

HOUSE BILL 163

D4
HB 849/13 – JUD

5lr0730

By: **Delegate Dumais**

Introduced and read first time: January 28, 2015

Assigned to: Judiciary

Committee Report: Favorable

House action: Adopted

Read second time: March 10, 2015

CHAPTER _____

1 AN ACT concerning

2 **Child Support – Adjusted Actual Income – Multifamily Adjustment**

3 FOR the purpose of altering the definition of “adjusted actual income” under the State child
4 support guidelines; providing for the calculation of a certain allowance required to
5 be deducted from adjusted actual income under the child support guidelines;
6 requiring that the amount of a certain allowance be subtracted from a parent’s actual
7 income before the court determines the amount of a child support award; repealing
8 a factor the court may consider in determining whether the application of the child
9 support guidelines would be unjust or inappropriate in a particular case; and
10 generally relating to child support.

11 BY repealing and reenacting, without amendments,
12 Article – Family Law
13 Section 12–201(a) and (b)
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2014 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Family Law
18 Section 12–201(c), 12–202(a), and 12–204(a)
19 Annotated Code of Maryland
20 (2012 Replacement Volume and 2014 Supplement)

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

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.



Article – Family Law

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

12–201.

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

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

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

(3) “Actual income” includes:

(i) salaries;

(ii) wages;

(iii) commissions;

(iv) bonuses;

(v) dividend income;

(vi) pension income;

(vii) interest income;

(viii) trust income;

(ix) annuity income;

(x) Social Security benefits;

(xi) workers’ compensation benefits;

(xii) unemployment insurance benefits;

(xiii) disability insurance benefits;

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

(xv) alimony or maintenance received; and

1 (xvi) expense reimbursements or in-kind payments received by a
2 parent in the course of employment, self-employment, or operation of a business to the
3 extent the reimbursements or payments reduce the parent's personal living expenses.

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

6 (i) severance pay;

7 (ii) capital gains;

8 (iii) gifts; or

9 (iv) prizes.

10 (5) "Actual income" does not include benefits received from
11 means-tested public assistance programs, including temporary cash assistance,
12 Supplemental Security Income, food stamps, and transitional emergency, medical, and
13 housing assistance.

14 (c) (1) "Adjusted actual income" means actual income minus:

15 [(1)] (I) preexisting reasonable child support obligations actually paid;

16 [and

17 (2)] (II) except as provided in § 12-204(a)(2) of this subtitle, alimony or
18 maintenance obligations actually paid; AND

19 (III) AN ALLOWANCE FOR SUPPORT FOR EACH CHILD LIVING IN
20 A PARENT'S HOME FOR WHOM THE PARENT OWES A LEGAL DUTY OF SUPPORT IF THE
21 CHILD IS NOT SUBJECT TO THE SUPPORT ORDER.

22 (2) FOR PURPOSES OF DETERMINING THE AMOUNT OF THE
23 ALLOWANCE UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION:

24 (I) THE BASIC CHILD SUPPORT OBLIGATION FOR EACH
25 ADDITIONAL CHILD IN THE PARENT'S HOME SHALL BE DETERMINED IN
26 ACCORDANCE WITH § 12-204 OF THIS SUBTITLE, USING ONLY THE INCOME OF THE
27 PARENT ENTITLED TO THE DEDUCTION; AND

28 (II) THE AMOUNT DETERMINED UNDER ITEM (I) OF THIS
29 PARAGRAPH SHALL BE MULTIPLIED BY 75%.

30 12-202.

1 (a) (1) Subject to the provisions of paragraph (2) of this subsection, in any
2 proceeding to establish or modify child support, whether pendente lite or permanent, the
3 court shall use the child support guidelines set forth in this subtitle.

4 (2) (i) There is a rebuttable presumption that the amount of child
5 support which would result from the application of the child support guidelines set forth in
6 this subtitle is the correct amount of child support to be awarded.

7 (ii) The presumption may be rebutted by evidence that the
8 application of the guidelines would be unjust or inappropriate in a particular case.

9 (iii) In determining whether the application of the guidelines would
10 be unjust or inappropriate in a particular case, the court may consider[:

11 1.] the terms of any existing separation or property
12 settlement agreement or court order, including any provisions for payment of mortgages or
13 marital debts, payment of college education expenses, the terms of any use and possession
14 order or right to occupy the family home under an agreement, any direct payments made
15 for the benefit of the children required by agreement or order, or any other financial
16 considerations set out in an existing separation or property settlement agreement or court
17 order[; and

18 2. the presence in the household of either parent of other
19 children to whom that parent owes a duty of support and the expenses for whom that parent
20 is directly contributing].

21 (iv) [The presumption may not be rebutted solely on the basis of
22 evidence of the presence in the household of either parent of other children to whom that
23 parent owes a duty of support and the expenses for whom that parent is directly
24 contributing.

25 (v)] 1. If the court determines that the application of the
26 guidelines would be unjust or inappropriate in a particular case, the court shall make a
27 written finding or specific finding on the record stating the reasons for departing from the
28 guidelines.

29 2. The court's finding shall state:

30 A. the amount of child support that would have been required
31 under the guidelines;

32 B. how the order varies from the guidelines;

33 C. how the finding serves the best interests of the child; and

1 D. in cases in which items of value are conveyed instead of a
2 portion of the support presumed under the guidelines, the estimated value of the items
3 conveyed.

4 12-204.

5 (a) (1) The basic child support obligation shall be determined in accordance
6 with the schedule of basic child support obligations in subsection (e) of this section. The
7 basic child support obligation shall be divided between the parents in proportion to their
8 adjusted actual incomes.

9 (2) (i) If one or both parents have made a request for alimony or
10 maintenance in the proceeding in which a child support award is sought, the court shall
11 decide the issue and amount of alimony or maintenance before determining the child
12 support obligation under these guidelines.

13 (ii) If the court awards alimony or maintenance, the amount of
14 alimony or maintenance awarded shall be considered actual income for the recipient of the
15 alimony or maintenance and shall be subtracted from the income of the payor of the alimony
16 or maintenance under [§ 12-201(c)(2)] **§ 12-201(C)(1)(II)** of this subtitle before the court
17 determines the amount of a child support award.

18 **(3) THE AMOUNT OF THE ALLOWANCE FOR THE SUPPORT OF**
19 **ADDITIONAL CHILDREN LIVING IN A PARENT'S HOME DESCRIBED IN §**
20 **12-201(C)(1)(III) OF THIS SUBTITLE SHALL BE SUBTRACTED FROM THE PARENT'S**
21 **ACTUAL INCOME BEFORE THE COURT DETERMINES THE AMOUNT OF A CHILD**
22 **SUPPORT AWARD.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.