

118TH CONGRESS
2D SESSION

H. R. 9154

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

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2024

Mr. IVEY (for himself, Mr. CLINE, Mr. GOODEN of Texas, and Mr. JOHNSON of Georgia) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend titles 11 and 28 of the United States Code to modify the compensation payable to trustees serving in cases under chapter 7 of such title; to extend the term of certain temporary offices of bankruptcy judge, 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 2024”.

6 **SEC. 2. FINDINGS.**

7 The 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 of the United States Code.

19 (4) Trustees serving in bankruptcy cases under
20 chapter 7 of title 11 of the United States Code are
21 vital to the functioning of the bankruptcy system, as
22 they provide services at the front lines of the bank-
23 ruptcy 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, Department of
2 Agriculture, Small Business Administration, and
3 other Federal, State, and municipal governments.

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

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

20 (8) Since 1994 there have been significant in-
21 creases in salaries, attorney fees, budget appropria-
22 tions, filing fees, and court-related fees associated
23 with chapter 7 bankruptcies. In contrast, the \$60
24 paid to chapter 7 trustees has remained the same
25 and has not even been increased for inflation. In

1 2021, Congress attempted to implement a mecha-
2 nism that would give chapter 7 trustees a raise, but
3 the trustees only received increased compensation for
4 one fiscal year. Based on CPI estimates, the \$60 of
5 in 1994 would be the equivalent of over \$125 today.

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

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

14 (B) ensure adequate funding of the United
15 States trustee system; and

16 (C) support the preservation of existing
17 bankruptcy judgeships that are urgently needed
18 to handle existing and anticipated increases in
19 business and consumer caseloads.

20 (10) This Act will not alter the chapter 7 filing
21 fee and will not modify, impair, or supersede the
22 current authority of the district courts of the United
23 States, or of bankruptcy courts, to waive the pay-
24 ment of filing fees by indigent individuals.

1 **SEC. 3. TRUSTEE COMPENSATION.**

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

4 (1) in subsection (b)(1) by striking “\$45” and
5 inserting “\$105”, and

6 (2) by striking subsection (e).

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

13 (1) \$63.51 in the Special Fund established
14 under section 1931 of title 28, United States Code,

15 (2) \$25 in the Special Fund established in ac-
16 cordance with section 10101(b) of Public Law 109-
17 171, and

18 (3) \$51.49 in the United States Trustee Fund
19 established under Section 589a of title 28, United
20 States Code.

21 (c) UNITED STATES TRUSTEE SYSTEM FUND.—Sec-
22 tion 589a(f)(1) of title 28, United States Code, is amend-
23 ed—

24 (1) in subparagraph (D) by striking “Fourth”
25 and inserting “Second”,

26 (2) by striking subparagraphs (B) and (C), and

1 (3) by redesignating subparagraph (D) as sub-
2 paragraph (B).

3 **SEC. 4. BANKRUPTCY FEES.**

4 (a) Section 1930(a)(6)(B) of title 28 of the United
5 States Code, is amended—

6 (1) in clause (i) by striking “5-year” and in-
7 serting “10-year”, and

8 (2) in clause (ii) by striking “0.8” and inserting
9 “1.1”.

10 (b) Section 589a(f) of title 28 of the United States
11 Code is amended by striking “2026” each place it appears
12 and inserting “2031”.

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

15 (a) Section 4 of the Bankruptcy Administration Im-
16 provement Act of 2020 (Public Law 116–325) is amend-
17 ed—

18 (1) in subsection (a)(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 (2) in subsection (b)(2)—

24 (A) in subparagraph (A)(i) by striking “5
25 years” and inserting “10 years”,

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

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

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

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

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

11 (3) in subsection (c)(2)—

12 (A) in subparagraph (A)(i) by striking “5
13 years” and inserting “10 years”, and

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

16 (4) in subsection (d)(2)—

17 (A) in subparagraph (A)(i) by striking “5
18 years” and inserting “10 years”, and

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

21 (5) in subsection (e)(2)(A) by striking “5
22 years” and inserting “10 years”, and

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

1 (b) Section 1003(b)(2)(A) of the Bankruptcy Judge-
2 ship Act of 2017 (Pub. L. No. 115-72) is amended by
3 striking “5 years” and inserting “10 years”.

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

5 (a) IN GENERAL.—Except as provided in paragraph
6 (2), the amendments made by this Act shall take effect
7 on October 1 that first occurs after the date of the enact-
8 ment of this Act.

9 (b) EXCEPTIONS.—

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

15 (A) under chapter 7, or

16 (B) under chapter 11, 12, or 13 and con-
17 verted to a case chapter 7.

18 (2) BANKRUPTCY FEES.—The amendments
19 made by section 4 shall apply to—

20 (A) any case pending under chapter 11 of
21 title 11 of the United States Code on or after
22 October 1 that first occurs after October 1 that
23 first occurs after the date of the enactment of
24 this Act, and

1 (B) quarterly fees payable under section
2 1930(a)(6) of title 28 of the United States
3 Code for disbursements made in any calendar
4 quarter that begins on or after October 1 that
5 first occurs after the date of the enactment of
6 this Act.

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