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prepared by Robert J. Pfister for ease of reading and copying/pasting.
The authoritative text is the United States Statutes at Large.**

One Hundred Sixteenth Congress, Session II
Public Law 116-325 — 134 Stat. 5086 (S. 4996)
January 12, 2021

AN ACT *To ensure funding of the United States trustees, extend temporary bankruptcy judgeships, and for other purposes.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bankruptcy Administration Improvement Act of 2020".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) Because of the importance of the goal that the bankruptcy system is self-funded, at no cost to the taxpayer, Congress has closely monitored the funding needs of the bankruptcy system, including by requiring periodic reporting by the Attorney General regarding the United States Trustee System Fund.

(2) Congress has amended the various bankruptcy fees as necessary to ensure that the bankruptcy system remains self-supporting, while also fairly allocating the costs of the system among those who use the system.

(3) Because the bankruptcy system is interconnected, the result has been a system of fees, including filing fees, quarterly fees in chapter 11 cases, and other fees, that together fund the courts, judges, United States trustees, and chapter 7 case trustees necessary for the bankruptcy system to function.

(4) This Act and the amendments made by this Act—

(A) ensure adequate funding of the United States trustees, supports the preservation of existing bankruptcy judgeships that are urgently needed to handle existing and anticipated increases in business and consumer caseloads, and provides long-overdue additional compensation for chapter 7 case trustees whose caseloads include chapter 11 reorganization cases that were converted to chapter 7 liquidation cases; and

(B) confirm the longstanding intention of Congress that quarterly fee requirements remain consistent across all Federal judicial districts.

(b) PURPOSE.—The purpose of this Act and the amendments made by this Act is to further the long-standing goal of Congress of ensuring that the bankruptcy system is self-funded, at no cost to the taxpayer.

SEC. 3. UNITED STATES TRUSTEE SYSTEM FUND; BANKRUPTCY FEES.

(a) DEPOSITS OF CERTAIN FEES FOR FISCAL YEARS 2021 THROUGH 2026.—Notwithstanding section 589a(b) of title 28, United States Code, for each of fiscal years 2021 through 2026—

(1) the fees collected under section 1930(a)(6) of such title, less the amount specified in subparagraph (2), shall be deposited as specified in subsection (b); and

(2) $5,400,000 of the fees collected under section 1930(a)(6) of such title shall be deposited in the general fund of the Treasury.

(b) UNITED STATES TRUSTEE SYSTEM FUND.—Section 589a of title 28, United States Code, is amended by adding at the end the following:

"(f)(1) During each of fiscal years 2021 through 2026 and notwithstanding subsections (b) and (c), the fees collected under section 1930(a)(6), less the amount specified in paragraph (2), shall be deposited as follows, in the following order:

"(A) First, the amounts specified in the Department of Justice appropriations for that fiscal year, shall be deposited as discretionary offsetting collections to the "United States Trustee System Fund", pursuant to subsection (a), to remain available until expended.

"(B) Second, the amounts determined annually by the Director of the Administrative Office of the United States Courts that are necessary to reimburse the judiciary for the costs of administering payments under section 330(e) of title 11, shall be deposited as mandatory offsetting collections to the 'United States Trustee System Fund', and transferred and deposited into the special fund established under section 1931(a), and notwithstanding subsection (a), shall be available for expenditure without further appropriation.

"(C) Third, the amounts determined annually by the Director of the Administrative Office of the United States Courts that are necessary to pay trustee compensation authorized by section 330(e)(2) of title 11, shall be deposited as mandatory offsetting collections to the 'United States Trustee System Fund', and transferred and deposited into the Chapter 7 Trustee Fund established under section 330(e) of title 11 for payment to trustees serving in cases under chapter 7 of title 11 (in addition to the amounts paid under section 330(b) of title 11), in accordance with that section, and notwithstanding subsection (a), shall be available for expenditure without further appropriation.

"(D) Fourth, any remaining amounts shall be deposited as discretionary offsetting collections to the 'United States Trustee System Fund', to remain available until expended.

"(2) Notwithstanding subsection (b), for each of fiscal years 2021 through 2026, $5,400,000 of the fees collected under section 1930(a)(6) shall be deposited in the general fund of the Treasury.".

(c) COMPENSATION OF OFFICERS.—Section 330 of title 11, United States Code, is amended by adding at the end the following:

"(e)(1) There is established a fund in the Treasury of the United States, to be known as the 'Chapter 7 Trustee Fund', which shall be administered by the Director of the Administrative Office of the United States Courts.

"(2) Deposits into the Chapter 7 Trustee Fund under section 589a(f)(1)(C) of title 28 shall be available until expended for the purposes described in paragraph (3).

"(3) For fiscal years 2021 through 2026, the Chapter 7 Trustee Fund shall be available to pay the trustee serving in a case that is filed under chapter 7 or a case that is converted to a chapter 7 case in the most recent fiscal year (referred to in this subsection as a 'chapter 7 case') the amount described in paragraph (4) for the chapter 7 case in which the trustee has rendered services in that fiscal year.

"(4) The amount described in this paragraph shall be the lesser of—

"(A) $60; or

"(B) a pro rata share, for each chapter 7 case, of the fees collected under section 1930(a)(6) of title 28 and deposited to the United States Trustee System Fund

under section 589a(f)(1) of title 28, less the amounts specified in section 589a(f)(1)(A) and (B) of title 28.

"(5) The payment received by a trustee under paragraph (3) shall be paid in addition to the amount paid under subsection (b).

"(6) Not later than September 30, 2021, the Director of the Administrative Office of the United States Courts shall promulgate regulations for the administration of this subsection.".

(d) BANKRUPTCY FEES.—Section 1930(a) of title 28, United States Code, is amended—

(1) by striking paragraph (6)(B) and inserting the following:

"(B)(i) During the 5-year period beginning on January 1, 2021, in addition to the filing fee paid to the clerk, a quarterly fee shall be paid to the United States trustee, for deposit in the Treasury, in each open and reopened case under chapter 11 of title 11, other than under subchapter V, for each quarter (including any fraction thereof) until the case is closed, converted, or dismissed, whichever occurs first.

"(ii) The fee shall be the greater of—

"(I) 0.4 percent of disbursements or $250 for each quarter in which disbursements total less than $1,000,000; and

"(II) 0.8 percent of disbursements but not more than $250,000 for each quarter in which disbursements total at least $1,000,000.

"(iii) The fee shall be payable on the last day of the calendar month following the calendar quarter for which the fee is owed."; and

(2) in paragraph (7), in the first sentence, by striking "may" and inserting "shall".

(e) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of enactment of this Act.

(2) EXCEPTIONS.—

(A) COMPENSATION OF OFFICERS.—The amendments made by subsection (c) shall apply to any case filed on or after the date of enactment of this Act—

(i) under chapter 7 of title 11, United States Code; or

(ii)(I) under chapter 11, 12, or 13 of that title; and

(II) converted to a chapter 7 case under that title.

(B) BANKRUPTCY FEES.—The amendments made by subsection (d) shall apply to—

(i) any case pending under chapter 11 of title 11, United States Code, on or after the date of enactment of this Act; and

(ii) quarterly fees payable under section 1930(a)(6) of title 28, United States Code, as amended by subsection (d), for disbursements made in any calendar quarter that begins on or after the date of enactment of this Act.

SEC. 4. EXTENSION OF TEMPORARY OFFICE OF BANKRUPTCY JUDGES IN CERTAIN JUDICIAL DISTRICTS.

(a) TEMPORARY OFFICE OF BANKRUPTCY JUDGES AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 2017.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized by section 1003(a) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) for the district of Delaware and the eastern district of Michigan are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs.

(2) VACANCIES.—

(A) DISTRICT OF DELAWARE.—The 1st and 2d vacancies in the office of a bankruptcy judge for the district of Delaware—

(i) occurring 5 years or more after the date established by section 1003(b)(1) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) EASTERN DISTRICT OF MICHIGAN.—The 1st vacancy in the office of a bankruptcy judge for the eastern district of Michigan—

(i) occurring 5 years or more after the date established by section 1003(b)(3) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 1003 of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(b) TEMPORARY OFFICE OF BANKRUPTCY JUDGES AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 2005 AND EXTENDED BY THE TEMPORARY BANKRUPTCY JUDGESHIPS EXTENSION ACT OF 2012 AND THE BANKRUPTCY JUDGESHIP ACT OF 2017.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized for the following districts by section 1223(b) of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), extended by section 2(a) of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note), and further extended by section 1002(a) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs:

(A) The district of Delaware.

(B) The southern district of Florida.

(C) The district of Maryland.

(D) The eastern district of Michigan.

(E) The district of Nevada.

(F) The eastern district of North Carolina.

(G) The district of Puerto Rico.

(H) The eastern district of Virginia.

(2) VACANCIES.—

(A) SINGLE VACANCIES.—Except as provided in subparagraphs (B), (C), (D), (E), and (F), the 1st vacancy in the office of a bankruptcy judge for each district specified in paragraph (1)—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) DISTRICT OF DELAWARE.—The 3d, 4th, 5th, and 6th vacancies in the office of a bankruptcy judge for the district of Delaware—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(C) SOUTHERN DISTRICT OF FLORIDA.—The 1st and 2d vacancies in the office of a bankruptcy judge for the southern district of Florida—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(D) DISTRICT OF MARYLAND.—The 1st vacancy in the office of a bankruptcy judge for the district of Maryland—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(E) EASTERN DISTRICT OF MICHIGAN.—The 2d vacancy in the office of a bankruptcy judge for the eastern district of Michigan—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(F) DISTRICT OF PUERTO RICO.—The 1st vacancy in the office of a bankruptcy judge for the district of Puerto Rico—

(i) occurring 5 years or more after the date established by section 1002(a)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 1223 of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), section 2 of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note), and section 1002 of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(c) TEMPORARY OFFICE OF BANKRUPTCY JUDGES AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 2005 AND EXTENDED BY THE TEMPORARY BANKRUPTCY JUDGESHIPS EXTENSION ACT OF 2012.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized for the following districts by section 1223(b) of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note) and extended by section 2(a) of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs:

(A) The southern district of Georgia.

(B) The district of Maryland.

(C) The district of New Jersey.

(D) The northern district of New York.

(E) The district of South Carolina.

(2) VACANCIES.—

(A) SINGLE VACANCIES.—Except as provided in subparagraph (B), the 1st vacancy in the office of a bankruptcy judge for each district specified in paragraph (1)—

(i) occurring 5 years or more after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) DISTRICT OF MARYLAND.—The 2d and 3d vacancies in the office of a bankruptcy judge for the district of Maryland—

(i) occurring 5 years or more after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 1223 of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note) and section 2 of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(d) TEMPORARY OFFICE OF BANKRUPTCY JUDGES AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 1992 AND EXTENDED BY THE BANKRUPTCY JUDGESHIP ACT OF 2005, THE TEMPORARY BANKRUPTCY JUDGESHIPS EXTENSION ACT OF 2012, AND THE BANKRUPTCY JUDGESHIP ACT OF 2017.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized by section 3(a) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note), extended by section 1223(c) of Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), extended by section 2(b) of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note), and further extended by section 1002(b) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) for the district of Delaware and the district of Puerto Rico are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs.

(2) VACANCIES.—

(A) DISTRICT OF DELAWARE.—The 7th vacancy in the office of a bankruptcy judge for the district of Delaware—

(i) occurring 5 years or more after the date established by section 1002(b)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) DISTRICT OF PUERTO RICO.—The 2d vacancy in the office of a bankruptcy judge for the district of Puerto Rico—

(i) occurring 5 years or more after the date established by section 1002(b)(2) of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note), and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note), section 1223 of Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), section 2 of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note), and section 1002 of the Bankruptcy Judgeship Act of 2017 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(e) TEMPORARY OFFICE OF BANKRUPTCY JUDGE AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 1992 AND EXTENDED BY THE BANKRUPTCY JUDGESHIP ACT OF 2005 AND THE TEMPORARY BANKRUPTCY JUDGESHIPS EXTENSION ACT OF 2012.—

(1) EXTENSIONS.—The temporary office of bankruptcy judge authorized by section 3(a) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note),

extended by section 1223(c) of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), and further extended by section 2(b) of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) for the eastern district of Tennessee is extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the district occurs.

(2) VACANCY.—The 1st vacancy in the office of a bankruptcy judge for the eastern district of Tennessee—

(A) occurring 5 years or more after the date of the enactment of this Act, and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note), section 1223 of the Bankruptcy Judgeship Act of 2005 (28 U.S.C. 152 note), and section 2 of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judge referred to in paragraph (1).

(f) TEMPORARY OFFICE OF BANKRUPTCY JUDGE AUTHORIZED BY THE BANKRUPTCY JUDGESHIP ACT OF 1992 AND EXTENDED BY THE TEMPORARY BANKRUPTCY JUDGESHIPS EXTENSION ACT OF 2012.—

(1) EXTENSIONS.—The temporary office of bankruptcy judge authorized by section 3(a) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) and extended by section 2(c) of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) for the middle district of North Carolina is extended

until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the district occurs.

(2) VACANCY.—The 1st vacancy in the office of a bankruptcy judge for the middle district of North Carolina—

(A) occurring 5 years or more after the date of the enactment of this Act, and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) and section 2 of the Temporary Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152 note) (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judge referred to in paragraph (1).

SEC. 5. REGULATIONS.

Section 375(h) of title 28, United States Code, is amended by striking "may" and inserting "shall".

APPROVED January 12, 2021.