

# HOUSE BILL 926

D4  
HB 850/16 – JUD

7lr1301

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By: **Delegates McComas, Glass, Impallaria, Jalisi, Krebs, Malone, McDonough, McKay, Morgan, Parrott, Patterson, Reilly, Sophocleus, and Vogt**

Introduced and read first time: February 6, 2017

Assigned to: Judiciary

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Committee Report: Favorable

House action: Adopted

Read second time: March 11, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Child Support – Health Insurance – Definition**

3 FOR the purpose of defining the term “health insurance” for purposes of calculating a child  
4 support obligation under the child support guidelines; and generally relating to child  
5 support.

6 BY repealing and reenacting, with amendments,  
7 Article – Family Law  
8 Section 12–201  
9 Annotated Code of Maryland  
10 (2012 Replacement Volume and 2016 Supplement)

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

13 **Article – Family Law**

14 12–201.

15 (a) In this subtitle the following words here the meanings indicated.

16 (b) (1) “Actual income” means income from any source.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (2) For income from self–employment, rent, royalties, proprietorship of a  
2 business, or joint ownership of a partnership or closely held corporation, “actual income”  
3 means gross receipts minus ordinary and necessary expenses required to produce income.

4           (3) “Actual income” includes:

5           (i) salaries;

6           (ii) wages;

7           (iii) commissions;

8           (iv) bonuses;

9           (v) dividend income;

10          (vi) pension income;

11          (vii) interest income;

12          (viii) trust income;

13          (ix) annuity income;

14          (x) Social Security benefits;

15          (xi) workers’ compensation benefits;

16          (xii) unemployment insurance benefits;

17          (xiii) disability insurance benefits;

18                   (xiv) for the obligor, any third party payment paid to or for a minor  
19 child as a result of the obligor’s disability, retirement, or other compensable claim;

20          (xv) alimony or maintenance received; and

21                   (xvi) expense reimbursements or in–kind payments received by a  
22 parent in the course of employment, self–employment, or operation of a business to the  
23 extent the reimbursements or payments reduce the parent’s personal living expenses.

24           (4) Based on the circumstances of the case, the court may consider the  
25 following items as actual income:

26          (i) severance pay;

27          (ii) capital gains;

1 (iii) gifts; or

2 (iv) prizes.

3 (5) “Actual income” does not include benefits received from means–tested  
4 public assistance programs, including temporary cash assistance, Supplemental Security  
5 Income, food stamps, and transitional emergency, medical, and housing assistance.

6 (c) “Adjusted actual income” means actual income minus:

7 (1) preexisting reasonable child support obligations actually paid; and

8 (2) except as provided in § 12–204(a)(2) of this subtitle, alimony or  
9 maintenance obligations actually paid.

10 (d) “Adjusted basic child support obligation” means an adjustment of the basic  
11 child support obligation for shared physical custody.

12 (e) “Basic child support obligation” means the base amount due for child support  
13 based on the combined adjusted actual incomes of both parents.

14 (f) “Combined adjusted actual income” means the combined monthly adjusted  
15 actual incomes of both parents.

16 (g) (1) “Extraordinary medical expenses” means uninsured expenses over  
17 \$100 for a single illness or condition.

18 (2) “Extraordinary medical expenses” includes uninsured, reasonable, and  
19 necessary costs for orthodontia, dental treatment, asthma treatment, physical therapy,  
20 treatment for any chronic health problem, and professional counseling or psychiatric  
21 therapy for diagnosed mental disorders.

22 (h) **“HEALTH INSURANCE” INCLUDES MEDICAL INSURANCE, DENTAL  
23 INSURANCE, PRESCRIPTION DRUG COVERAGE, AND VISION INSURANCE.**

24 (I) “Income” means:

25 (1) actual income of a parent, if the parent is employed to full capacity; or

26 (2) potential income of a parent, if the parent is voluntarily impoverished.

27 [(i)] (J) “Obligee” means any person who is entitled to receive child support.

28 [(j)] (K) “Obligor” means an individual who is required to pay child support  
29 under a court order.

1            **[(k)] (L)**        “Ordinary and necessary expenses” does not include amounts allowable  
2 by the Internal Revenue Service for the accelerated component of depreciation expenses or  
3 investment tax credits or any other business expenses determined by the court to be  
4 inappropriate for determining actual income for purposes of calculating child support.

5            **[(l)] (M)**        “Potential income” means income attributed to a parent determined by  
6 the parent’s employment potential and probable earnings level based on, but not limited  
7 to, recent work history, occupational qualifications, prevailing job opportunities, and  
8 earnings levels in the community.

9            **[(m)] (N)**        (1)    “Shared physical custody” means that each parent keeps the  
10 child or children overnight for more than 35% of the year and that both parents contribute  
11 to the expenses of the child or children in addition to the payment of child support.

12                        (2)    Subject to paragraph (1) of this subsection, the court may base a child  
13 support award on shared physical custody:

14                                (i)    solely on the amount of visitation awarded; and

15                                (ii)   regardless of whether joint custody has been granted.

16            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.