

105TH CONGRESS
1ST SESSION

S. 1149

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 1997

Referred to the Committee on the Judiciary

AN ACT

To amend title 11, United States Code, to provide for increased education funding, 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 “Investment in Edu-
5 cation Act of 1997”.

1 **SEC. 2. TREATMENT OF CERTAIN LIENS.**

2 (a) TREATMENT OF CERTAIN LIENS.—Section 724
3 of title 11, United States Code, is amended—

4 (1) in subsection (b), in the matter preceding
5 paragraph (1), by inserting “(other than to the ex-
6 tent that there is a properly perfected unavoidable
7 tax lien arising in connection with an ad valorem tax
8 on real or personal property of the estate)” after
9 “under this title”;

10 (2) in subsection (b)(2), after “507(a)(1)”, in-
11 sert “(except that such expenses, other than claims
12 for wages, salaries, or commissions which arise after
13 the filing of a petition, shall be limited to expenses
14 incurred under chapter 7 of this title and shall not
15 include expenses incurred under chapter 11 of this
16 title)”; and

17 (3) by adding at the end the following:

18 “(e) Before subordinating a tax lien on real or per-
19 sonal property of the estate, the trustee shall—

20 “(1) exhaust the unencumbered assets of the
21 estate; and

22 “(2) in a manner consistent with section 506(c)
23 of this title, recover from property securing an al-
24 lowed secured claim the reasonable, necessary costs
25 and expenses of preserving or disposing of that prop-
26 erty.

1 “(f) Notwithstanding the exclusion of ad valorem tax
 2 liens set forth in this section and subject to the require-
 3 ments of subsection (e)—

4 “(1) claims for wages, salaries, and commis-
 5 sions that are entitled to priority under section
 6 507(a)(3) of this title; or

7 “(2) claims for contributions to an employee
 8 benefit plan entitled to priority under section
 9 507(a)(4) of this title,
 10 may be paid from property of the estate which secures
 11 a tax lien, or the proceeds of such property.”.

12 (b) DETERMINATION OF TAX LIABILITY.—Section
 13 505(a)(2) of title 11, United States Code, is amended—

14 (1) in subparagraph (A), by striking “or” at
 15 the end;

16 (2) in subparagraph (B), by striking the period
 17 at the end and inserting “; or”; and

18 (3) by adding at the end the following:

19 “(C) the amount or legality of any amount aris-
 20 ing in connection with an ad valorem tax on real or
 21 personal property of the estate, if the applicable pe-
 22 riod for contesting or redetermining that amount
 23 under any law (other than a bankruptcy law) has ex-
 24 pired.”.

1 **SEC. 3. ENFORCEMENT OF CHILD AND SPOUSAL SUPPORT.**

2 Section 522(c)(1) of title 11, United States Code, is
3 amended by inserting “, except that, notwithstanding any
4 other Federal law or State law relating to exempted prop-
5 erty, exempt property shall be liable for debts of a kind
6 specified in section 523(a) (1) or (5) of this title” before
7 the semicolon at the end of the paragraph.

Passed the Senate October 30, 1997.

Attest:

GARY SISCO,
Secretary.