

10, 37, or 38 in connection with a disability, combat-related injury or disability, or death of a member of the uniformed services, except that any retired pay excluded under this subclause shall include retired pay paid under chapter 61 of title 10 only to the extent that such retired pay exceeds the amount of retired pay to which the debtor would otherwise be entitled if retired under any provision of title 10 other than chapter 61 of that title.”.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore (Mr. CLAY). Pursuant to the rule, the gentleman from Rhode Island (Mr. CICILLINE) and the gentleman from Virginia (Mr. CLINE) each will control 20 minutes.

The Chair recognizes the gentleman from Rhode Island.

GENERAL LEAVE

Mr. CICILLINE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. CICILLINE. Mr. Speaker, I yield myself such time as I may consume.

The overriding principle of the bankruptcy system is to give people who are overwhelmed with unmanageable debt a fresh start through meaningful financial relief.

The Bankruptcy Code, either directly or indirectly, affects millions of Americans, and all types of businesses, from large to small.

The system is supposed to work for everyone, from consumer debtors and small business owners, to family farmers, servicemembers, and veterans, and give them a new pathway to economic prosperity. But as we have heard during a recent oversight hearing held by the Subcommittee on Antitrust, Commercial, and Administrative Law, the bankruptcy system is not working.

In light of these concerns, the House Judiciary Committee unanimously passed four bipartisan pieces of legislation to address this concern. These include H.R. 2938, the Honoring American Veterans in Extreme Need Act of 2019, or the HAVEN Act. This legislation, which has been championed by my colleague on the committee, Congresswoman LUCY MCBAATH, addresses a fundamental unfairness in current bankruptcy law that affects veterans receiving disability benefits.

Although Social Security benefits are not treated as income for purposes of the Bankruptcy Code’s means test, veterans’ disability benefits do con-

stitute income under this test, even though, much like Social Security, these benefits are a lifeline to many of its recipients and are otherwise protected from seizure by creditors.

By counting such benefits as income, many veterans become ineligible for the more immediate discharges available under Chapter 7 and, instead, they are steered into Chapter 13, which requires a debtor to make payments to creditors pursuant to a 3- to 5-year plan before he or she can receive a discharge.

H.R. 2938 corrects this obvious inequity. It would treat certain veterans’ disability benefits paid by the Department of Veterans Affairs and the Department of Defense the same as Social Security payments under the Bankruptcy Code’s means test.

I urge my colleagues to support this commonsense legislation, and I reserve the balance of my time.

Mr. CLINE. Mr. Speaker, I yield myself such time as I may consume.

I speak in support of the bill, and I want to thank the gentleman from Rhode Island for his leadership on this issue.

We should all honor and support America’s veterans and their families. The HAVEN Act does that by making sure disability and death benefits received by veterans and their families receive special protection during the difficult process of bankruptcy.

I also want to thank the gentlewoman from Georgia for her leadership on this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. CICILLINE. Mr. Speaker, I yield 1 minute to the gentlewoman from Georgia (Mrs. MCBAATH), the author of the legislation.

Mrs. MCBAATH. Mr. Speaker, I am so pleased to bring the HAVEN Act to a vote on the House floor today; and I thank Chairman NADLER, our subcommittee chair; Mr. CICILLINE, my Republican cosponsor; Mr. STEUBE, and all the cosponsors who supported the expeditious passage of this bill. I want to thank the veterans and the advocates for putting their support behind this legislation as well.

I introduced the HAVEN Act to support veterans facing significant financial hardship. No one wants to turn to bankruptcy. It is a path toward debt relief that carries serious financial consequences.

But it is an important option for those with the most serious financial circumstances, and we must make sure our bankruptcy system is serving our veterans. These servicemembers deserve an opportunity to get back on their feet with dignity.

Mr. CLINE. Mr. Speaker, I would simply state that the HAVEN Act makes the Bankruptcy Code work better and more fairly for our Nation’s veterans and those who depend on them; so I encourage my colleagues to support the bill.

I yield back the balance of my time.

Mr. CICILLINE. Mr. Speaker, I urge my colleagues to pass the HAVEN Act, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. CICILLINE) that the House suspend the rules and pass the bill, H.R. 2938, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL GUARD AND RESERVISTS DEBT RELIEF EXTENSION ACT OF 2019

Mr. CICILLINE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3304) to exempt for an additional 4-year period, from the application of the means-test presumption of abuse under chapter 7, qualifying members of reserve components of the Armed Forces and members of the National Guard who, after September 11, 2001, are called to active duty or to perform a homeland defense activity for not less than 90 days, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Guard and Reservists Debt Relief Extension Act of 2019”.

SEC. 2. NATIONAL GUARD AND RESERVISTS DEBT RELIEF AMENDMENT.

Section 4(b) of the National Guard and Reservists Debt Relief Act of 2008 (Public Law 110-438; 122 Stat. 5000) is amended by striking “11-year” and inserting “15-year”.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Rhode Island (Mr. CICILLINE) and the gentleman from Virginia (Mr. CLINE) each will control 20 minutes.

The Chair recognizes the gentleman from Rhode Island.

GENERAL LEAVE

Mr. CICILLINE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. CICILLINE. Mr. Speaker, I yield myself such time as I may consume.

Under current law, National Guard members and reservists who serve on active duty are, like other active-duty servicemembers, exempt from the Bankruptcy Code's means test, which determines whether a debtor's income is too high to have all of his or her debts erased in bankruptcy.

Unless otherwise exempted, servicemembers and veterans must complete the required forms and submit the specified paperwork to satisfy the Bankruptcy Code's means test.

This requirement even applies to servicemembers who have returned to the United States from active service and, thus, no longer receive combat pay. Under the means test, a service-member must calculate his or her income based on the average monthly income that he or she received during the six months preceding the filing date of the bankruptcy case, rather than the debtor's actual income, which may be less because of the debtor's noncombat status.

H.R. 3304, the National Guard and Reservists Debt Relief Extension Act of 2019 responds to this concern. This legislation would extend for 4 years the temporary authorization exempting certain qualifying reserve component members of the Armed Services and National Guard members from the Bankruptcy Code's means test.

This critical protection for National Guard members and reservists must be extended before it expires at the end of the year. H.R. 3304 was unanimously passed out of the Judiciary Committee by voice vote.

I urge my colleagues to support this bipartisan legislation, and I reserve the balance of my time.

Mr. CLINE. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of the bill and I want to thank the gentleman from Rhode Island (Mr. CICILLINE) and the gentleman from Tennessee (Mr. COHEN), the sponsor, for his support of this important legislation which would provide National Guard members, Armed Services reservists, and their families continued flexibility to qualify for greater debt relief in bankruptcy.

I reserve the balance of my time.

Mr. CICILLINE. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. COHEN), the sponsor of the bill.

Mr. COHEN. Mr. Speaker, this is an important bill for reservists and National Guardsmen who protect our country in times of war. We are in the longest war of our Nation's history.

The bankruptcy bill of 2005 was a bad bill that made it more difficult for people to claim bankruptcy; hurt guardsmen and reservists whose bases are oftentimes surrounded by payday lenders, and they become subject to large loans in difficult times while in service, having to even file bankruptcy, let alone, respond to debts that they incur on behalf of the American people.

But I want to thank Mr. CLINE, a great American, and supporter of reservists and people serving our country, our National Guard and reservists. For being a cosponsor, Representative MADELEINE DEAN of Pennsylvania, and TIM BURCHETT, an outstanding Tennessean and a volunteer for joining me in reintroducing this bill.

I would like to thank all the National Guard and reservists who protect us, both here and abroad.

I ask for unanimous passage.

Mr. CLINE. Mr. Speaker, I urge my colleagues to support this important legislation, and I yield back the balance of my time.

Mr. CICILLINE. Mr. Speaker, I urge my colleagues on both sides of the aisle to pass this important legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. CICILLINE) that the House suspend the rules and pass the bill, H.R. 3304, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CICILLINE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

SMALL BUSINESS REORGANIZATION ACT OF 2019

Mr. CICILLINE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3311) to amend chapter 11 of title 11, United States Code, to address reorganization of small businesses, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Reorganization Act of 2019".

SEC. 2. REORGANIZATION OF SMALL BUSINESS DEBTORS.

(a) IN GENERAL.—Chapter 11 of title 11, United States Code, is amended by adding at the end the following:

"SUBCHAPTER V—SMALL BUSINESS DEBTOR REORGANIZATION

§ 1181. Inapplicability of other sections

"(a) IN GENERAL.—Sections 105(d), 1101(1), 1104, 1105, 1106, 1107, 1108, 1115, 1116, 1121, 1123(a)(8), 1123(c), 1127, 1129(a)(15), 1129(b), 1129(c), 1129(e), and 1141(d)(5) of this title do not apply in a case under this subchapter.

"(b) COURT AUTHORITY.—Unless the court for cause orders otherwise, paragraphs (1), (2), and (4) of section 1102(a) and sections 1102(b), 1103, and 1125 of this title do not apply in a case under this subchapter.

"(c) SPECIAL RULE FOR DISCHARGE.—If a plan is confirmed under section 1191(b) of this title, section 1141(d) of this title shall not apply, except as provided in section 1192 of this title.

§ 1182. Definitions

"In this subchapter:

"(1) DEBTOR.—The term 'debtor' means a small business debtor.

"(2) DEBTOR IN POSSESSION.—The term 'debtor in possession' means the debtor, unless removed as debtor in possession under section 1185(a) of this title.

§ 1183. Trustee

"(a) IN GENERAL.—If the United States trustee has appointed an individual under section 586(b) of title 28 to serve as standing trustee in cases under this subchapter, and if such individual qualifies as a trustee under section 322 of this title, then that individual shall serve as trustee in any case under this subchapter. Otherwise, the United States trustee shall appoint 1 disinterested person to serve as trustee in the case or the United States trustee may serve as trustee in the case, as necessary.

"(b) DUTIES.—The trustee shall—

"(1) perform the duties specified in paragraphs (2), (5), (6), (7), and (9) of section 704(a) of this title;

"(2) perform the duties specified in paragraphs (3), (4), and (7) of section 1106(a) of this title, if the court, for cause and on request of a party in interest, the trustee, or the United States trustee, so orders;

"(3) appear and be heard at the status conference under section 1188 of this title and any hearing that concerns—

"(A) the value of property subject to a lien;

"(B) confirmation of a plan filed under this subchapter;

"(C) modification of the plan after confirmation; or

"(D) the sale of property of the estate;

"(4) ensure that the debtor commences making timely payments required by a plan confirmed under this subchapter;

"(5) if the debtor ceases to be a debtor in possession, perform the duties specified in section 704(a)(8) and paragraphs (1), (2), and (6) of section 1106(a) of this title, including operating the business of the debtor;

"(6) if there is a claim for a domestic support obligation with respect to the debtor, perform the duties specified in section 704(c) of this title; and

"(7) facilitate the development of a consensual plan of reorganization.

"(c) TERMINATION OF TRUSTEE SERVICE.—

"(1) IN GENERAL.—If the plan of the debtor is confirmed under section 1191(a) of this title, the service of the trustee in the case shall terminate when the plan has been substantially consummated, except that the United States trustee may reappoint a trustee as needed for performance of duties under subsection (b)(3)(C) of this section and section 1185(a) of this title.

"(2) SERVICE OF NOTICE OF SUBSTANTIAL CONSUMMATION.—Not later than 14 days after the plan of the debtor is substantially consummated, the debtor shall file with the court and serve on the trustee, the United States trustee, and all parties in interest notice of such substantial consummation.

§ 1184. Rights and powers of a debtor in possession

"Subject to such limitations or conditions as the court may prescribe, a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title, and powers, and shall perform all functions and duties, except the duties specified in paragraphs (2), (3), and (4) of section 1106(a) of this title, of a trustee serving in a case under this chapter, including operating the business of the debtor.

§ 1185. Removal of debtor in possession

"(a) IN GENERAL.—On request of a party in interest, and after notice and a hearing, the court shall order that the debtor shall not be