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January 12, 2026

Hon. Donna Bailey, Senate Chair
Hon. Kristi Mathieson, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

RE: LD 1998, *An Act to Authorize Registration of Certain Cash-dispensing Machines Through the Nationwide Mortgage Licensing System and Registry and to Limit the Use of Certain Cash-dispensing Machines as Virtual Currency Kiosks*

Senator Bailey, Representative Mathieson, and Distinguished Members of the Committee on Health Coverage, Insurance, and Financial Services,

I write in support of LD 1998, which clarifies the law governing operators of non-bank cash dispensing machines that also facilitate virtual currency transactions.

Unfortunately, many of the users of virtual currency kiosks are unwitting victims of scammers who utilize these kiosks to perpetrate their crimes. The financial losses can be devastating and, because of the anonymity and speed of virtual currency transactions, are often irreversible. Thankfully, during the last legislative session, this Committee and ultimately the entire Legislature unanimously supported LD 1339, An Act to Regulate Virtual Currency Kiosks. As a result, Maine now provides crucial protections for users of virtual currency kiosks, including the following:

- Operators must retain records of transactions for at least 3 years;
- Operators must provide disclosures prior to every transaction of the risks involved with the use of virtual currency kiosks, including the risk of fraud;
- There is a daily transaction limit of \$1,000 per customer;
- Transaction charges are limited to the greater of \$5 or three percent of the transaction amount;

- Operators must provide a receipt for every transaction; and
- Operators must issue refunds for transactions within 90 days of a customer's first transaction that are the product of fraud or an unfair, deceptive, or abusive trade practice. This refund obligation exists notwithstanding any fault of the operator.

Section 1 of LD 1998 clarifies that the operator of a non-bank cash dispensing machine may not also operate as a virtual currency kiosk unless it meets the requirements of LD 1339, including the obligation to obtain a money transmitter license and comply with the protections mentioned above. LD 1998 therefore reinforces the important consumer protections enacted during the last legislative session.

I urge the Committee to vote "Ought To Pass" on LD 1998.

Sincerely,



Aaron M. Frey
Attorney General

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