
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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2006

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of requiring the Child Support Enforcement Administration, by a
4 certain date, to develop a statewide Child Support Payment Incentive Program
5 to 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 Payment Incentive Program.

22 BY repealing and reenacting, without amendments,

23 Article - Family Law

24 Section 10-112

25 Annotated Code of Maryland

1 (2004 Replacement Volume and 2005 Supplement)

2 BY adding to

3 Article - Family Law

4 Section 10-112.1

5 Annotated Code of Maryland

6 (2004 Replacement Volume and 2005 Supplement)

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

9 **Article - Family Law**

10 10-112.

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

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

17 (b) (1) In a case in which an assignment has been made under Article 88A, §
18 50(b)(2) of the Code, there is a presumption that it is in the best interest of this State
19 for the Administration to accept in full settlement of an arrearage in child support
20 payments an amount that is less than the total arrearage if:

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

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

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

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

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

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

3 10-112.1.

4 (A) IN THIS SECTION, "PROGRAM" MEANS THE CHILD SUPPORT PAYMENT
5 INCENTIVE PROGRAM.

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

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

14 (II) FOR PURPOSES OF DETERMINING THE APPLICABLE FEDERAL
15 POVERTY LEVEL FOR A PROGRAM APPLICANT, THE OBLIGOR'S HOUSEHOLD SHALL
16 INCLUDE THE CHILDREN FOR WHOM THE OBLIGOR IS REQUIRED TO PAY CHILD
17 SUPPORT UNDER A CHILD SUPPORT ORDER ~~AND BIOLOGICAL CHILDREN WHO LIVE~~
18 ~~WITH THE OBLIGOR~~ THAT IS THE SUBJECT OF THE APPLICATION TO THIS PROGRAM.

19 (2) (I) IN DETERMINING WHETHER TO AUTHORIZE AN OBLIGOR TO
20 PARTICIPATE IN THE PROGRAM, THE ADMINISTRATION SHALL CONSIDER THE
21 FOLLOWING FACTORS:

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

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

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

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

31 (D) (1) UNDER THE PROGRAM, IN CASES IN WHICH THE OBLIGOR IS UNDER
32 A CURRENT CHILD SUPPORT OBLIGATION IN ADDITION TO THE OBLIGATION TO PAY
33 CHILD SUPPORT ARREARAGES, THE ADMINISTRATION MAY AGREE TO REDUCE THE
34 ARREARAGES IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

35 (I) AFTER ~~6~~ 12 MONTHS OF UNINTERRUPTED COURT-ORDERED
36 ~~PAYMENTS OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,~~
37 THE ARREARAGES SHALL BE REDUCED BY ~~25~~ 50 PERCENT OF THE AMOUNT OF
38 ARREARAGES OWED BEFORE THE AGREEMENT; AND

1 (II) AFTER ~~18~~ 24 MONTHS OF UNINTERRUPTED COURT-ORDERED
2 PAYMENTS ~~OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,~~
3 THE ARREARAGES SHALL BE REDUCED BY 50 PERCENT OF THE AMOUNT OF
4 ARREARAGES OWED BEFORE THE AGREEMENT; BALANCE SHALL BE REDUCED TO
5 ZERO IN FULL SETTLEMENT OF THE ARREARAGES.

6 (III) AFTER 30 MONTHS OF UNINTERRUPTED COURT ORDERED
7 PAYMENTS ~~OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,~~
8 THE ARREARAGES SHALL BE REDUCED BY 75 PERCENT OF THE AMOUNT OF
9 ARREARAGES OWED BEFORE THE AGREEMENT; AND

10 (IV) AFTER 42 MONTHS OF UNINTERRUPTED COURT ORDERED
11 PAYMENTS ~~OR PAYMENTS MADE IN ACCORDANCE WITH A PROGRAM AGREEMENT,~~
12 THE ARREARAGES SHALL BE REDUCED BY 100 PERCENT OF THE AMOUNT OF
13 ARREARAGES OWED BEFORE THE AGREEMENT.

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

17 ~~(E)~~ ~~(1)~~ (2) IN CASES IN WHICH THE OBLIGOR IS NOT UNDER A CURRENT
18 CHILD SUPPORT OBLIGATION IN ADDITION TO THE OBLIGATION TO PAY CHILD
19 SUPPORT ARREARAGES, THE ADMINISTRATION MAY AGREE TO REDUCE THE
20 ARREARAGES IN ACCORDANCE WITH THE SCHEDULE SPECIFIED IN SUBSECTION
21 ~~(D)(1)~~ OF THIS SECTION IF THE OBLIGOR AGREES TO MAKE MONTHLY PAYMENTS ON
22 THE ARREARAGES, AS DETERMINED BY THE ADMINISTRATION IN ACCORDANCE
23 WITH THE OBLIGOR'S ABILITY TO PAY.

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

26 (I) A LUMP SUM PAYMENT OF AN AMOUNT TO BE DETERMINED BY
27 THE ADMINISTRATION TO BE MADE TOWARD THE ARREARAGES, REDUCING THE
28 ARREARAGES BALANCE TO ZERO IN FULL SETTLEMENT OF THE ARREARAGES; OR

29 (II) A PAYMENT OF 25% OF THE ARREARAGES TO BE PAID WITHIN A
30 90-DAY PERIOD, REDUCING THE ARREARAGES AMOUNT TO ZERO IN FULL
31 SETTLEMENT OF THE ARREARAGES.

32 (E) THE ADMINISTRATION SHALL DISTRIBUTE ANY CHILD SUPPORT
33 ARREARAGES RECEIVED UNDER THIS SECTION IN ACCORDANCE WITH FEDERAL
34 LAW.

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

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

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

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

10 (I) FILE A NOTICE OF REDUCTION OF ARREARAGES WITH THE
11 COURT; AND

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

14 (H) A PROGRAM AGREEMENT IS EFFECTIVE WITHOUT THE NECESSITY OF
15 JUDICIAL APPROVAL.

16 (I) (1) AN AGREEMENT UNDER THIS SECTION SHALL BE TERMINATED IF
17 THE OBLIGOR FAILS TO MAKE ~~MORE THAN 60 DAYS OF REQUIRED PAYMENTS~~
18 PAYMENTS EQUAL TO TWO TIMES THE MONTHLY SUPPORT OBLIGATION AMOUNT.

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

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

24 (2) WITHIN ~~30~~ 60 DAYS AFTER RECEIPT OF A REQUEST FROM AN
25 OBLIGOR, THE ADMINISTRATION SHALL PROVIDE A WRITTEN DECISION TO THE
26 OBLIGOR.

27 (3) (I) IF THE ADMINISTRATION DOES NOT AUTHORIZE
28 PARTICIPATION OF AN OBLIGOR IN THE PROGRAM, THE ADMINISTRATION SHALL
29 NOTIFY THE OBLIGOR OF THE DECISION AND OF THE OBLIGOR'S RIGHT TO APPEAL
30 THE DECISION TO THE OFFICE OF ADMINISTRATIVE HEARINGS.

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

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

1 (L) THE ADMINISTRATION AND EACH LOCAL SUPPORT ENFORCEMENT
2 OFFICE SHALL JOINTLY DEVELOP A PUBLIC AWARENESS CAMPAIGN TO PUBLICIZE
3 STATEWIDE THE AVAILABILITY OF THE PROGRAM AND THE MANNER OF MAKING
4 APPLICATION FOR THE PROGRAM.

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

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

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