This is an unofficial transcription of a 1959 amendment of the 1898 Act, prepared by Robert J. Pfister for ease of reading and copying/pasting. The authoritative text is the United States Statutes at Large.

Eighty-Sixth Congress, Session I
Public Law 86-110 — 73 Stat. 259 (H.R. 4693)
July 28, 1959

AN ACT *To amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the title of section 40 of the Bankruptcy Act (11 U.S.C. 68) is amended to read as follows:

"§ 40. Compensation of Referees; Referees' Salary and Expense Fund; Retirement of Referees".

(b) Subdivision c.(1) of such section is amended to read as follows:

"c.(1) Except as otherwise provided in this Act, there shall be deposited with the clerk, at the time the petition is filed in each case, and at the time an ancillary proceeding is instituted, $32 for each estate for the referees' salary and expense fund, as herein below established: *Provided, however,* That in cases of voluntary bankruptcy such fee, as well as the filing fees of the clerk and trustee, may be paid in installments, if so authorized by General Order of the Supreme Court of the United States."

(c) Subdivision c.(2) of such section is amended to read as follows:

"(2) Additional fees for the referees' salary and expense fund shall be charged, in accordance with the schedule fixed by the conference (a) against each estate wholly or partially liquidated in a bankruptcy proceeding, and be computed upon the net proceeds realized; (b) against each case in an arrangement confirmed under chapter XI of this Act, and be computed upon the amount to be paid to the unsecured creditors upon confirmation of the arrangement and thereafter, pursuant to the terms

of the arrangement, and where under the arrangement any part of the consideration to be distributed is other than money, upon the amount of the fair value of such consideration; and (c) against each case in a wage earner plan confirmed under chapter XIII of this Act, and be computed upon the payments actually made by or for a debtor under the plan. Such schedule of fees may be revised by the Director, with the approval of the conference, not more than once during each calendar year, so that the total amount of fees, allowances, and charges collected and to be collected from all sources for the referees' salary and expense fund will, as near as may be equal the total amount of salaries paid and to be paid to referees in active service, and the total amount of their expenses: *Provided, however,* That such schedule of fees shall not be so revised for any year that the total collections estimated by the Director for such year shall exceed by more than 10 per centum the total collections in the preceding year. The Director, with the approval of the conference, may make, and from time to time amend, rules and regulations prescribing methods for determining net proceeds realized in asset cases, fair values of considerations, other than money, distributable in arrangement cases, and payments actually made by or for a debtor under the plan in wage earner cases; prescribing the procedure for collection by the clerk of fees and allowances for the referees' salary and expense fund; and providing for the effective administration of the provisions of this paragraph (2)."

(d) Subdivision c.(4) of such section is amended to read as follows:

"(4) A referees' salary and expense fund shall be established in the Treasury of the United States, and the amounts of the various fees and allowances collected by the clerks for the services of referees, and for their expenses, including the fees, allowances and charges for their services and expenses as conciliation commissioners and as special masters under this Act, shall be covered into the Treasury of the United States for the account of such salary and expense fund. The salaries of the referees in

active service and the expenses of the referees, including the salaries of their clerical assistants, shall be paid out of annual appropriations from such salary and expense fund by the United States. Any deficiencies of such salary and expense fund shall be paid out of any funds in the Treasury of the United States not otherwise appropriated, and appropriations to pay such deficiencies are hereby authorized: *Provided, however,* That there shall be covered into miscellaneous receipts of the Treasury of the United States in any subsequent year so much of the surplus, if any, arising in the salary and expense fund as may be necessary to reimburse the Treasury of the United States for payments made on account of such fund in any prior year."

(e) Subdivision c.(5) of such section is amended to read as follows:

"(5) As of the day preceding the date when the referees, as provided by paragraph (2) of subdivision b of section 37 of this Act, are to take office, an allocation shall be made by the judge or judges of the several courts of bankruptcy of all filing and other fees, commissions, and allowances, and of all expense funds, due the then existing referees for services rendered and expenses incurred in the cases pending before them, whether as referee, conciliation commissioner, or special master under this Act. The balances of such filing and other fees, commissions, and allowances and the expense surpluses shall be covered into the Treasury of the United States by the referees and the clerks, to be deposited to the credit of the salary and expense fund. All cases pending before outgoing referees shall be referred, and no additional filing fees shall be required, but additional salary and expense charges may be assessed in such cases in such amounts as the judge or judges of the several courts of bankruptcy may deem equitable, taking into consideration the schedules of additional fees fixed by the Director and the payments previously made therein."

SEC. 2. (a) Clause (2) of section 51 of the Bankruptcy Act (11 U.S.C. 79) is amended to read as follows:

"(2) collect the fees of the clerk and trustee and the fees for the referees' salary and expense fund provided in paragraph (1) of subdivision c of section 40 of this Act in each case instituted before filing the petition, except where installment payments may be authorized pursuant to section 40 of this Act, and collect the various other fees, allowances and charges for the services of referees and for their expenses, including their services and expenses as conciliation commissioners and as special masters under this Act;".

(b) Clause (5) of section 51 of such section is amended to read as follows:

"(5) transmit to the Treasury of the United States all fees, allowances and charges collected for the referees' salary and expense fund, and transmit to the trustee, within ten days after a case had been closed the fee collected for him at the time of the filing of the petition."

SEC. 3. Clause (1) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104) is amended to repeal the words "the fees for the referees' salary fund and for the referees' expense fund;" from the phrase following the first semicolon and to enact in their place the words "the fees for the referees' salary and expense fund;".

SEC. 4. That the second paragraph of section 72 of the Bankruptcy Act (11 U.S.C. 112) is amended to read as follows:

"No referee shall receive any compensation for his services under this Act other than his salary; and allowances made to a referee for compensation or expense while acting as a conciliation commissioner under section 75, or as a referee or special master under any chapter or section of this Act, shall be paid to the clerk, and by him transmitted to the Treasury of the United States for deposit in the referees' salary and expense fund."

SEC. 5. That paragraph (2) of section 624 of the Bankruptcy Act (11 U.S.C. 1024(2)) is amended to read as follows:

"(2) where a petition is filed under section 622 of this Act, by payment to the clerk of $15 to be distributed, $10 to the Treasury of the United States for deposit in the referees' salary and expense fund and $5 to the clerk, in lieu of the fees of $32 and $8 as prescribed in sections 40 and 52 of this Act: *Provided, however,* That such fees may be paid in installments, if so authorized by General Order of the Supreme Court of the United States."

SEC. 6. That paragraph (2) of section 633 of the Bankruptcy Act (11 U.S.C. 1033(2)) is amended to read as follows:

"(2) the debtor shall submit his plan, and deposit with the clerk, for payment into the referees' salary and expense fund a fee not to exceed $15, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this Act: *Provided, however,* That such fee may be paid in installments, if so authorized by General Order of the Supreme Court of the United States;".

SEC. 7. That paragraph (3) of section 659 of the Bankruptcy Act (11 U.S.C. 1059(3)) is amended to read as follows:

"(3) an additional fee for the referees' salary and expense fund, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this Act, and to be computed upon the amount of the payments actually made by or for a debtor under the plan; and commissions to the trustee of not more than 5 per centum to be computed upon and payable out of the payments actually made by or for a debtor under the plan;"

SEC. 8. This amendatory Act shall take effect on the first day of the first fiscal year following the date of its approval.

APPROVED July 28, 1959.