

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1647

To amend title 11, United States Code, to provide relief to victims of  
Hurricane Katrina and other natural disasters.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 2005

Mr. FEINGOLD (for himself, Ms. LANDRIEU, Mr. LEAHY, Mr. DURBIN, Mr. LIEBERMAN, Mr. KENNEDY, Mr. BAYH, Mrs. CLINTON, Ms. CANTWELL, Mr. AKAKA, Mr. OBAMA, Mr. HARKIN, Mrs. BOXER, Mr. SALAZAR, Mr. CORZINE, and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 11, United States Code, to provide relief  
to 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Hurricane Katrina  
5 Bankruptcy Relief and Community Protection Act of  
6 2005”.

1 **SEC. 2. BANKRUPTCY RELIEF FOR VICTIMS OF HURRICANE**  
2 **KATRINA.**

3 (a) IN GENERAL.—Notwithstanding any other provi-  
4 sion of law, the provisions of title 11, United States Code,  
5 as in effect on August 29, 2005, shall apply to any case  
6 described in subsection (b).

7 (b) ELIGIBILITY.—A case described in this subsection  
8 is a case commenced during the 12-month period begin-  
9 ning on the effective date of the Bankruptcy Abuse Pre-  
10 vention and Consumer Protection Act of 2005, under title  
11 11, United States Code (other than under chapter 12 of  
12 that title 11), by or on behalf of a debtor—

13 (1) who resides, or who resided on August 29,  
14 2005, in any area that is subject to a declaration by  
15 the President of a major disaster, as defined under  
16 section 102 of the Robert T. Stafford Disaster Relief  
17 and Emergency Assistance Act (42 U.S.C. 5122) in  
18 connection with Hurricane Katrina; and

19 (2) whose financial condition is materially ad-  
20 versely affected by the major disaster.

21 **SEC. 3. DEFINITIONS; WHO MAY BE A DEBTOR.**

22 (a) CURRENT MONTHLY INCOME.—Section  
23 101(10A)(B) of title 11, United States Code, is amend-  
24 ed—

25 (1) by striking “and payments” and inserting  
26 “payments”; and

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

5           (b) NATURAL DISASTER; NATURAL DISASTER  
6 ZONE.—Section 101 of title 11, United States Code, is  
7 amended—

8           (1) by redesignating paragraphs (40A) and  
9           (40B) as paragraphs (40C) and (40D), respectively;  
10          and

11          (2) by inserting after paragraph (40) the fol-  
12          lowing:

13                 “(40A) The term ‘natural disaster’ means—

14                         “(A) a major disaster, as defined in section  
15                         102 of the Robert T. Stafford Disaster Relief  
16                         and Emergency Assistance Act (42 U.S.C.  
17                         5122); or

18                         “(B) a situation similar to such a major  
19                         disaster (as so defined), with respect to which  
20                         a determination is made in accordance with  
21                         State law that such situation exists.

22                 “(40B) The term ‘natural disaster zone’ means  
23                         the geographical area included in the determination  
24                         of a natural disaster.”.

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

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

6 “(A) whose financial condition is materi-  
 7 ally adversely affected by a natural disaster;  
 8 and

9 “(B) whose domicile, residence, or prin-  
 10 cipal place of business in the United States, or  
 11 whose principal assets in the United States,  
 12 were located in a natural disaster zone imme-  
 13 diately preceding the event that caused the nat-  
 14 ural disaster.”.

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

18 **SEC. 4. AMENDMENTS TO CHAPTER 3.**

19 Section 362(b)(22) of title 11, United States Code,  
 20 is amended by inserting “(excluding a debtor who is a vic-  
 21 tim of a natural disaster)” after “debtor” the first place  
 22 that term appears.

23 **SEC. 5. AMENDMENTS TO CHAPTER 5.**

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

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

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

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

7 **SEC. 6. AMENDMENTS TO CHAPTER 7.**

8 (a) **DEBTOR’S MONTHLY EXPENSES.**—Section  
9 707(b)(2)(A)(ii) of title 11, United States Code, is amend-  
10 ed by adding at the end the following:

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

14 (b) **LIMITATION ON CONVERSION OF CASE.**—Section  
15 707(b)(2) of title 11, United States Code, is amended by  
16 adding at the end the following:

17 “(E) Subparagraphs (A), (B), and (C) shall not  
18 apply, and the court may not dismiss or convert a case  
19 under this subsection, if the debtor is a victim of a natural  
20 disaster.”.

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

22 (a) **CONVERSION OF CASE.**—Section 1112(b) of title  
23 11, United States Code, is amended—

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

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

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

5           (1) in subparagraph (A), by inserting “(i)”  
6           after “(A)”;

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

9           (3) by redesignating subparagraphs (B) and  
10          (C) as clauses (ii) and (iii), respectively; and

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

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

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

16          (1) in the table of sections, by adding at the  
17          end the following:

“§ 1117. Extension of time for small businesses”;

18          and

19          (2) in subchapter I, by adding at the end the  
20          following:

21          **“§ 1117. Extension of time for small businesses**

22                “Notwithstanding any other provision of this title, in  
23                a small business case, the court may extend any deadline  
24                specified in this chapter if the court finds that such exten-  
25                sion is—

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

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

4 **SEC. 8. AMENDMENTS TO CHAPTER 13.**

5           (a) **CONVERSION OR DISMISSAL.**—Section 1307(e) of  
6 title 11, United States Code, is amended by adding at the  
7 end the following:

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

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

11           and

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

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

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

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

20           and

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

23 **SEC. 9. AMENDMENTS TO TITLE 28, UNITED STATES CODE.**

24           Section 1408 of title 28, United States Code, is  
25 amended—

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

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

3 “(b) If a case under title 11 cannot be commenced  
4 in a district court described in subsection (a) because a  
5 person is the victim of a natural disaster (as defined in  
6 section 101 of title 11), then a case under title 11 may  
7 be commenced by such person in the district court for the  
8 district in which such person resides.”.

9 **SEC. 10. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

10 (a) **EFFECTIVE DATE.**—This Act and the amend-  
11 ments made by this Act shall take effect on October 18,  
12 2005.

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

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