

109TH CONGRESS
1ST SESSION

H. R. 3697

To amend title 11 of the United States Code to provide relief with respect to disaster-related debts incurred by victims of Hurricane Katrina and other natural disasters.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2005

Mr. CONYERS (for himself, Mr. WATT, Ms. JACKSON-LEE of Texas, Mr. NADLER, Mr. TAYLOR of Mississippi, Mr. KUCINICH, Mr. MORAN of Virginia, Mrs. MALONEY, Ms. WASSERMAN SCHULTZ, Ms. LEE, Ms. LINDA T. SÁNCHEZ of California, Ms. CARSON, Mrs. DAVIS of California, Ms. ZOE LOFGREN of California, Mr. CROWLEY, Mr. SERRANO, Mr. SCOTT of Virginia, Ms. WOOLSEY, Ms. MCCOLLUM of Minnesota, Mr. ROTHMAN, Mr. GRIJALVA, Mr. MEEHAN, Mr. BLUMENAUER, Mr. BERMAN, Mr. DELAHUNT, Ms. SCHAKOWSKY, Mr. EMANUEL, Mr. McDERMOTT, Mr. SANDERS, Mr. UDALL of New Mexico, Ms. WATSON, and Mrs. CAPPS) 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 provide relief with respect to disaster-related debts incurred by victims of Hurricane Katrina and other natural disasters.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Hurricane Katrina
3 Bankruptcy Relief and Community Protection Act of
4 2005”.

5 **SEC. 2. DEFINITIONS; WHO MAY BE A DEBTOR.**

6 (a) CURRENT MONTHLY INCOME.—Section
7 101(10A)(B) is amended—

8 (1) by striking “and payments” and inserting
9 “payments”, and

10 (2) by inserting before the period at the end “,
11 and payments to victims of a natural disaster on ac-
12 count of their status as victims of a natural dis-
13 aster”.

14 (b) NATURAL DISASTER; NATURAL DISASTER
15 ZONE.—Section 101 of title 11, United States Code, is
16 amended—

17 (1) by redesignating paragraphs (40A) and
18 (40B) as paragraphs (40C) and (40D), respectively,
19 and

20 (2) by inserting after paragraph (40) the fol-
21 lowing:

22 “(40A) The term ‘natural disaster’ means—

23 “(A) a major disaster, as defined in section
24 102 of the Robert T. Stafford Disaster Relief
25 and Emergency Assistance Act; or

1 “(B) a situation similar to such a major
2 disaster (as so defined), with respect to which
3 a determination is made in accordance with
4 State law that such situation exists.

5 “(40B) The term ‘natural disaster zone’ means
6 the geographical area included in the determination
7 of a natural disaster.”.

8 (c) VICTIM OF NATURAL DISASTER.—Section 101 of
9 title 11, United States Code, is amended by adding at the
10 end the following:

11 “(56) The term ‘victim of a natural disaster’
12 means a person—

13 “(A) whose financial condition is materi-
14 ally adversely affected by a natural disaster;
15 and

16 “(B) whose domicile, residence, or prin-
17 cipal place of business in the United States, or
18 whose principal assets in the United States, are
19 located in a natural disaster zone immediately
20 preceding the event that caused the natural dis-
21 aster exists.”.

22 (d) WHO MAY BE A DEBTOR.—Section 109(h)(4) of
23 title 11, United States Code, is amended by inserting
24 “natural disaster,” after “disability,”.

1 **SEC. 3. AMENDMENT TO CHAPTER 3.**

2 Section 362(b)(22) of title 11, United States Code,
3 is amended by inserting “(excluding a debtor who is victim
4 of a natural disaster)” after “debtor” the 1st place it ap-
5 pears.

6 **SEC. 4. AMENDMENTS TO CHAPTER 5.**

7 Section 521 of title 11, United States Code, is
8 amended by adding at the end the following:

9 “(k) The Court may extend any time period specified
10 in this section as may be necessary if—

11 “(1) the debtor is a victim of a natural disaster;
12 and

13 “(2) the debtor’s status as a victim of a natural
14 disaster necessitates such extension of time.”.

15 **SEC. 5. AMENDMENTS TO CHAPTER 7.**

16 (a) DEBTOR’S MONTHLY EXPENSES.—Section
17 707(b)(2)(A)(ii) of title 11, United States Code, is amend-
18 ed by adding at the end the following:

19 “(IV) In addition, the debtor’s monthly expenses may
20 include the actual reasonably necessary expenses incurred
21 as a result of being a victim of a natural disaster.”.

22 (b) LIMITATION ON CONVERSION OF CASE.—Section
23 707(b)(2) of title 11, United States Code, is amended by
24 adding at the end the following:

25 “(E) Subparagraphs (A), (B), and (C) shall not
26 apply, and the court may not dismiss or convert a case

1 under section 707(b), if the debtor is a victim of a natural
2 disaster.”.

3 **SEC. 6. AMENDMENTS TO CHAPTER 11.**

4 (a) CONVERSION OF CASE.—Section 1112(b) of title
5 11, United States Code is amended—

6 (1) in paragraph (2)(B)(i) by inserting “, in-
7 cluding a natural disaster” before the semicolon, and

8 (2) in paragraph (3) by inserting “(including a
9 natural disaster)” after “circumstances”.

10 (b) WHO MAY FILE A PLAN.—Section 1121(e)(3) of
11 title 11, United States Code, is amended—

12 (1) in subparagraph (A) by inserting “(i)” after
13 “(A)”,

14 (2) in subparagraph (C) by striking the period
15 at the end and inserting “; or”,

16 (3) by redesignating subparagraphs (B) and
17 (C) as clauses (ii) and (iii), respectively, and

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

19 “(B) the debtor is unable to meet the
20 deadline because of a natural disaster.”.

21 (c) EXTENSION OF TIME FOR SMALL BUSINESSES.—
22 Chapter 11 of title 11, United States Code, is amended—

23 (1) in the table of sections by adding at the end
24 the following:

“1117. Extension of time for small businesses.”, and

1 (2) in subchapter I by adding at the end the
2 following:

3 **“§ 1117. Extension of time for small businesses**

4 “Notwithstanding any other provision of this title, in
5 a small business case the court may extend any deadline
6 specified in this chapter if the court finds that such exten-
7 sion is—

8 “(1) necessary to protect the best interests of
9 the creditors and the estate; or

10 “(2) warranted by a natural disaster.”.

11 **SEC. 7. AMENDMENTS TO CHAPTER 13.**

12 (a) CONVERSION OR DISMISSAL.—Section 1307(e) of
13 title 11, United States Code, is amended by adding at the
14 end the following:

15 “The Court may extend any time period specified in this
16 subsection as may be necessary if—

17 “(1) the debtor is a victim of a natural disaster;
18 and

19 “(2) the debtor’s status as a victim of a natural
20 disaster necessitates such extension of time.”.

21 (b) FILING OF PREPETITION TAX RETURNS.—Sec-
22 tion 1308 of title 11, United States Code, is amended by
23 adding at the end the following:

24 “(d) The Court may extend any time period specified
25 in this subsection as may be necessary if—

1 “(1) the debtor is a victim of a natural disaster;
2 and

3 “(2) the debtor’s status as a victim of a natural
4 disaster necessitates such extension of time.”.

5 **SEC. 8. AMENDMENT TO TITLE 28 OF THE UNITED STATES**
6 **CODE.**

7 Section 1408 of title 28, United States Code, is
8 amended—

9 (1) by inserting “(a)” before “Except”, and

10 (2) by adding at the end the following:

11 “(b) If a case under title 11 cannot be commenced
12 in a district court described in subsection (a) because a
13 person is the victim of a natural disaster (as defined in
14 section 101 of title 11), then a case under title 11 may
15 be commenced by such person in the district court for the
16 district in which such person resides.”.

17 **SEC. 9. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

18 (a) **EFFECTIVE DATE.**—This Act and the amend-
19 ments made by this Act shall take effect on October 18,
20 2005.

21 (b) **APPLICATION OF AMENDMENTS.**—The amend-
22 ments made by this Act shall apply only with respect to
23 cases commenced under title 11 of the United States Code
24 on and after October 17, 2005.

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