEY GENERAL TO ENFORCE THE MARYLAND CONSUMER PROTECTION
19 ACT.

20 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
21 Assembly that § 12-1303 of the Financial Institutions Article, as enacted by Section 1 of
22 this Act, shall be construed as a clarification of existing law.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
24 1, 2026.