

HOUSE BILL 850

D4

6lr3122

By: **Delegates McComas, Krebs, and Vogt**

Introduced and read first time: February 8, 2016

Assigned to: Judiciary

Committee Report: Favorable

House action: Adopted

Read second time: March 14, 2016

CHAPTER _____

1 AN ACT concerning

2 **Child Support – Health Insurance – Definition**

3 FOR the purpose of defining the term “health insurance” for purposes of calculating a child
4 support obligation under the child support guidelines; and generally relating to child
5 support.

6 BY repealing and reenacting, with amendments,
7 Article – Family Law
8 Section 12–201
9 Annotated Code of Maryland
10 (2012 Replacement Volume and 2015 Supplement)

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

13 **Article – Family Law**

14 12–201.

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

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

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

4 (3) “Actual income” includes:

5 (i) salaries;

6 (ii) wages;

7 (iii) commissions;

8 (iv) bonuses;

9 (v) dividend income;

10 (vi) pension income;

11 (vii) interest income;

12 (viii) trust income;

13 (ix) annuity income;

14 (x) Social Security benefits;

15 (xi) workers’ compensation benefits;

16 (xii) unemployment insurance benefits;

17 (xiii) disability insurance benefits;

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

20 (xv) alimony or maintenance received; and

21 (xvi) expense reimbursements or in–kind payments received by a
22 parent in the course of employment, self–employment, or operation of a business to the
23 extent the reimbursements or payments reduce the parent’s personal living expenses.

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

26 (i) severance pay;

27 (ii) capital gains;

1 (iii) gifts; or

2 (iv) prizes.

3 (5) “Actual income” does not include benefits received from means–tested
4 public assistance programs, including temporary cash assistance, Supplemental Security
5 Income, food stamps, and transitional emergency, medical, and housing assistance.

6 (c) “Adjusted actual income” means actual income minus:

7 (1) preexisting reasonable child support obligations actually paid; and

8 (2) except as provided in § 12–204(a)(2) of this subtitle, alimony or
9 maintenance obligations actually paid.

10 (d) “Adjusted basic child support obligation” means an adjustment of the basic
11 child support obligation for shared physical custody.

12 (e) “Basic child support obligation” means the base amount due for child support
13 based on the combined adjusted actual incomes of both parents.

14 (f) “Combined adjusted actual income” means the combined monthly adjusted
15 actual incomes of both parents.

16 (g) (1) “Extraordinary medical expenses” means uninsured expenses over
17 \$100 for a single illness or condition.

18 (2) “Extraordinary medical expenses” includes uninsured, reasonable, and
19 necessary costs for orthodontia, dental treatment, asthma treatment, physical therapy,
20 treatment for any chronic health problem, and professional counseling or psychiatric
21 therapy for diagnosed mental disorders.

22 (h) **“HEALTH INSURANCE” INCLUDES MEDICAL INSURANCE, DENTAL
23 INSURANCE, AND VISION INSURANCE.**

24 (I) “Income” means:

25 (1) actual income of a parent, if the parent is employed to full capacity; or

26 (2) potential income of a parent, if the parent is voluntarily impoverished.

27 [(i)] (J) “Obligee” means any person who is entitled to receive child support.

28 [(j)] (K) “Obligor” means an individual who is required to pay child support
29 under a court order.

1 **[(k)] (L)** “Ordinary and necessary expenses” does not include amounts allowable
2 by the Internal Revenue Service for the accelerated component of depreciation expenses or
3 investment tax credits or any other business expenses determined by the court to be
4 inappropriate for determining actual income for purposes of calculating child support.

5 **[(l)] (M)** “Potential income” means income attributed to a parent determined by
6 the parent’s employment potential and probable earnings level based on, but not limited
7 to, recent work history, occupational qualifications, prevailing job opportunities, and
8 earnings levels in the community.

9 **[(m)] (N)** (1) “Shared physical custody” means that each parent keeps the
10 child or children overnight for more than 35% of the year and that both parents contribute
11 to the expenses of the child or children in addition to the payment of child support.

12 (2) Subject to paragraph (1) of this subsection, the court may base a child
13 support award on shared physical custody:

14 (i) solely on the amount of visitation awarded; and

15 (ii) regardless of whether joint custody has been granted.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.