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RELATING TO CHILD SUPPORT; UPDATING THE CHILD SUPPORT GUIDELINES TO REQUIRE THE HUMAN SERVICES DEPARTMENT TO ESTABLISH A NEW CHILD SUPPORT SCHEDULE BY RULE; OUTLINING REQUIREMENTS THAT THE HUMAN SERVICES DEPARTMENT MUST FOLLOW WHEN ESTABLISHING THE NEW CHILD SUPPORT SCHEDULE; UPDATING STATUTORY REFERENCES TO THE CHILD SUPPORT SCHEDULE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 40-4-11.1 NMSA 1978 (being Laws SECTION 1. 1988, Chapter 87, Section 2, as amended) is amended to read: "40-4-11.1. CHILD SUPPORT--GUIDELINES.--

A. In any action to establish or modify child support, the child support guidelines as set forth in this section and the child support schedule promulgated by the department shall be applied to determine the child support due and shall be a rebuttable presumption for the amount of such child support. Every decree or judgment or stipulation of child support that deviates from the guideline amount shall contain a statement of the reasons for the deviation.

- The purposes of the child support guidelines are to:
- establish as state policy an adequate standard of support for children, subject to the ability of parents to pay;

(2) make awards more equitable by ensuring more consistent treatment of persons in similar circumstances; and

- (3) improve the efficiency of the court process by promoting settlements and giving courts and the parties guidance in establishing levels of awards.
- C. For purposes of the guidelines specified in this section:
- (1) "income" means actual gross income of a parent if employed to full capacity or potential income if unemployed or underemployed. The gross income of a parent means only the income and earnings of that parent and not the income of subsequent spouses, notwithstanding the community nature of both incomes after remarriage; and
- (2) "gross income" includes income from any source and includes but is not limited to income from salaries, wages, tips, commissions, bonuses, dividends, severance pay, pensions, interest, trust income, annuities, capital gains, social security benefits, workers' compensation benefits, unemployment insurance benefits, disability insurance benefits, significant in-kind benefits that reduce personal living expenses, prizes and alimony or maintenance received, provided:
- (a) "gross income" shall not include benefits received from: 1) means-tested public assistance

programs, including but not limited to temporary assistance for needy families, supplemental security income and general assistance; 2) the earnings or public assistance benefits of a child who is the subject of a child support award; or 3) child support received by a parent for the support of other children;

(b) for income from self-employment, rent, royalties, proprietorship of a business or joint ownership of a partnership or closely held corporation, "gross income" means gross receipts minus ordinary and necessary expenses required to produce such income, but ordinary and necessary expenses do not include expenses determined by the court to be inappropriate for purposes of calculating child support;

(c) "gross income" shall not include
the amount of alimony payments actually paid in compliance
with a court order;

(d) "gross income" shall not include the amount of child support actually paid by a parent in compliance with a court order for the support of prior children; and

(e) "gross income" shall not include a reasonable amount for a parent's obligation to support prior children who are in that parent's custody. A duty to support subsequent children is not ordinarily a basis for reducing

1	support owed to children of the parties but may be a defense
2	to a child support increase for the children of the parties.
3	In raising such a defense, a party may use Table A as set
4	forth in Subsection M of this section to calculate the
5	support for the subsequent children.
6	D. If a court finds that a parent has willfully
7	failed to obtain or maintain appropriate employment or is
8	willfully underemployed, the court may impute to that parent
9	an income equal to that parent's earning and employment
10	potential.
11	(1) The following criteria shall be used:
12	(a) availability of employment
13	opportunities for the parent;
14	(b) the parent's employment history;
15	(c) the parent's income history;
16	(d) the parent's job skills;
17	(e) the parent's education;
18	(f) the parent's age and health;
19	(g) the parent's history of convictions
20	and incarceration; and
21	(h) the parent's ability to obtain or
22	maintain employment due to providing care for a child of the
23	parties who is under the age of six or is disabled.
24	(2) Minimum wage may be imputed if a parent
25	has no recent employment or earnings history and that parent SB 223

Page 4

has the capacity to earn minimum wage. The minimum wage to be imputed to that parent is the prevailing minimum wage in the locality where that parent resides.

E. Income may not be imputed to a parent if the parent is incarcerated for a period of one hundred eighty days or longer. Incarceration is not considered a voluntary unemployment.

### F. As used in this section:

- (1) "department" means the human services
  department;
- (2) "children of the parties" means the natural or adopted child or children of the parties to the action before the court but shall not include the natural or adopted child or children of only one of the parties;
- (3) "basic visitation" means a custody arrangement whereby one parent has physical custody and the other parent has visitation with the children of the parties less than thirty-five percent of the time. Such arrangements can exist where the parties share responsibilities pursuant to Section 40-4-9.1 NMSA 1978;
- (4) "shared responsibility" means a custody arrangement whereby each parent provides a suitable home for the children of the parties, when the children of the parties spend at least thirty-five percent of the year in each home and the parents significantly share the duties,

- (5) "schedule" means the child support schedule promulgated by the department.
- G. The basic child support obligation shall be calculated based on the combined income of both parents and shall be paid by them proportionately pursuant to Subsection L of this section.
- H. Physical custody adjustments shall be made as follows:
- (1) for basic visitation situations, the basic child support obligation shall be calculated using the basic child support schedule promulgated by the department, Worksheet A and instructions contained in Subsection M of this section. The court may provide for a partial abatement of child support for visitations of one month or longer; and
- (2) for shared responsibility arrangements, the basic child support obligation shall be calculated using the basic child support schedule promulgated by the department, Worksheet B and instructions contained in Subsection M of this section.
- I. In shared responsibility situations, each parent retains the percentage of the basic support obligation equal to the number of twenty-four-hour days of responsibility spent by each child with each respective parent divided by three hundred sixty-five.

J. The cost of providing medical and dental insurance for the children of the parties and the net reasonable child-care costs incurred on behalf of these children due to employment or job search of either parent shall be paid by each parent in proportion to that parent's income, in addition to the basic obligation.

K. The child support may also include the payment of the following expenses not covered by the basic child support obligation:

- (1) any extraordinary medical, dental and counseling expenses incurred on behalf of the children of the parties. Such extraordinary expenses are uninsured expenses in excess of one hundred dollars (\$100) per child per year;
- (2) any extraordinary educational expenses for children of the parties; and
- (3) transportation and communication expenses necessary for long distance visitation or time sharing.
- L. Whenever application of the child support guidelines set forth in this section requires a person to pay to another person more than forty percent of the paying person's gross income for a single child support obligation for current support, there shall be a presumption of a substantial hardship, justifying a deviation from the guidelines.

# M. The department shall:

- (1) establish the basic child support schedule by rule, using the recommendations of the child support guidelines review commission as the initial proposed rules; and
- (2) update and adjust the basic child support schedule when such a change is necessary to ensure that the child support schedule complies with the child support guidelines set forth in this section. The basic child support schedule shall be promulgated pursuant to the State Rules Act and shall be published and available to the public through the New Mexico Administrative Code, the New Mexico supreme court's website and the department's website. When the department is developing or updating the child support schedule, it shall consider:
- (a) all of the earnings and income of the noncustodial and custodial parent;
- (b) the basic subsistence needs of a noncustodial parent who may have a limited ability to pay by incorporating a mechanism that adjusts the basic support obligation for low-income parents;
- (c) economic data on the costs of raising children;
  - (d) state and local labor market data;

1	and		
2		(e) regional and national trends in	
3	chil	d support schedule adjustments.	
4		WORKSHEET A - BASIC VISITATION	
5		JUDICIAL DISTRICT COURT	
6	COUN	TY OF	
7	STAT	E OF NEW MEXICO	
8		NO	
9		·	
١0		Petitioner,	
ι1	vs.		
12		<b>,</b>	
13		Respondent.	
14		MONTHLY CHILD SUPPORT OBLIGATION	
<b>L</b> 5		Custodial Other	
16		Parent Parent Combined	
L7	1.	Gross Monthly Income \$ + \$ = \$	
18	2.	Percentage of Combined Income	
۱9		(Each parent's income divided	
20		by combined income)% +% = 100%	
21	3.	Number of Children	
22	4.	Basic Support from Schedule	
23		(Use combined income from Line 1) =	
24	5.	Children's Health and	
25		Dental Insurance Premium + =	SB 223 Page 9

6.	Work-Related Child Care	+ =
7.	Additional Expenses	+ =
8.	Total Support (Add	
	Lines 5, 6 and	
	7 for each parent	
	and Lines 4, 5, 6 and 7	for combined
	column)	+ =
9.	Each Parent's Obligation	
	(Combined Column Line	
	8 x each parent's	
	Line 2)	
10.	Enter amount for	
	each parent from	
	Line 8	
11.	Each Parent's Net	
	Obligation (Subtract	
	Line 10 from Line 9	
	for each parent).	Other
		Parent pays Custodial
		Parent this Amount
	PAYS	EACH MONTH \$
	Petitioner's Signature	Respondent's Signature
	Date:	

#### BASIC VISITATION

#### INSTRUCTIONS FOR WORKSHEET A

Line 1. Gross monthly income:

Includes all income, except temporary assistance for needy families, food stamps and supplemental security income. If a parent pays child support by court order to other children, subtract from gross income. Use current income if steady.

If income varies a lot from month to month, use an average of the last twelve months, if available, or last year's income tax return. Add both parents' gross incomes and put total under the combined column.

Line 2. Percentage of Combined Income:

Divide each parent's income by combined income to get that

parent's percentage of combined income.

Lines 3 and 4. Basic Support:

Fill in number of children on worksheet (Line 3). Round combined income to nearest fifty dollars (\$50.00). Look at the basic child support schedule. In the far left-hand column of the basic child support schedule, find the rounded combined income figure. Read across to the column with the correct number of children. Enter that amount on Line 4.

Line 5. Children's Health and Dental Insurance Premium: Enter the cost paid by a parent for covering these children with medical and dental insurance under that parent's column on Line 5. Add costs paid by each parent and enter under the

1 combined column on Line 5. Line 6. Work-Related Child Care: 2 3 Enter the cost paid by each parent for work-related child If the cost varies (for example, between school year 4 care. and summer), take the total yearly cost and divide by twelve. 5 Enter each parent's figure in that parent's column on Line 6. 6 Add the cost for both parents and enter in the combined 7 column on Line 6. 8 9 Line 7. Additional Expenses: 10 Enter the amounts paid by each parent for additional expenses provided by Subsection J of this section on Line 7. Add the 11 cost for both parents and enter in the combined column on 12 Line 7. 13 Line 8. Total Support: 14 15 Total the basic support amount from Line 4 in the combined 16 column with the combined column on Lines 5, 6 and 7 and enter the totals in the combined column on Line 8. 17 Line 9. Each Parent's Obligation: 18 Multiply the total child support amount on Line 8 by each 19 20 parent's percentage share on Line 2, and enter each parent's dollar share under that parent's column on Line 9. 21 Line 10. Total Support: 22 Enter the total amount shown for each parent on Line 8 beside 23 the "minus" marks on Line 10. 24

Line 11. Each Parent's Net Obligation:

1	For each parent, subtract the amount on Line 10 from the
2	amount on Line 9. Enter the difference for each parent in
3	that parent's column on Line ll. The amount in the box
4	"other parent" is what that parent pays to the custodial
5	parent each month. Do not subtract the amount on the
6	custodial parent's Line ll from the amount in the other
7	parent's box. The custodial parent is presumed to use the
8	amount in that parent's column on Line ll for the children.
9	WORKSHEET B - SHARED RESPONSIBILITY
10	JUDICIAL DISTRICT COURT
11	COUNTY OF
12	STATE OF NEW MEXICO
13	NO
14	<b>,</b>
15	Petitioner,
16	vs.
17	,
18	Respondent.
19	MONTHLY CHILD SUPPORT OBLIGATION
20	Part 1 - Basic Support: Parent One Parent Two Combined
21	1. Gross Monthly Income \$ + \$ = \$
22	2. Percentage of Combined Income
23	(Each parent's income divided
24	by combined income) % +% = 100%
25	3. Number of Children SB 223 Page 13
	rage 15

1	4.	Basic Support from Schedule
2		(Use combined income from Line 1) =
3	5.	Shared Responsibility Basic
4		Obligation (Line 4 x 1.5) =
5	6.	Each Parent's Share (Line 5
6		x each parent's Line 2)
7	7.	Number of 24-Hour Days
8		with Each Parent (must
9		total 365)
10	8.	Percentage with Each Parent
11		(Line 7 divided by 365)% +% = 100%
12	9.	Amount Retained (Line
13		6 x Line 8 for Each
14		Parent)
15	10.	Each Parent's Basic
16		Obligation (subtract
17		Line 9 from Line 6)
18	11.	Amount Transferred
19		(subtract smaller amount
20		on Line 10 from larger
21		amount on Line 10). Parent
22		with larger amount on Line
23		10 pays other parent the
24		difference
25	Part	2 - Additional Payments:

1	12.	Children's Health and
2		Dental Insurance
3		Premium + =
4	13.	Work-Related Child
5		Care + =
6	14.	Additional
7		Expenses + =
8	15.	Total Additional
9		Payments (Add Lines
10		12, 13 and 14 for each
11		parent and for combined
12		column) + =
13	16.	Each Parent's Obligation
14		(Combined Column Line 15
15		x each parent's Line 2)
16	17.	Amount Transferred
17		(Subtract each parent's
18		Line 16 from that parent's Line 15).
19		Parent with "minus"
20		figure pays that amount
21		to other parent
22	Part	3 - Net Amount Transferred:
23	18.	Combine Lines 11 and 17 by
24		addition if same parent pays
25		on both lines otherwise by

1	subtraction.		
2	PAYS	EACH MONTH \$	
3			
4	Petitioner's Signature	Respondent's Signature	
5	Date:		
6			
7	SHARED RESP	ONSIBILITY	
8	INSTRUCTIONS FO	OR WORKSHEET B	
9	Part 1 - Basic Support:		
10	Line l. Gross Monthly Inc	ome:	
11	Includes all income, except temp	porary assistance for needy	
12	families, food stamps and supple	emental security income. See	
13	text for allowed deductions from	m income. Use current income	
14	if steady. If income varies a	lot from month to month, use	
15	an average of the last twelve m	onths, if available, or last	
16	year's income tax return. Add	ooth parents' gross incomes	
17	and put total under the combine	d column.	
18	Line 2. Percentage of Com	bined Income:	
19	Divide each parent's income by	combined income to get that	
20	parent's percentage of combined	income.	
21	Lines 3 and 4. Basic Suppo	ort:	
22	Fill in the number of children	on the worksheet (Line 3).	
23	Round combined income to neares	t fifty dollars (\$50.00).	
24	Look at the basic child support	schedule. In the far	
25	left-hand column of that schedu	le, find the rounded combined	SB 223 Page 16

income figure. Read across to the column with the correct number of children. Enter that amount on Line 4.

Line 5. Shared Responsibility Basic Obligation: Multiply the basic obligation on Line 4 by 1.5.

Line 6. Each Parent's Share:

Multiply the support amount on Line 5 by each parent's percentage share on Line 2, and enter each parent's dollar share under that parent's column on Line 6.

Line 7. Each Parent's Time of Care for Children:

Enter the number of twenty-four-hour days of responsibility
that each parent has each child in a year according to the
parenting plan.

Line 8. Percentage of Twenty-Four-Hour Days With Each Parent:

Divide each parent's number of twenty-four-hour days (Line 7) by three hundred sixty-five to obtain a percentage.

Line 9. Amount Retained:

Under shared responsibility arrangements, each parent retains the percentage of the basic support obligation equal to the number of twenty-four-hour days of responsibility spent by each child with each respective parent divided by three hundred sixty-five. Multiply each parent's share of basic support (Line 6) by the percentage in that parent's Line 8 and enter the result on that parent's Line 9. This is the amount that each parent retains to pay the children's

expenses during that parent's periods of responsibility.

Line 10. Each Parent's Basic Obligation:

Subtract the amount retained by each parent for direct expenses (Line 9) from that parent's share (Line 6) and enter the difference on that parent's Line 10.

Line 11. Amount Transferred for Basic Support:

In shared responsibility situations, both parents are entitled not only to retain money for direct expenses but also to receive contributions from the other parent toward those expenses. Therefore, subtract the smaller amount on Line 10 from the larger amount on Line 10 to arrive at a net amount transferred for basic support.

## Part 2 - Additional Payments:

Line 12. Children's Health and Dental Insurance

Premium: Enter the cost paid by a parent for covering these
children with medical and dental insurance under that
parent's column on Line 12. Add costs paid by each parent
and enter under the combined column on Line 12.

Line 13. Work-Related Child Care:

Enter the cost paid by each parent for work-related child care. If the cost varies (for example, between school year and summer), take the total yearly cost and divide by twelve. Enter each parent's figure in that parent's column on Line 13. Add the cost for both parents and enter in the combined column on Line 13.

1 Line 14. Additional Expenses: 2 Enter the cost paid by each parent for additional expenses 3 provided by Subsection J of this section on Line 14. Line 15. Total Additional Payments: 4 For each parent, total the amount paid by that parent for 5 insurance, child care and additional expenses (Lines 12, 13 6 and 14). Enter the total in that parent's column on Line 15 7 and the total of both parents' expenses under the combined 8 column on Line 15. 9 10 Line 16. Each Parent's Obligation: Multiply the total additional payments (combined column on 11 Line 15) by each parent's percentage share of income on Line 12 2, and enter each parent's dollar share of the additional 13 payments on that parent's Line 16. 14 15 Line 17. Amount Transferred: 16 Subtract each parent's obligation for additional expenses (that parent's Line 16) from the total additional payments 17 made by that parent (that parent's Line 15). The parent with 18 a "minus" figure pays the other parent the amount on Line 17. 19 20 Part 3 - Net Amount Transferred: Line 18. Combine Lines 11 and 17: 21 Combine the amount owed by one parent to the other for basic 22 support (Line 11) and the amount owed by one parent to the 23 other for additional payments (Line 17). If the same parent 24 owes for both obligations, add Lines 11 and 17, and enter the 25

SB 223 Page 19 total on Line 18. If one parent owes for basic support and the other owes for additional payments, subtract the smaller amount from the larger and enter on Line 18. Fill in the blanks by stating which parent pays and which parent receives the net amount transferred."

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SECTION 2. Section 40-4-11.2 NMSA 1978 (being Laws 1989, Chapter 36, Section 1, as amended) is amended to read:

"40-4-11.2. GROUNDS FOR DEVIATION FROM CHILD SUPPORT GUIDELINES. -- Any deviation from the child support guidelines set forth in Section 40-4-11.1 NMSA 1978 and the basic child support schedule promulgated by the human services department shall be supported by a written finding in the decree, judgment or order of child support that application of the guidelines and basic child support schedule would be unjust or inappropriate. A finding that rebuts the child support guidelines and basic child support schedule shall state the amount of support that would have been required under the guidelines and basic child support schedule and the justification of why the order varies from the guidelines and the basic child support schedule. Circumstances creating a substantial hardship in the obligor, obligee or subject children may justify a deviation upward or downward from the amount that would otherwise be payable under the guidelines and basic child support schedule."

SECTION 3. Section 40-4C-3 NMSA 1978 (being Laws 1990,

3 Medical Support Act:

- A. "carrier" means an entity that offers, delivers or administers an employment-related or other group health care coverage plan, a health maintenance organization, a nonprofit health care plan or other type of health care coverage plan under which medical or dental services are provided, regardless of service delivery mechanism;
- B. "cash medical support" means an amount ordered to be paid toward the cost of health care coverage provided by a public entity or by another parent through employment or otherwise, or for other medical costs not covered by health care coverage;
- C. "court" means any district court ordering
  support by a medical support obligor;
- D. "department" means the human services department;
- E. "employer" means an individual, organization, agency, business or corporation hiring a medical support obligor for pay;
- F. "gross income" means income from any source and includes income from salaries, wages, tips, commissions, bonuses, dividends, severance pay, pensions, interest, trust income, annuities, capital gains, social security benefits,

-	workers compensation benefites, unemployment insurance
2	benefits, disability insurance benefits, significant in-kind
3	benefits that reduce personal living expenses, prizes and
4	alimony or maintenance received; provided that:
5	(1) "gross income" does not include benefits
6	received from:
7	(a) means-tested public assistance
8	programs, including temporary assistance for needy families,
9	supplemental security income and general assistance;
10	(b) the earnings or public assistance
11	benefits of a child who is the subject of a child support
12	award; or
13	(c) child support received by a parent
14	for the support of other children;
15	(2) for income from self-employment, rent,
16	royalties, proprietorship of a business or joint ownership of
17	a partnership or closely held corporation, "gross income"
18	means gross receipts minus ordinary and necessary expenses
19	required to produce such income, but ordinary and necessary
20	expenses do not include expenses determined by the court to
21	be inappropriate for purposes of calculating child support;
22	(3) "gross income" does not include the
23	amount of alimony payments actually paid in compliance with a

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court order;

а

- reasonable amount for a parent's obligation to support prior children who are in that parent's custody. A duty to support subsequent children is not ordinarily a basis for reducing support owed to children of the parties but may be a defense to a child support increase for the children of the parties. In raising such a defense, a party may use the child support schedule promulgated by the department pursuant to Subsection M of Section 40-4-11.1 NMSA 1978 to calculate the support for the subsequent children;
- G. "health care coverage" means fee-for-service, health maintenance organization, preferred provider organization and other types of private health insurance and public health care coverage under which medical services may be provided to minor children;
- H. "medical support obligee" means a person to whom a duty of medical support is owed or a person, including the department, who has commenced a proceeding for enforcement of a duty to provide health support for each minor child or for registration of a support order that includes a provision for such support for each minor child;
  - I. "medical support obligor" means a person owing

a duty to provide health support or against whom a proceeding for the enforcement of such a duty of support is commenced or for registration of a support order that includes provisions for such support for each minor child;

- J. "minor child" means a child younger than eighteen years of age who has not been emancipated; and
- K. "national medical support notice" means a notice to an employer that an employee's child must be covered by the employment-related group health and dental care coverage plan pursuant to a court order."
- SECTION 4. TEMPORARY PROVISION--INITIAL CHILD SUPPORT SCHEDULE LIMITATIONS.--The initial child support schedule established by the human services department shall:
- A. not decrease the yearly basic support obligation for any level of combined parental income by more than the dollar change in the federal poverty guidelines for one person since 2018;
- B. not increase the yearly support obligation for any level of combined parental income by more than one and one-half times the change in the consumer price index since 2018. Any increase in support obligation that is larger than the increase in the consumer price index since 2018 must be specifically supported by economic data and evidence;
- C. not change the format of the child support schedule in a way that would be inconsistent with Worksheet A SB 223

1	or Worksheet B in Subsection M of Section l of this act; and
2	D. be promulgated, published and available to the
3	public through the New Mexico Administrative Code, the
4	New Mexico supreme court's website and the human services
5	department's website no later than January 1, 2024.
6	SECTION 5. APPLICABILITYThe provisions of this act
7	apply to all decrees, judgments or orders of child support
8	made on or after January 1, 2024.
9	SECTION 6. EFFECTIVE DATEThe effective date of the
10	provisions of this act is January 1, 2024
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