



Joseph Baldacci  
Senator, District 9

**THE MAINE SENATE**  
132nd Legislature

3 State House Station  
Augusta, Maine 04333

Senator Bailey, Representative Mathieson, and honorable members of the Committee on Health Coverage, Insurance, and Financial Services:

I am here today to introduce LD1197: An Act to Update the Maine Money Transmission Modernization Act by Removing Provisions of Law Regarding Unhosted Wallets.

I am proud to support this bill, as it strikes the necessary balance between regulating digital asset activity to protect our citizens while not overburdening businesses and individuals who wish to engage in digital asset activity in our state.

You may remember from last session that the legislature passed LD2112: An Act to Replace the Money Transmission Act. This bill created standards to streamline the supervision and regulation of certain digital asset activities.

Following its passage, it became clear that there were certain sections of LD2112 that were overly broad that sought to regulate digital asset activity far beyond national and global standards. Specifically, the law sought to require the identification of the owners of every self-hosted wallet operating in the state.

I have some experts in the room with me today who can answer any technical questions that you have – but what I want this Committee to know is that self-hosted wallets cannot and should not be regulated in the same way as hosted wallets. Doing so may lead to privacy concerns for individuals engaged in digital asset activity and will endanger the stability of the growing digital asset marketplace in Maine.

Like everyone in this room, I believe strongly in protecting Maine's consumers by introducing and passing common sense legislation that strikes the important balance I mentioned earlier—a balance that allows our citizens to access innovative financial tools and technology, while remaining protected from the risks they pose. This bill achieves that balance, and I hope you will join me in supporting it.

I am happy to answer any questions that you have or pass them along to some of the experts in the room with me today. We understand that this is a complex topic, and we are committed to getting you all of the information that you need to work on this bill.

Thank you.