

117TH CONGRESS
2D SESSION

S. 3823

To amend title 11, United States Code, to modify the eligibility requirements for a debtor under chapter 13, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2022

Mr. GRASSLEY (for himself, Mr. DURBIN, Mr. WHITEHOUSE, and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 11, United States Code, to modify the eligibility requirements for a debtor under chapter 13, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bankruptcy Threshold
5 Adjustment and Technical Corrections Act”.

6 **SEC. 2. BANKRUPTCY AMENDMENTS.**

7 (a) CARES ACT AMENDMENT.—Section 1113(a) of
8 the CARES Act (Public Law 116–136; 134 Stat. 310) is
9 amended by striking paragraph (5).

1 (b) DEFINITION OF SMALL BUSINESS DEBTOR.—
2 Section 101(51D)(B)(iii) of title 11, United States Code,
3 is amended by striking “an issuer” and all that follows
4 and inserting “a corporation described in clause (ii).”.

5 (c) ADJUSTMENTS FOR INFLATION.—

6 (1) IN GENERAL.—Section 104 of title 11,
7 United States Code, is amended—

8 (A) in subsection (a), by inserting
9 “1182(1),” after “707(b),”; and

10 (B) in subsection (b), by inserting
11 “1182(1),” after “707(b),”.

12 (2) NO ADJUSTMENTS IN 2022.—With respect
13 to the adjustment of dollar amounts required on
14 April 1, 2022, under section 104 of title 11, United
15 States Code, as amended by paragraph (1), the Ju-
16 dicial Conference of the United States shall not ad-
17 just the dollar amount in effect under section 109(e)
18 or 1182(1) of title 11, United States Code.

19 (d) WHO MAY BE A DEBTOR UNDER CHAPTER 13.—
20 Section 109 of title 11, United States Code is amended
21 by striking subsection (e) and inserting the following:

22 “(e) Only an individual with regular income that
23 owes, on the date of the filing of the petition, noncontin-
24 gent, liquidated debts of less than \$2,750,000 or an indi-
25 vidual with regular income and such individual’s spouse,

1 except a stockbroker or a commodity broker, that owe, on
2 the date of the filing of the petition, noncontingent, liq-
3 uidated debts that aggregate less than \$2,750,000 may
4 be a debtor under chapter 13 of this title.”.

5 (e) DEFINITION OF DEBTOR.—Section 1182(1)(B) of
6 title 11, United States Code, is amended—

7 (1) in clause (i), by inserting “under this title”
8 after “affiliated debtors”; and

9 (2) in clause (iii), by striking “an issuer” and
10 all that follows and inserting “a corporation de-
11 scribed in clause (ii).”.

12 (f) TRUSTEE.—Section 1183(b)(5) of title 11, United
13 States Code, is amended—

14 (1) by striking “possession, perform” and in-
15 sserting “possession—

16 “(A) perform”;

17 (2) in subparagraph (A), as so designated—

18 (A) by striking “, including operating the
19 business of the debtor”; and

20 (B) by adding “and” at the end; and

21 (3) by adding at the end the following:

22 “(B) be authorized to operate the business
23 of the debtor;”.

1 (g) CONFIRMATION OF PLAN.—Section 1191(c) of
 2 title 11, United States Code, is amended by striking para-
 3 graph (3) and inserting the following:

4 “(3)(A) The debtor will be able to make all pay-
 5 ments under the plan; or

6 “(B)(i) there is a reasonable likelihood that the
 7 debtor will be able to make all payments under the
 8 plan; and

9 “(ii) the plan provides appropriate remedies,
 10 which may include the liquidation of nonexempt as-
 11 sets, to protect the holders of claims or interests in
 12 the event that the payments are not made.”.

13 (h) TECHNICAL CORRECTIONS TO THE BANKRUPTCY
 14 ADMINISTRATION IMPROVEMENT ACT.—Section 589a of
 15 title 28, United States Code is amended—

16 (1) in subsection (c) by striking “subsection
 17 (a)” and inserting “subsections (a) and (f)”; and

18 (2) in subsection (f)(1)—

19 (A) in the matter preceding subparagraph
 20 (A), by striking “subsections (b) and (c)” and
 21 inserting “subsection (b)(5)”; and

22 (B) in subparagraph (A), by inserting
 23 “needed to offset the amount” after
 24 “amounts”.

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