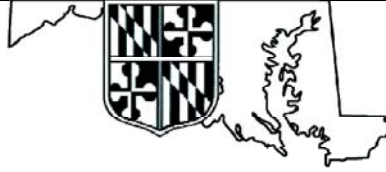


MARYLAND

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Inaugural Committees

Guidance by the Maryland State Board of Elections
November 16, 2006

Inaugural committees are not defined as campaign finance entities or subject to registration with the State Board of Elections. The threshold for registration with the State Board of Elections is whether a committee will engage in campaign finance activity in an election. This means the primary purpose of the committee must be to influence and directly participate in an election while promoting or assisting in the promotion of a candidate, political party or question. The activities of an inaugural committee do not meet the threshold of campaign finance activity because the sole purpose of the activities is to celebrate the swearing in of a newly elected official.

The campaign finance contribution limits do not apply to a contribution to an inaugural committee. A person may make an unlimited contribution to an inaugural committee. This contribution will not affect the person's aggregate contribution limits of \$10,000 during an election cycle.

However, an expenditure by a Maryland campaign finance entity to an inaugural committee is not unlimited and must be in compliance with the campaign finance laws. This is because Maryland campaign finance entities may only make expenditures that promote or assist in the promotion of a candidate, political party or question at an election. Since, as stated above, the activity of an inaugural committee is not deemed to be campaign related, an expenditure to an inaugural committee similarly does not meet the definition of a campaign expenditure. However, the Attorney General's office has stated that it is permissible for a campaign finance entity to make an expenditure that is not for a campaign purpose provided it is isolated in occurrence and is minimal in comparison to what the campaign finance entity raises and expends. As a general rule, a non-campaign related expenditure may not exceed the lesser of 5 percent of the committee's cash balance or \$4,000. In addition, an expenditure from a candidate committee for the candidate to attend an inaugural event is a proper campaign expenditure since attendance at such an event tends to help promote the candidate.

The Office of the Attorney General has reviewed this guidance and concurs.