
By: **Delegates Dumais, Bohanan, Carter, Frush, Goodwin, Gutierrez,
Haynes, Kelley, Kirk, Lee, Marriott, Menes, Paige, Petzold, Rosenberg,
and Simmons**

Introduced and read first time: February 10, 2006

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Child Support Enforcement - Child Support Incentive Program**

3 FOR the purpose of requiring the Child Support Enforcement Administration, by a
4 certain date, to develop a statewide Child Support Incentive Program to
5 encourage payment on child support; establishing certain criteria for
6 participation in the Program; requiring the Administration to consider certain
7 factors in determining whether to authorize a child support obligor to
8 participate in the Program; establishing a certain presumption; authorizing the
9 Administration to reduce certain child support arrearages under certain
10 circumstances; requiring that certain child support enforcement actions be
11 suspended except under certain circumstances; requiring the Administration to
12 take certain actions; establishing that a Program agreement is effective without
13 the necessity of judicial approval; requiring that a Program agreement be
14 terminated under certain circumstances; prohibiting a certain obligor from
15 future participation in the Program under certain circumstances; establishing
16 certain appeal procedures; requiring the Administration and local support
17 enforcement offices to jointly develop a certain public awareness campaign;
18 authorizing the Secretary of Human Resources to adopt certain regulations;
19 requiring the Administration to report to the General Assembly on or before a
20 certain date; defining a certain term; and generally relating to the Child
21 Support Incentive Program.

22 BY repealing and reenacting, without amendments,
23 Article - Family Law
24 Section 10-112
25 Annotated Code of Maryland
26 (2004 Replacement Volume and 2005 Supplement)

27 BY adding to
28 Article - Family Law
29 Section 10-112.1
30 Annotated Code of Maryland

1 (2004 Replacement Volume and 2005 Supplement)

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

4 **Article - Family Law**

5 10-112.

6 (a) (1) If the Administration considers it to be in the best interest of this
7 State, in a case in which an assignment has been made under Article 88A, § 50(b)(2)
8 of the Code, the Administration may accept in full settlement of an arrearage in child
9 support payments an amount that is less than the total arrearage.

10 (2) On request of the Administration, a court may approve by order an
11 amount that is less than the total arrearage as full settlement of the arrearage.

12 (b) (1) In a case in which an assignment has been made under Article 88A, §
13 50(b)(2) of the Code, there is a presumption that it is in the best interest of this State
14 for the Administration to accept in full settlement of an arrearage in child support
15 payments an amount that is less than the total arrearage if:

16 (i) the obligor, the individual who has made an assignment under
17 Article 88A, § 50(b)(2) of the Code, and the child who is the subject of the support
18 order have resided together for at least the 12 months immediately preceding a
19 request for settlement under this section;

20 (ii) the obligor has been supporting the child for at least the 12
21 months immediately preceding a request for settlement under this section; and

22 (iii) the gross income of the obligor is less than 225 percent of the
23 federal poverty level, as defined by the United States Department of Health and
24 Human Services.

25 (2) (i) If the Administration does not accept in full settlement of an
26 arrearage in child support payments an amount that is less than the total arrearage
27 under this subsection, the Administration shall notify the obligor of the decision and
28 of the obligor's right to appeal the decision to the Office of Administrative Hearings.

29 (ii) An appeal under this subsection shall be conducted in
30 accordance with Title 10, Subtitle 2 of the State Government Article.

31 (c) The Secretary of Human Resources, in cooperation with the Office of
32 Administrative Hearings, may adopt regulations to implement this section.

33 10-112.1.

34 (A) IN THIS SECTION, "PROGRAM" MEANS THE CHILD SUPPORT INCENTIVE
35 PROGRAM.

1 (B) BY JUNE 1, 2007, THE ADMINISTRATION SHALL DEVELOP A STATEWIDE
2 CHILD SUPPORT INCENTIVE PROGRAM TO ENCOURAGE PAYMENT ON CHILD
3 SUPPORT IN CASES IN WHICH AN ASSIGNMENT HAS BEEN MADE UNDER ARTICLE 88A,
4 § 50(B)(2) OF THE CODE BY ENTERING INTO AGREEMENTS WITH CHILD SUPPORT
5 OBLIGORS IN EXCHANGE FOR REDUCTIONS IN THE AMOUNT OF ARREARAGES AS
6 AUTHORIZED UNDER § 10-112 OF THIS SUBTITLE.

7 (C) (1) (I) TO PARTICIPATE IN THE PROGRAM, THE OBLIGOR'S INCOME
8 SHALL MEET THE CRITERIA DESCRIBED IN § 10-112(B)(1)(III) OF THIS SUBTITLE.

9 (II) FOR PURPOSES OF DETERMINING THE APPLICABLE FEDERAL
10 POVERTY LEVEL FOR A PROGRAM APPLICANT, THE OBLIGOR'S HOUSEHOLD SHALL
11 INCLUDE THE CHILDREN FOR WHOM THE OBLIGOR IS REQUIRED TO PAY CHILD
12 SUPPORT UNDER A CHILD SUPPORT ORDER AND BIOLOGICAL CHILDREN WHO LIVE
13 WITH THE OBLIGOR.

14 (2) (I) IN DETERMINING WHETHER TO AUTHORIZE AN OBLIGOR TO
15 PARTICIPATE IN THE PROGRAM, THE ADMINISTRATION SHALL CONSIDER THE
16 FOLLOWING FACTORS:

17 1. WHETHER THE OBLIGOR HAS A CURRENT ABILITY TO PAY;

18 2. WHETHER THE REDUCTION OF ARREARAGES WILL
19 ENCOURAGE THE OBLIGOR'S ECONOMIC STABILITY; AND

20 3. WHETHER THE AGREEMENT SERVES THE BEST
21 INTERESTS OF THE CHILDREN WHOM THE OBLIGOR IS REQUIRED TO SUPPORT.

22 (II) IF ANY OF THE FACTORS SPECIFIED IN SUBPARAGRAPH (I) OF
23 THIS PARAGRAPH ARE MET, THERE IS A PRESUMPTION THAT IT IS IN THE BEST
24 INTEREST OF THE STATE TO AUTHORIZE AN OBLIGOR TO PARTICIPATE IN THE
25 PROGRAM.

26 (D) (1) UNDER THE PROGRAM, IN CASES IN WHICH THE OBLIGOR IS UNDER
27 A CURRENT CHILD SUPPORT OBLIGATION IN ADDITION TO THE OBLIGATION TO PAY
28 CHILD SUPPORT ARREARAGES, THE ADMINISTRATION MAY AGREE TO REDUCE THE
29 ARREARAGES IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

30 (I) AFTER 6 MONTHS OF UNINTERRUPTED COURT-ORDERED
31 PAYMENTS OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,
32 THE ARREARAGES SHALL BE REDUCED BY 25 PERCENT OF THE AMOUNT OF
33 ARREARAGES OWED BEFORE THE AGREEMENT;

34 (II) AFTER 18 MONTHS OF UNINTERRUPTED COURT-ORDERED
35 PAYMENTS OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,
36 THE ARREARAGES SHALL BE REDUCED BY 50 PERCENT OF THE AMOUNT OF
37 ARREARAGES OWED BEFORE THE AGREEMENT;

38 (III) AFTER 30 MONTHS OF UNINTERRUPTED COURT-ORDERED
39 PAYMENTS OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,

1 THE ARREARAGES SHALL BE REDUCED BY 75 PERCENT OF THE AMOUNT OF
2 ARREARAGES OWED BEFORE THE AGREEMENT; AND

3 (IV) AFTER 42 MONTHS OF UNINTERRUPTED COURT-ORDERED
4 PAYMENTS OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,
5 THE ARREARAGES SHALL BE REDUCED BY 100 PERCENT OF THE AMOUNT OF
6 ARREARAGES OWED BEFORE THE AGREEMENT.

7 (2) FOR THE DURATION OF AN AGREEMENT UNDER PARAGRAPH (1) OF
8 THIS SUBSECTION, AN OBLIGOR IS NOT REQUIRED TO MAKE PAYMENT ON
9 ARREARAGES.

10 (E) (1) IN CASES IN WHICH THE OBLIGOR IS NOT UNDER A CURRENT CHILD
11 SUPPORT OBLIGATION IN ADDITION TO THE OBLIGATION TO PAY CHILD SUPPORT
12 ARREARAGES, THE ADMINISTRATION MAY AGREE TO REDUCE THE ARREARAGES IN
13 ACCORDANCE WITH THE SCHEDULE SPECIFIED IN SUBSECTION (D)(1) OF THIS
14 SECTION IF THE OBLIGOR AGREES TO MAKE MONTHLY PAYMENTS ON THE
15 ARREARAGES, AS DETERMINED BY THE ADMINISTRATION IN ACCORDANCE WITH
16 THE OBLIGOR'S ABILITY TO PAY.

17 (2) THE AMOUNT OF ANY MONTHLY PAYMENT ON ARREARAGES MAY
18 NOT EXCEED 25 PERCENT OF THE MOST RECENT CHILD SUPPORT ORDER.

19 (F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR
20 THE DURATION OF AN AGREEMENT UNDER SUBSECTION (D) OR (E) OF THIS SECTION,
21 ALL CHILD SUPPORT ENFORCEMENT ACTIONS SHALL BE SUSPENDED, UNLESS THE
22 SUSPENSION WOULD BE IN CONFLICT WITH FEDERAL LAW.

23 (2) FOR THE DURATION OF AN AGREEMENT UNDER SUBSECTION (D) OR
24 (E) OF THIS SECTION, ANY EARNINGS WITHHOLDING SHALL CONTINUE IN AN
25 AMOUNT CONSISTENT WITH THE AGREEMENT.

26 (G) (1) WHEN THE ADMINISTRATION ENTERS INTO A PROGRAM AGREEMENT
27 WITH AN OBLIGOR, THE ADMINISTRATION SHALL FILE A COPY OF THE AGREEMENT
28 WITH THE COURT WITHIN 30 DAYS OF EXECUTING THE AGREEMENT.

29 (2) IF AN OBLIGOR SATISFIES THE REQUIREMENTS FOR A REDUCTION
30 IN ARREARAGES UNDER THE SCHEDULE SPECIFIED IN SUBSECTION (D)(1) OF THIS
31 SECTION, THE ADMINISTRATION SHALL:

32 (I) FILE A NOTICE OF REDUCTION OF ARREARAGES WITH THE
33 COURT; AND

34 (II) PROVIDE A COPY OF THE NOTICE TO THE OBLIGOR THAT
35 REFLECTS THE ADJUSTED AMOUNT OF ANY ARREARAGES THAT THE OBLIGOR OWES.

36 (H) A PROGRAM AGREEMENT IS EFFECTIVE WITHOUT THE NECESSITY OF
37 JUDICIAL APPROVAL.

1 (I) (1) AN AGREEMENT UNDER THIS SECTION SHALL BE TERMINATED IF
2 THE OBLIGOR FAILS TO MAKE MORE THAN 60 DAYS OF REQUIRED PAYMENTS.

3 (2) AN OBLIGOR WHO HAS BEEN TERMINATED FROM A PROGRAM
4 AGREEMENT MORE THAN TWO TIMES IS NO LONGER ELIGIBLE FOR FUTURE
5 PARTICIPATION IN THE PROGRAM.

6 (J) (1) THE ADMINISTRATION SHALL DEVELOP AN APPLICATION FORM FOR
7 OBLIGORS TO REQUEST PARTICIPATION IN THE PROGRAM.

8 (2) WITHIN 30 DAYS AFTER RECEIPT OF A REQUEST FROM AN OBLIGOR,
9 THE ADMINISTRATION SHALL PROVIDE A WRITTEN DECISION TO THE OBLIGOR.

10 (3) (I) IF THE ADMINISTRATION DOES NOT AUTHORIZE
11 PARTICIPATION OF AN OBLIGOR IN THE PROGRAM, THE ADMINISTRATION SHALL
12 NOTIFY THE OBLIGOR OF THE DECISION AND OF THE OBLIGOR'S RIGHT TO APPEAL
13 THE DECISION TO THE OFFICE OF ADMINISTRATIVE HEARINGS.

14 (II) AN APPEAL UNDER THIS SUBSECTION SHALL BE CONDUCTED
15 IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

16 (K) IF AN OBLIGOR APPLIES TO PARTICIPATE IN THE PROGRAM AND IS
17 UNEMPLOYED AT THE TIME OF FILING THE APPLICATION, THE ADMINISTRATION
18 SHALL PROVIDE A LIST OF REFERRALS TO THE OBLIGOR FOR PROGRAMS THAT
19 PREPARE INDIVIDUALS FOR ENTRY INTO THE WORKFORCE.

20 (L) THE ADMINISTRATION AND EACH LOCAL SUPPORT ENFORCEMENT
21 OFFICE SHALL JOINTLY DEVELOP A PUBLIC AWARENESS CAMPAIGN TO PUBLICIZE
22 STATEWIDE THE AVAILABILITY OF THE PROGRAM AND THE MANNER OF MAKING
23 APPLICATION FOR THE PROGRAM.

24 (M) THE SECRETARY OF HUMAN RESOURCES MAY ADOPT REGULATIONS TO
25 IMPLEMENT THIS SECTION.

26 SECTION 2. AND BE IT FURTHER ENACTED, That the Child Support
27 Enforcement Administration shall report to the General Assembly on or before
28 October 1, 2008, in accordance with § 2-1246 of the State Government Article, on the
29 implementation of this Act.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2006.