

# SENATE BILL 1038

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SB 1011/24 – JPR

5lr1462  
CF HB 275

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By: **Senator Charles**

Introduced and read first time: February 10, 2025

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Family Law – Child Support – 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; altering  
8 the factors that the court may consider in determining whether the application of  
9 the child support guidelines would be unjust or inappropriate in a particular case;  
10 and 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 (2019 Replacement Volume and 2024 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 (2019 Replacement Volume and 2024 Supplement)

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

### Article – Family Law

24 12–201.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

5 (3) “Actual income” includes:

6 (i) salaries;

7 (ii) wages;

8 (iii) commissions;

9 (iv) bonuses;

10 (v) dividend income;

11 (vi) pension income;

12 (vii) interest income;

13 (viii) trust income;

14 (ix) annuity income;

15 (x) Social Security benefits;

16 (xi) workers’ compensation benefits;

17 (xii) unemployment insurance benefits;

18 (xiii) disability insurance benefits;

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

21 (xv) alimony or maintenance received; and

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

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

- 1 (i) severance pay;
- 2 (ii) capital gains;
- 3 (iii) gifts; or
- 4 (iv) prizes.

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

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

10 [(1)] (I) preexisting reasonable child support obligations actually paid;  
11 [and]

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

14 (III) AN ALLOWANCE FOR SUPPORT FOR EACH CHILD LIVING IN  
15 A PARENT'S HOME TO WHOM THE PARENT OWES A LEGAL DUTY OF SUPPORT IF THE  
16 CHILD IS CONSIDERED TO BE SPENDING MORE THAN 92 OVERNIGHTS IN THE  
17 PARENT'S HOME IN A YEAR AND NOT SUBJECT TO THE SUPPORT ORDER.

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

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

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

26 (3) THE COURT SHALL DECLINE TO AWARD AN ALLOWANCE UNDER  
27 PARAGRAPH (1) OF THIS SUBSECTION IF THE COURT FINDS, AFTER CONSIDERING  
28 THE EVIDENCE AND THE BEST INTEREST OF THE CHILD FOR WHOM SUPPORT IS  
29 BEING DETERMINED, THAT THE APPLICATION OF AN ALLOWANCE WOULD BE  
30 UNJUST OR INAPPROPRIATE.

31 12-202.

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

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

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

10 (iii) In determining whether the application of the guidelines would  
11 be unjust or inappropriate in a particular case, the court may consider **ANY FINANCIAL**  
12 **CONSIDERATIONS:**

13 1. [the terms of any] **SPECIFIED IN AN** existing separation  
14 or property settlement agreement or court order, including:

15 **A.** any provisions for payment of mortgages [or], marital  
16 debts, [payment of] **OR** college education expenses[.];

17 **B.** the terms of any use and possession order or right to  
18 occupy the family home under an agreement[.]; **AND**

19 **C.** any direct payments made for the benefit of the children  
20 required by **THE** agreement or order[, or any other financial considerations set out in an  
21 existing separation or property settlement agreement or court order];

22 2. [the presence in the household of either parent of other  
23 children to whom that parent owes a duty of support and the expenses for whom that parent  
24 is directly contributing; and] **THAT THE COURT DEEMS RELEVANT TO THE BEST**  
25 **INTERESTS OF THE CHILD WHO IS THE SUBJECT OF THE CHILD SUPPORT ORDER; OR**

26 3. [whether an obligor's monthly child support obligation]  
27 **THAT** would leave the obligor with a monthly actual income below 110% of the 2019 federal  
28 poverty level for an individual.

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

33 (v) 1. If the court determines that the application of the  
34 guidelines would be unjust or inappropriate in a particular case, the court shall make a

1 written finding or specific finding on the record stating the reasons for departing from the  
2 guidelines.

- 3    2.        The court's finding shall state:
- 4    A.        the amount of child support that would have been required  
5 under the guidelines;
- 6    B.        how the order varies from the guidelines;
- 7    C.        how the finding serves the best interests of the child **WHO**  
8 **IS THE SUBJECT OF THE ORDER;** and
- 9    D.        in cases in which items of value are conveyed instead of a  
10 portion of the support presumed under the guidelines, the estimated value of the items  
11 conveyed.

12 12-204.

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

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

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

26    (3)    **THE AMOUNT OF THE ALLOWANCE FOR THE SUPPORT OF**  
27 **ADDITIONAL CHILDREN LIVING IN A PARENT'S HOME DESCRIBED IN §**  
28 **12-201(C)(1)(III) OF THIS SUBTITLE SHALL BE SUBTRACTED FROM THE PARENT'S**  
29 **ACTUAL INCOME BEFORE THE COURT DETERMINES THE AMOUNT OF A CHILD**  
30 **SUPPORT AWARD.**

31            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2025.