

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 704 (Senator Hooper, *et al.*)  
Judicial Proceedings

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Family Law - Child Support Guidelines - Calculations

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This bill alters the definition of “adjusted actual income” under child support guidelines to account for a parent who is married and has one or more legal dependents in the household to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing.

Under those circumstances, the child support obligation for the legal dependents in the household must be calculated based on the schedule of basic child support obligations contained in statute and the amount must be subtracted from the actual income of that parent when calculating the basic child support obligation for a child outside the marriage.

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Fiscal Summary

**State Effect:** Potential minimal reduction in special fund revenues to the extent that the bill reduces collection of child support. No impact on expenditures.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** “Adjusted actual income” means actual income minus: (1) preexisting reasonable child support obligations actually paid; (2) alimony or maintenance obligations actually paid, in most circumstances; and (3) the actual cost of providing

health insurance coverage for a child for whom the parents are jointly and severely responsible.

In any proceeding to establish or modify child support, whether *pendente lite*, or permanent, the court must use the child support guidelines set forth in statute. There is a rebuttable presumption that the amount of child support assessed by the guidelines is the correct amount of child support to be awarded. The presumption may be rebutted by evidence that the application of the guidelines would be unjust or inappropriate in a particular case. The court may consider:

- the terms of any existing separation or property settlement agreement or court order; and
- the presence in the household of either parent of other children to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing.

However, the presumption may not be rebutted solely due to evidence of the presence in the household of either parent of other children to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing. If the court determines that application of the guidelines would be unjust or inappropriate in a particular case, the court must make a written finding or specific finding on the record stating the reasons for departing from the guidelines.

**State Revenues:** Special fund revenues could be reduced to the extent that the bill reduces child support collections. Temporary cash assistance (TCA) recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made on behalf of the children of the obligor; as a result, TCA child support collections are distributed 50% to the State and 50% to the federal government. Accordingly, the State and federal governments would share equally in any reduction in collection revenues. Any such reduction cannot be quantified at this time due to the unavailability of data. However, the impact on collections is expected to be minimal.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Department of Legislative Services

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