

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.

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## 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

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## 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—

