

119TH CONGRESS
1ST SESSION

H. R. 3867

To amend titles 11 and 28, United States Code, to modify the compensation payable to trustees serving in cases under chapter 7 of title 11, United States Code, to extend the term of certain temporary offices of bankruptcy judges, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2025

Mr. CLINE (for himself and Mr. IVEY) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend titles 11 and 28, United States Code, to modify the compensation payable to trustees serving in cases under chapter 7 of title 11, United States Code, to extend the term of certain temporary offices of bankruptcy judges, 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 Adminis-
5 tration Improvement Act of 2025”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

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

6 (2) Because of the importance for the bank-
7 ruptcy system to be self-funded, at no cost to tax-
8 payers, Congress has closely monitored the funding
9 needs of the bankruptcy system, including by requir-
10 ing periodic reporting by the Attorney General re-
11 garding the United States Trustee System Fund.

12 (3) Because the system governing bankruptcies
13 of various types is interconnected, Congress has es-
14 tablished fees, including filing fees, quarterly fees in
15 chapter 11 cases, and other fees, that together fund
16 the courts, judges, United States trustees, and trust-
17 ees serving in bankruptcy cases under chapter 7 of
18 title 11, United States Code.

19 (4) Trustees serving in bankruptcy cases under
20 chapter 7 of title 11, United States Code, are vital
21 to the functioning of the bankruptcy system, as they
22 provide services at the front lines of the bankruptcy
23 process, administering thousands of cases.

24 (5) Chapter 7 bankruptcy trustees provide valu-
25 able returns of assets to government creditors, in-

1 including the Internal Revenue Service, the Depart-
2 ment of Agriculture, the Small Business Administra-
3 tion, and other Federal, State, and municipal gov-
4 ernments.

5 (6) Due to the work of the chapter 7 bank-
6 ruptcy trustees, millions of dollars are also disbursed
7 annually to private creditors of all types, including
8 medical providers, unsecured creditors, small busi-
9 nesses, and micro-enterprises such as domestic sup-
10 port providers.

11 (7) Despite the essential role of chapter 7 bank-
12 ruptcy trustees, since 1994 the amount of compensa-
13 tion paid to these trustees has not been increased.
14 As in 1994, bankruptcy trustees receive only \$60
15 per case (composed of \$45 from subsection
16 330(b)(1), and \$15 from subsection 330(b)(2), of
17 title 11, United States Code) in nearly 90 percent of
18 chapter 7 cases, and bankruptcy trustees receive no
19 compensation at all for cases in which the filing fee
20 is waived by the bankruptcy court.

21 (8) Since 1994, there have been significant in-
22 creases in salaries, attorney fees, budget appropria-
23 tions, filing fees, and court-related fees associated
24 with chapter 7 bankruptcies. In contrast, the \$60
25 paid to chapter 7 trustees has remained the same

1 and has not even been increased for inflation. In
2 2021, Congress attempted to implement a mecha-
3 nism that would give chapter 7 trustees a raise, but
4 the trustees only received increased compensation for
5 1 fiscal year. Based on Consumer Price Index esti-
6 mates, the \$60 paid to trustees in 1994 would be
7 the equivalent of over \$125 today.

8 (9) This Act and the amendments made by this
9 Act—

10 (A) increase the compensation of chapter 7
11 bankruptcy trustees to the level that is appro-
12 priate, overdue, and proportionate with the level
13 that was intended in 1994, by increasing the
14 total compensation of trustees to \$120 per case;

15 (B) ensure adequate funding of the United
16 States trustee system through the increase of
17 certain fees, which will also apply to districts
18 that are not part of a United States trustee re-
19 gion as required by existing law; and

20 (C) support the preservation of existing
21 bankruptcy judgeships that are urgently needed
22 to handle existing and anticipated increases in
23 business and consumer caseloads.

24 (10) This Act will not alter the filing fee under
25 chapter 7 of title 11, United States Code, and will

1 not modify, impair, or supersede the current author-
2 ity of the district courts of the United States, or of
3 bankruptcy courts, to waive the payment of filing
4 fees by indigent individuals.

5 **SEC. 3. TRUSTEE COMPENSATION.**

6 (a) COMPENSATION OF OFFICERS.—Section 330 of
7 title 11, United States Code, is amended—

8 (1) in subsection (b)(1) by striking “\$45” and
9 inserting “\$105”; and

10 (2) by striking subsection (e).

11 (b) REMAINDER OF FEES.—Notwithstanding any
12 other provision of law, the remainder of fees collected
13 under section 1930(a)(1)(A) of title 28, United States
14 Code, after compensating trustees under section 330(b)(1)
15 of title 11, United States Code, shall be deposited as fol-
16 lows:

17 (1) \$63.51 in the special fund of the Treasury
18 established under section 1931 of title 28, United
19 States Code.

20 (2) \$25.00 in the special fund established in ac-
21 cordance with section 10101(b) of the Deficit Reduc-
22 tion Act of 2005 (28 U.S.C. 1931 note).

23 (3) \$51.49 in the United States Trustee System
24 Fund established under section 589a of title 28,
25 United States Code.

1 (c) UNITED STATES TRUSTEE SYSTEM FUND.—Sec-
 2 tion 589a of title 28, United States Code, is amended—

3 (1) in subsection (b), by striking paragraph (1)
 4 and inserting the following:

5 “(1) 28.33 percent of the fees collected under
 6 section 1930(a)(1)(B);” and

7 (2) in subsection (f)(1)—

8 (A) in subparagraph (D) by striking
 9 “Fourth” and inserting “Second”;

10 (B) by striking subparagraphs (B) and
 11 (C); and

12 (C) by redesignating subparagraph (D) as
 13 subparagraph (B).

14 **SEC. 4. BANKRUPTCY FEES.**

15 (a) QUARTERLY FEES.—Section 1930(a)(6)(B) of
 16 title 28, United States Code, is amended—

17 (1) in clause (i), by striking “5-year” and in-
 18 serting “10-year”; and

19 (2) in clause (ii)(II), by striking “0.8” and in-
 20 serting “1.1”.

21 (b) PERIOD FOR DEPOSITS.—Section 589a(f) of title
 22 28, United States Code, as amended by section 3(c)(2),
 23 is amended by striking “2026” each place it appears and
 24 inserting “2031”.

1 (c) DEPOSITS OF CERTAIN FEES FOR FISCAL YEARS
 2 2026 THROUGH 2031.—Notwithstanding section 589a(b)
 3 of title 28, United States Code, for each of fiscal years
 4 2026 through 2031—

5 (1) the fees collected under section 1930(a)(6)
 6 of title 28, United States Code, less the amount
 7 specified in subparagraph (2) of this subsection,
 8 shall be deposited as specified in section 589a(f) of
 9 title 28, United States Code, as amended by this
 10 Act; and

11 (2) \$5,400,000 of the fees collected under sec-
 12 tion 1930(a)(6) of title 28, United States Code, shall
 13 be deposited in the general fund of the Treasury.

14 **SEC. 5. EXTENSION OF TERM OF CERTAIN TEMPORARY OF-**
 15 **FICES OF BANKRUPTCY JUDGE.**

16 (a) BANKRUPTCY ADMINISTRATION IMPROVEMENT
 17 ACT OF 2020.—Section 4 of the Bankruptcy Administra-
 18 tion Improvement Act of 2020 (28 U.S.C. 152 note) is
 19 amended—

20 (1) in subsection (a)(2)—

21 (A) in subparagraph (A)(i), by striking “5
 22 years” and inserting “10 years”; and

23 (B) in subparagraph (B)(i), by striking “5
 24 years” and inserting “10 years”;

25 (2) in subsection (b)(2)—

1 (A) in subparagraph (A)(i), by striking “5
2 years” and inserting “10 years”;

3 (B) in subparagraph (B)(i), by striking “5
4 years” and inserting “10 years”;

5 (C) in subparagraph (C)(i), by striking “5
6 years” and inserting “10 years”;

7 (D) in subparagraph (D)(i), by striking “5
8 years” and inserting “10 years”;

9 (E) in subparagraph (E)(i), by striking “5
10 years” and inserting “10 years”; and

11 (F) in subparagraph (F)(i), by striking “5
12 years” and inserting “10 years”;

13 (3) in subsection (c)(2)—

14 (A) in subparagraph (A)(i), by striking “5
15 years” and inserting “10 years”; and

16 (B) in subparagraph (B)(i), by striking “5
17 years” and inserting “10 years”;

18 (4) in subsection (d)(2)—

19 (A) in subparagraph (A)(i), by striking “5
20 years” and inserting “10 years”; and

21 (B) in subparagraph (B)(i), by striking “5
22 years” and inserting “10 years”;

23 (5) in subsection (e)(2)(A), by striking “5
24 years” and inserting “10 years”; and

1 (6) in subsection (f)(2)(A), by striking “5
2 years” and inserting “10 years”.

3 (b) BANKRUPTCY JUDGESHIP ACT OF 2017.—Sec-
4 tion 1003(b)(2)(A) of the Bankruptcy Judgeship Act of
5 2017 (28 U.S.C. 152 note) is amended by striking “5
6 years’” and inserting “‘10 years’”.

7 **SEC. 6. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

8 (a) IN GENERAL.—Except as provided in paragraph
9 (2), the amendments made by this Act shall take effect
10 on October 1 that first occurs after the date of enactment
11 of this Act.

12 (b) EXCEPTIONS.—

13 (1) COMPENSATION OF OFFICERS.—Section 3
14 and the amendments made by section 3 shall apply
15 to any case under title 11, United States Code, com-
16 menced on or after October 1 that first occurs after
17 the date of enactment of this Act—

18 (A) under chapter 7 of title 11, United
19 States Code; or

20 (B) under chapter 11, 12, or 13 of title 11,
21 United States Code, that is converted to a case
22 under chapter 7 of title 7, United States Code.

23 (2) BANKRUPTCY FEES.—Section 4 and the
24 amendments made by section 4 shall apply to—

1 (A) any case pending under chapter 11 of
2 title 11, United States Code, on or after Octo-
3 ber 1 that first occurs after the date of enact-
4 ment of this Act; and

5 (B) quarterly fees payable under section
6 1930(a)(6) of title 28, United States Code, for
7 disbursements made in any calendar quarter
8 that begins on or after October 1 that first oc-
9 curs after the date of enactment of this Act.

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