

105TH CONGRESS  
1ST SESSION

# H. R. 764

To make technical corrections to title 11, United States Code, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1997

Mr. HYDE (for himself, Mr. GEKAS, and Mr. MCCOLLUM) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To make technical corrections to title 11, United States Code, 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 Amend-  
5       ments of 1997”.

6       **SEC. 2. DEFINITIONS.**

7       Section 101 of title 11, United States Code, is  
8       amended—

9               (1) by striking “In this title—” and inserting  
10       “*In this title:*”;

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1 (2) in paragraph (51B)—

2 (A) by inserting “family farms or” after  
3 “other than”; and

4 (B) by striking all after “thereto” and in-  
5 serting a semicolon;

6 (3) in paragraph (35)(B) by striking “para-  
7 graphs (21B) and (33)(A)” and inserting “para-  
8 graphs (23) and (35)”;

9 (4) in each paragraph, by inserting “The term”  
10 after the paragraph designation;

11 (5) in each paragraph (as amended by para-  
12 graph (4)) by inserting after the paragraph designa-  
13 tion a heading, the text of which is—

14 (A) comprised of the term defined in the  
15 paragraph;

16 (B) printed in capital and small capital  
17 typeface; and

18 (C) followed by a period and a 1-em dash;

19 (6) in paragraphs (35A) and (38) by striking “;  
20 and” at the end and inserting a period;

21 (7) in paragraphs (1) through (35), in para-  
22 graphs (36) and (37), and in paragraphs (40)  
23 through (55), by striking the semicolon at the end  
24 and inserting a period; and

1 (8) by redesignating paragraphs (4) through  
2 (55) in numerical sequence.

3 **SEC. 3. ADJUSTMENT OF DOLLAR AMOUNTS.**

4 Section 104 of title 11, United States Code, is  
5 amended by inserting “522(f)(3),” after “522(d),” each  
6 place it appears.

7 **SEC. 4. COMPENSATION TO OFFICERS.**

8 Section 330(a) of title 11, United States Code, is  
9 amended—

10 (1) in paragraph (1) by inserting “, or the  
11 debtor’s attorney” after “1103”; and

12 (2) in paragraph (3) by striking “(3)(A) In”  
13 and inserting “(3) In”.

14 **SEC. 5. EFFECT OF CONVERSION.**

15 Section 348(f)(2) of title 11, United States Code, is  
16 amended by inserting “of the estate” after “property” the  
17 first place it appears.

18 **SEC. 6. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

19 Section 365 of title 11, United States Code, is  
20 amended—

21 (1) in subsection (b)(2)—

22 (A) in subparagraph (C) by striking “or”  
23 at the end; and

24 (B) by striking subparagraph (D) and in-  
25 serting the following:

1           “(D) the satisfaction of any penalty rate in any  
2           executory contract or unexpired lease; or

3           “(E) the satisfaction of any provision relating  
4           to a default arising from any failure by the debtor  
5           to perform nonmonetary obligations under any execu-  
6           tory contract or unexpired lease other than an  
7           unexpired lease of personal property.”;

8           (2) in subsection (c)—

9           (A) in paragraph (2) by adding “or” at the  
10          end;

11          (B) in paragraph (3) by striking “or” at  
12          the end and inserting a period; and

13          (C) by striking paragraph (4);

14          (3) in subsection (d)—

15          (A) by striking paragraphs (5) through  
16          (9); and

17          (B) by redesignating paragraph (10) as  
18          paragraph (5); and

19          (4) in subsection (f)(1) by striking “; except  
20          that” and all that follows through the end of the  
21          paragraph and inserting a period.

22 **SEC. 7. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

23          Section 503(b)(4) of title 11, United States Code, is  
24          amended by inserting “subparagraph (A), (B), (C), (D),  
25          or (E) of” before “paragraph (3)”.

1 **SEC. 8. PRIORITIES.**

2 Section 507(a)(7) of title 11, United States Code, is  
3 amended by inserting “unsecured” after “allowed”.

4 **SEC. 9. EXEMPTIONS.**

5 Section 522 of title 11, United States Code, is  
6 amended—

7 (1) in subsection (f)(1)(A)(ii)(II)—

8 (A) by striking “includes a liability des-  
9 ignated as” and inserting “is for a liability that  
10 is designated as, and is actually in the nature  
11 of,”; and

12 (B) by striking “, unless” and all that fol-  
13 lows through the period; and

14 (2) in subsection (g)(2) by striking “subsection  
15 (f)(2)” and inserting “subsection (f)(1)(B)”.

16 **SEC. 10. EXCEPTIONS TO DISCHARGE.**

17 Section 523 of title 11, United States Code, is  
18 amended—

19 (1) as amended by section 304(e) of Public Law  
20 103–394 (108 Stat. 4133), in paragraph (15)—

21 (A) by inserting “or” after the semicolon  
22 at the end; and

23 (B) by transferring such paragraph so as  
24 to insert it after paragraph (14) of subsection  
25 (a); and

26 (2) in subsection (a)—

1 (A) in paragraph (3) by striking “or (6)”  
2 each place it appears and inserting “(6), or  
3 (15)”; and

4 (B) in paragraph (9) by inserting  
5 “, watercraft, or aircraft” after “motor vehi-  
6 cle”.

7 **SEC. 11. PROTECTION AGAINST DISCRIMINATORY TREAT-**  
8 **MENT.**

9 Section 525(c) of title 11, United States Code, is  
10 amended—

11 (1) in paragraph (1) by inserting “student” be-  
12 fore “grant” the second place it appears; and

13 (2) in paragraph (2) by striking “the program  
14 operated under part B, D, or E of” and inserting  
15 “any program operated under”.

16 **SEC. 12. PROPERTY OF THE ESTATE.**

17 Section 541(b)(4)(B)(ii) of title 11, United States  
18 Code, is amended by inserting “365 or” before “542”.

19 **SEC. 13. LIMITATIONS ON AVOIDING POWERS.**

20 Subsection (g) of section 546 of title 11, United  
21 States Code, as added by section 222(a) of the Bank-  
22 ruptcy Reform Act of 1994 (108 Stat. 4129), is redesign-  
23 nated as subsection (h).

1 **SEC. 14. LIABILITY OF TRANSFEREE OF AVOIDED TRANS-**  
2 **FER.**

3 (a) IN GENERAL.—Section 550(c) of title 11, United  
4 States Code, is amended—

5 (1) in paragraph (1) by striking “avoided under  
6 section 547(b)” and inserting “avoidable under sec-  
7 tion 547”; and

8 (2) in the matter following paragraph (2) by  
9 striking “recover under subsection (a) from a trans-  
10 feree that is not an insider” and inserting “avoid  
11 under section 547 such transfer, to the extent that  
12 such transfer was made for the benefit of a trans-  
13 feree that was not an insider at the time of such  
14 transfer, or recover under subsection (a) from a  
15 transferee that was not an insider at the time of  
16 such transfer”.

17 (b) CONFORMING AMENDMENT.—Section 547(b) of  
18 title 11, United States Code, is amended by inserting “or  
19 in section 550(c) of this title” after “subsection (c) of this  
20 section”.

21 **SEC. 15. SETOFF.**

22 Section 553(b)(1) of title 11, United States Code, is  
23 amended by striking “362(b)(14)” and inserting  
24 “362(b)(17)”.

1 **SEC. 16. DISPOSITION OF PROPERTY OF THE ESTATE.**

2 Section 726(b) of title 11, United States Code, is  
3 amended by striking “1009,”.

4 **SEC. 17. GENERAL PROVISIONS.**

5 Section 901(a) of title 11, United States Code, is  
6 amended by inserting “1123(d),” after “1123(b),”.

7 **SEC. 18. DISCHARGE.**

8 Section 1228 of title 11, United States Code, is  
9 amended by striking “1222(b)(10)” each place it appears  
10 and inserting “1222(b)(9)”.

11 **SEC. 19. CONTENTS OF PLAN.**

12 Section 1322 of title 11, United States Code, is  
13 amended—

14 (1) in subsection (b) by striking “(c)” and in-  
15 serting “(d)”;

16 (2) in subsection (e) by striking the comma  
17 after “default” the second place it appears.

18 **SEC. 20. APPOINTMENT OF TRUSTEE.**

19 Section 1104(b) of title 11, United States Code, is  
20 amended—

21 (1) by inserting “(1)” after “(b)”;

22 (2) by adding at the end the following new  
23 paragraph:

24 “(2)(A) If an eligible, disinterested trustee is elected  
25 at a meeting of creditors under paragraph (1), the United



1 States trustee shall file a report certifying that election.

2 Upon the filing of a report under the preceding sentence—

3 “(i) the trustee elected under paragraph (1)

4 shall be considered to have been selected and ap-

5 pointed for purposes of this section; and

6 “(ii) the service of any trustee appointed under

7 subsection (d) shall terminate.

8 “(B) In the case of any dispute arising out of an elec-

9 tion under subparagraph (A), the court shall resolve the

10 dispute.”.

11 **SEC. 21. KNOWING DISREGARD OF BANKRUPTCY LAW OR**

12 **RULE.**

13 Section 156(a) of title 18, United States Code, is

14 amended by striking “case under this title” and inserting

15 “case under title 11”.

16 **SEC. 22. BANKRUPTCY CASES AND PROCEEDINGS.**

17 Section 1334(d) of title 28, United States Code, is

18 amended—

19 (1) by striking “made under this subsection”

20 and inserting “made under subsection (c)”; and

21 (2) by striking “This subsection” and inserting

22 “Subsection (c)”.

23 **SEC. 23. AUTOMATIC STAY.**

24 Section 362(b) of title 11, United States Code, is

25 amended—

1           (1) in paragraph (1) by inserting before the  
2           semicolon the following: “(including the criminal en-  
3           forcement of a judicial order requiring the payment  
4           of child support)”; and

5           (2) in paragraph (3) by inserting “, or a secu-  
6           rity interest in real property to which section  
7           547(c)(3) applies,” after “property”.

8   **SEC. 24. EFFECTIVE DATE OF AMENDMENTS.**

9           (a) IN GENERAL.—Except as provided in subsection  
10          (b) of this section, the amendments made by this Act shall  
11          apply to all cases pending on the date of enactment of  
12          this Act, or commenced on or after the date of enactment  
13          of this Act, under title 11 of the United States Code.

14          (b) EXCEPTION.—The amendments made by sections  
15          2(2)(B), 6(1), and 10(2)(B) of this Act shall apply to all  
16          cases commenced on or after the date of enactment of this  
17          Act under title 11 of the United States Code.

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