

HOUSE BILL 263

D4
HB 1264/06 – JUD

71r0724
CF SB 154

By: **Delegates Dumais, Anderson, Kelly, McComas, and Vallario**

Introduced and read first time: January 29, 2007

Assigned to: Judiciary

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 20, 2007

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 of child support in certain cases; establishing certain
6 criteria for participation in the Program; requiring the Administration to
7 consider certain factors in determining whether to authorize a child support
8 obligor to participate in the Program; establishing a certain presumption;
9 requiring the Administration to reduce certain child support arrearages under
10 certain circumstances; requiring that certain child support enforcement actions
11 be suspended except under certain circumstances; requiring the Administration
12 to take certain actions; establishing that a Program agreement is effective
13 without the necessity of judicial approval; requiring that a Program agreement
14 be 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.

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 BY repealing and reenacting, without amendments,
2 Article – Family Law
3 Section 10–112
4 Annotated Code of Maryland
5 (2006 Replacement Volume)

6 BY adding to
7 Article – Family Law
8 Section 10–112.1
9 Annotated Code of Maryland
10 (2006 Replacement Volume)

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

13 **Article – Family Law**

14 10–112.

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

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

22 (b) (1) In a case in which an assignment has been made under Article
23 88A, § 50(b)(2) of the Code, there is a presumption that it is in the best interest of this
24 State for the Administration to accept in full settlement of an arrearage in child
25 support payments an amount that is less than the total arrearage if:

26 (i) 1. the obligor, the individual who has made an
27 assignment under Article 88A, § 50(b)(2) of the Code, and the child who is the subject
28 of the support order have resided together for at least the 12 months immediately
29 preceding a request for settlement under this section; or

30 2. the obligor and the child who is the subject of the
31 support order have resided together for at least the 12 months immediately preceding
32 a request for settlement under this section, and the individual who has made an

1 assignment under Article 88A, § 50(b)(2) of the Code is deceased, incapacitated, or
2 otherwise unavailable to reside with the obligor and the child;

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

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

8 (2) For purposes of paragraph (1)(i)2 of this subsection, an individual
9 who has made an assignment under Article 88A, § 50(b)(2) of the Code may not be
10 considered incapacitated or otherwise unavailable due solely to a change in legal or
11 physical custody of the child.

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

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

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

20 **10-112.1.**

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

23 (B) BY JUNE 1, 2008, THE ADMINISTRATION SHALL DEVELOP A
24 STATEWIDE CHILD SUPPORT PAYMENT INCENTIVE PROGRAM TO ENCOURAGE
25 PAYMENT OF CHILD SUPPORT IN CASES IN WHICH AN ASSIGNMENT HAS BEEN
26 MADE UNDER ~~ARTICLE 88A, § 50(B)(2) OF THE CODE~~ § 5-312(B)(2) OF THE
27 HUMAN SERVICES ARTICLE BY ENTERING INTO AGREEMENTS WITH CHILD
28 SUPPORT OBLIGORS IN EXCHANGE FOR REDUCTIONS IN THE AMOUNT OF
29 ARREARAGES AS AUTHORIZED UNDER § 10-112 OF THIS SUBTITLE.

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

4 **(II) FOR PURPOSES OF DETERMINING THE APPLICABLE**
5 **FEDERAL POVERTY LEVEL FOR A PROGRAM APPLICANT, THE OBLIGOR'S**
6 **HOUSEHOLD SHALL INCLUDE THE CHILDREN FOR WHOM THE OBLIGOR IS**
7 **REQUIRED TO PAY CHILD SUPPORT UNDER A CHILD SUPPORT ORDER THAT IS**
8 **THE SUBJECT OF THE APPLICATION TO THE PROGRAM.**

9 **(2) (I) IN DETERMINING WHETHER TO AUTHORIZE AN**
10 **OBLIGOR TO PARTICIPATE IN THE PROGRAM, THE ADMINISTRATION SHALL**
11 **CONSIDER THE FOLLOWING FACTORS:**

12 **1. WHETHER THE OBLIGOR HAS A CURRENT ABILITY**
13 **TO PAY;**

14 **2. WHETHER THE REDUCTION OF ARREARAGES WILL**
15 **ENCOURAGE THE OBLIGOR'S ECONOMIC STABILITY; AND**

16 **3. WHETHER THE AGREEMENT SERVES THE BEST**
17 **INTERESTS OF THE CHILDREN WHOM THE OBLIGOR IS REQUIRED TO SUPPORT.**

18 **(II) IF ANY OF THE FACTORS SPECIFIED IN SUBPARAGRAPH**
19 **(I) OF THIS PARAGRAPH ARE MET, THERE IS A PRESUMPTION THAT IT IS IN THE**
20 **BEST INTEREST OF THE STATE TO AUTHORIZE AN OBLIGOR TO PARTICIPATE IN**
21 **THE PROGRAM.**

22 **(D) UNDER THE PROGRAM, THE ADMINISTRATION SHALL AGREE TO**
23 **REDUCE THE ARREARAGES IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:**

24 **(1) AFTER 12 MONTHS OF UNINTERRUPTED**
25 **COURT-ORDERED PAYMENTS, THE ARREARAGES SHALL BE REDUCED BY 50% OF**
26 **THE AMOUNT OF ARREARAGES OWED BEFORE THE AGREEMENT; AND**

27 **(2) AFTER 24 MONTHS OF UNINTERRUPTED**
28 **COURT-ORDERED PAYMENTS, THE ARREARAGES BALANCE SHALL BE REDUCED**
29 **TO ZERO IN FULL SETTLEMENT OF THE ARREARAGES.**

1 **(E) THE ADMINISTRATION SHALL DISTRIBUTE ANY CHILD SUPPORT**
2 **ARREARAGES RECEIVED UNDER THIS SECTION IN ACCORDANCE WITH FEDERAL**
3 **LAW.**

4 **(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
5 **SUBSECTION, FOR THE DURATION OF AN AGREEMENT UNDER SUBSECTION (D)**
6 **OF THIS SECTION, ALL CHILD SUPPORT ENFORCEMENT ACTIONS SHALL BE**
7 **SUSPENDED, UNLESS THE SUSPENSION WOULD BE IN CONFLICT WITH FEDERAL**
8 **LAW.**

9 **(2) FOR THE DURATION OF AN AGREEMENT UNDER SUBSECTION**
10 **(D) OF THIS SECTION, ANY EARNINGS WITHHOLDING SHALL CONTINUE IN AN**
11 **AMOUNT CONSISTENT WITH THE AGREEMENT.**

12 **(G) (1) WHEN THE ADMINISTRATION ENTERS INTO A PROGRAM**
13 **AGREEMENT WITH AN OBLIGOR, THE ADMINISTRATION SHALL FILE A COPY OF**
14 **THE AGREEMENT WITH THE COURT WITHIN 30 DAYS AFTER THE AGREEMENT IS**
15 **EXECUTED.**

16 **(2) IF AN OBLIGOR SATISFIES THE REQUIREMENTS FOR A**
17 **REDUCTION IN ARREARAGES UNDER THE SCHEDULE SPECIFIED IN SUBSECTION**
18 **(D) OF THIS SECTION, THE ADMINISTRATION SHALL:**

19 **(I) FILE A NOTICE OF REDUCTION OF ARREARAGES WITH**
20 **THE COURT; AND**

21 **(II) PROVIDE A COPY OF THE NOTICE TO THE OBLIGOR THAT**
22 **REFLECTS THE ADJUSTED AMOUNT OF ANY ARREARAGES THAT THE OBLIGOR**
23 **OWES.**

24 **(H) A PROGRAM AGREEMENT IS EFFECTIVE WITHOUT THE NECESSITY**
25 **OF JUDICIAL APPROVAL.**

26 **(I) (1) AN AGREEMENT UNDER THIS SECTION SHALL BE**
27 **TERMINATED IF THE OBLIGOR FAILS TO MAKE PAYMENTS EQUAL TO TWO TIMES**
28 **THE MONTHLY SUPPORT OBLIGATION AMOUNT.**

29 **(2) AN OBLIGOR WHO HAS BEEN TERMINATED FROM A PROGRAM**
30 **AGREEMENT MORE THAN TWO TIMES IS NOT ELIGIBLE FOR FUTURE**
31 **PARTICIPATION IN THE PROGRAM.**

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

3 **(2) WITHIN 60 DAYS AFTER RECEIPT OF A REQUEST FROM AN**
4 **OBLIGOR, THE ADMINISTRATION SHALL PROVIDE A WRITTEN DECISION TO THE**
5 **OBLIGOR.**

6 **(3) (I) IF THE ADMINISTRATION DOES NOT AUTHORIZE**
7 **PARTICIPATION OF AN OBLIGOR IN THE PROGRAM, THE ADMINISTRATION**
8 **SHALL NOTIFY THE OBLIGOR OF THE DECISION AND OF THE OBLIGOR'S RIGHT**
9 **TO APPEAL THE DECISION TO THE OFFICE OF ADMINISTRATIVE HEARINGS.**

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

13 **(K) IF AN UNEMPLOYED OBLIGOR APPLIES TO PARTICIPATE IN THE**
14 **PROGRAM, THE ADMINISTRATION SHALL GIVE THE OBLIGOR A LIST OF**
15 **REFERRALS TO PROGRAMS THAT PREPARE INDIVIDUALS FOR ENTRY INTO THE**
16 **WORKFORCE.**

17 **(L) THE ADMINISTRATION AND EACH LOCAL SUPPORT ENFORCEMENT**
18 **OFFICE SHALL JOINTLY DEVELOP A PUBLIC AWARENESS CAMPAIGN TO**
19 **PUBLICIZE STATEWIDE THE AVAILABILITY OF THE PROGRAM AND THE MANNER**
20 **OF APPLYING TO PARTICIPATE IN THE PROGRAM.**

21 **(M) THE SECRETARY OF HUMAN RESOURCES MAY ADOPT**
22 **REGULATIONS TO IMPLEMENT THIS SECTION.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That the Child Support
24 Enforcement Administration shall report to the General Assembly on or before
25 October 1, 2009, in accordance with § 2-1246 of the State Government Article, on the
26 implementation of this Act.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2007.