

119TH CONGRESS
2D SESSION

H. R. 8589

To amend title 11 of the United States Code to address misuse of bankruptcy proceedings in cases of child sex abuse, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2026

Ms. ROSS (for herself, Ms. TENNEY, Mrs. SYKES, and Ms. DE LA CRUZ) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 11 of the United States Code to address misuse of bankruptcy proceedings in cases of child sex abuse, 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 “Closing Bankruptcy
5 Loopholes for Child Predators Act of 2026”.

6 **SEC. 2. AMENDMENTS.**

7 (a) AMENDMENTS.—Title 11, United States Code, is
8 amended—

9 (1) in section 101—

1 (A) by redesignating paragraphs (51B),
2 (51C), and (51D) as paragraphs (51C), (51D),
3 and (51E), respectively, and

4 (B) by inserting after paragraph (51A) the
5 following:

6 “(51B) The term ‘sexual abuse of a child’
7 means any act that—

8 “(A) constitutes a violation of—

9 “(i) section 1589, 1590, 1591,
10 2241(c), 2242, 2243, 2251, 2251A, 2252,
11 2252A, 2260, 2421, 2422, or 2423, 2258,
12 or 2258A, of title 18;

13 “(ii) section 20341 of title 34; or

14 “(iii) a non-Federal law that is similar
15 to a law described in clause (i); and

16 “(B) by reason of the conduct prohibited,
17 a person who, while a minor, was aggrieved.”;”;

18 (2) in section 1109—

19 (A) by adding at the end of subsection (b)
20 the following:

21 “In any case in which a claim is filed against the debtor
22 arising out of the alleged sexual abuse of a child, the court
23 shall hold a conference within 60 days of the deadline by
24 which proofs of claim must be filed to consider victim im-
25 pact statements.”.

1 (B) by adding at the end the following:

2 “(c) The sole purpose of victim impact statements
3 shall be to increase engagement and understanding be-
4 tween the bankruptcy court and victims or survivors of
5 child sexual assault. To encourage candor, and thus en-
6 hance the utility of victim impact statements, the informa-
7 tion provided through victim impact statements is not, and
8 shall not be used as, evidence by any person in the case.”;

9 (3) in section 1101—

10 (A) in paragraph (2) by striking the period
11 at the end and inserting “; and”, and

12 (B) by adding at end the following:

13 “(3) ‘victim impact statement’ means a vol-
14 untary written, oral, video, or audio statement, sub-
15 mitted to, or presented to the court in the name of
16 the victim or under a pseudonym, describing the
17 emotional, physical, familial, or financial impact suf-
18 fered as a result of the sexual abuse of the victim
19 who is a creditor of the debtor in a chapter 11 pro-
20 ceeding.”;

21 (4) in section 541 by adding at end the fol-
22 lowing:

23 “(g) In all cases regarding debts or other financial
24 liability arising from allegations of sexual abuse of a child
25 and involving debtors that are organizations described in

1 section 501(c)(3) of the Internal Revenue Code of 1986
2 and exempt from tax under section 501(a) of such Code,
3 the Court shall engage the services of an independent fo-
4 rensic accountant to review the assets and interests of
5 such debtor, and any nondebtor sought to be released from
6 liability in a proposed reorganization plan, and require
7 preparation of a report to assist the Court with ensuring
8 that such assets and interests are properly included or ex-
9 cluded from the estate.”;

10 (5) in section 107—

11 (A) in subsection (b) by adding at the end
12 the following:

13 “(4) This subsection shall not apply to cases re-
14 garding debts or other financial liability arising from
15 potential liability stemming from allegations of sex-
16 ual abuse of a child except to the extent necessary
17 to protect the identity and personal information of
18 the individual alleging to have been abused unless
19 the alleged offender is found not guilty of abuse in
20 a court of law.”; and

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

22 “(d) No court order shall seal any evidence of alleged
23 crimes relating to the sexual abuse of a child other than
24 to protect the identity and personal information of the in-

1 individual alleging to have been abused unless the alleged
2 offender is found not guilty of abuse in a court of law.”;

3 (6) in section 362(b)(2)(A)—

4 (A) in clause (iv) by striking “or” at the
5 end;

6 (B) in clause (v) by adding “or” at the
7 end; and

8 (C) by adding at end the following:

9 “(vi) concerning the sexual abuse of a
10 child or related claims;”;

11 (7) in section 524(g)(2)(B)—

12 (A) in clause (i) by inserting “or relating
13 to the sexual abuse of a child:” after “reorga-
14 nization”;

15 (B) after clause (ii) by adding the fol-
16 lowing:

17 “(iii) Notwithstanding any provision
18 of law to the contrary, in any case regard-
19 ing potential debts or other financial liabil-
20 ities arising from allegations of sexual
21 abuse of a child—

22 “(I) No third-party release shall
23 be approved by the court without af-
24 firmative consent of both the debtor
25 and at least ninety percent of the

1 creditors in interest entitled to vote
2 and who do vote. The court shall en-
3 sure that the parties have been given
4 adequate notice and opportunity to
5 provide or withhold such consent.

6 “(II) Any third-party seeking the
7 benefit of a release under this chapter
8 shall provide sufficient information to
9 allow an average creditor to make an
10 informed decision about the release.”;

11 (C) in clause (ii)—

12 (i) by striking “subject” and all that
13 follows through “that—” and inserting the
14 following:

15 “except in the case of a plan reorganization
16 filed by a debtor organized described in section
17 501(c)(3) of the Internal Revenue Code of 1986
18 and exempt from tax under section 501(a) of
19 such Code to resolve claims alleging sexual
20 abuse of a child, subject to subsection (h), the
21 court determines that—”; and

22 (ii) by amending subclause (IV)(bb) to
23 read as follows:

24 “(bb) a separate class or
25 classes of claimants whose claims

1 are to be addressed by a trust
2 described in clause (i) is estab-
3 lished and votes, by at least 75
4 percent of those voting, in favor
5 of the plan or, if the debtor is an
6 organization described in section
7 501(c)(3) of the Internal Rev-
8 enue Code of 1986 and exempt
9 from tax under section 501(a) of
10 such Code which has filed a case
11 under chapter 11 of this title to
12 resolve claims alleging sexual
13 abuse of a child, by at least 90
14 percent of a separate class or
15 classes of the claimants whose
16 claims are to be addressed by a
17 trust described in clause (i).”;

18 (D) by adding at the end of section
19 524(g)(4)(A)(ii) the following:

20 “(V) the third party being an af-
21 filiate of the debtor.”; and

22 (E) by adding at the end of section
23 524(g)(1)(C) the following:

24 “Notwithstanding any other provision of this
25 chapter, if the debtor is an organization de-

1 scribed in section 501(c)(3) of the Internal Rev-
2 enue Code of 1986 and exempt from tax under
3 section 501(a) of such Code which has filed for
4 a case under chapter 11 of this title to resolve
5 claims alleging sexual abuse of a child, any
6 third party who is identifiable from the terms
7 of a plan of reorganization (by name or as part
8 of an identifiable group) and is alleged to be di-
9 rectly or indirectly liable for the conduct of,
10 claims against, or demands on the debtor, may
11 be released from such liability if a separate
12 class or classes of the claimants whose claims
13 are to be addressed by a trust described in
14 clause (i) is established votes, by at least 90
15 percent of those voting, in favor of the plan.”;
16 (8) in section 1111 by adding at the end the
17 following:

18 “(c) Claims relating to sexual abuse of a child are
19 deemed timely filed regardless of and notwithstanding the
20 State statute of limitation otherwise applicable to the
21 claims”;

22 (9) in section 523(a)(20)—

23 (A) by designating subsections (b), (c), (d),
24 and (e) as subsections (c), (d), (e), and (f), re-
25 spectively; and

1 (B) by adding after subsection (a) the fol-
2 lowing:

3 “(b) No debtor shall receive a discharge under section
4 727, 1141, 1192 [1] 1228(a), 1228(b), or 1328(b) of this
5 title, or qualify for any form of discharge, injunction, or
6 release under a plan of reorganization or otherwise, with
7 respect to any claim or debt arising from the sexual abuse
8 of a minor in instances where such debtor was either re-
9 sponsible for the sexual abuse of a minor directly or acted
10 with gross negligence for the safety of the abused minor(s)
11 at issue. This shall apply to all debtors regardless of
12 whether such debtors are an individual, a corporation, a
13 limited partnership, a nonprofit entity, or any other per-
14 son or entity seeking relief under this title.” and

15 (10) in section 1181 by adding at the end the
16 following:

17 “(d) PROHIBITION ON CLAIMS RELATED TO CHILD
18 SEXUAL ABUSE.—Notwithstanding any other provision of
19 law, no subchapter 5 filings shall be permitted for claims
20 arising from or related to child sexual abuse.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for chapter 1 of title 11, United States Code, is amended
23 by adding at the end the following:

“113. Suspension of stay without consent.”.

1 **SEC. 3. AMENDMENTS TO THE FEDERAL RULES OF BANK-**
2 **RUPTCY PROCEDURE.**

3 The Federal Rules of Bankruptcy Procedure (11
4 U.S.C. app.) are amended—

5 (1) in rule 2004—

6 (A) by striking the period at the end of
7 (b)(2)(C) and inserting “; and”;

8 (B) by adding after (b)(2)(C) the fol-
9 lowing:

10 “(D) In a reorganization case under chap-
11 ter 11 of the Code related to the alleged sexual
12 abuse of a child, the examination shall also re-
13 late to the abuse allegations against the debtor
14 and any affiliated entity, remedial policies and
15 responses to those allegations, information on
16 the debtor or an affiliated entity’s finances and
17 financial projections, and any other matter rel-
18 evant to the case or to the formulation of a
19 plan.”; and

20 (C) by adding at the end of subsection (c)
21 the following:

22 “In a reorganization case under chapter 11 of the Code
23 related to the alleged sexual abuse of a child, debtor at-
24 tendance for examination and the production of docu-
25 ments or electronically stored information is required.”;
26 and

1 (2) in rule 9018 by adding at the end the fol-
2 lowing:

3 “(c) In no respect shall any court order seal any evi-
4 dence of alleged crimes relating to the sexual abuse of a
5 child other than to protect the identity and personal infor-
6 mation of the individual alleging to have been abused un-
7 less the alleged offender is found not guilty of abuse in
8 a court of law.”.

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