

SA 787. Mr. McCONNELL (for Mr. Grassley) proposed an amendment to the bill S. 1107, to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ``Bankruptcy Judgeship Act of 2017''.

SEC. 2. EXTENSION OF TEMPORARY OFFICE OF BANKRUPTCY JUDGES IN CERTAIN JUDICIAL DISTRICTS.

(a) Temporary Office of Bankruptcy Judges Authorized by the Bankruptcy Judgeship Act of 2005.-- Section 2(a)(2) of the Temporary

Bankruptcy Judgeships Extension Act of 2012 (28 U.S.C. 152

note; Public Law 112-121) is amended--

(1) in subparagraph (A), by striking ``and (H)'' and

inserting ``(H), (I), and (J)'';

(2) in subparagraph (C)--

(A) in clause (i), by striking ``6'' and inserting ``11'';

and

(B) in clause (ii), by striking ``5'' and inserting ``10'';

(3) in subparagraph (D)(i), by striking ``6'' and inserting

``11'';

(4) by striking subparagraph (E) and inserting the following:

``(E) District of Maryland.--The 1st, 2d, and 3d vacancies

in the office of a bankruptcy judge for the district
of

Maryland--

``(i) in the case of the 1st and 2d vacancies,
occurring
more than 5 years after the date of the enactment of
this

Act,

``(ii) in the case of the 3d vacancy, occurring
more than

10 years after the date of enactment of this Act,
and

``(iii) resulting from the death, retirement,
resignation,

or removal of a bankruptcy judge,
shall not be filled..'';

(5) in subparagraph (F) (i), by striking ``6'' and
inserting

``11'';

(6) in subparagraph (G) (i), by striking ``6'' and
inserting

``11'';

(7) in subparagraph (H) (i), by striking ``6'' and
inserting

``11''; and

(8) by adding at the end the following:

``(I) District of Nevada.--The 1st vacancy in the
office of

a bankruptcy judge for the district of Nevada--

``(i) occurring more than 10 years after the date
of the

enactment of this Act, and

``(ii) resulting from the death, retirement,
resignation,

or removal of a bankruptcy judge,
shall not be filled.

``(J) Eastern district of North Carolina.--The 1st
vacancy

in the office of a bankruptcy judge for the eastern
district

of North Carolina--

``(i) occurring more than 10 years after the date of the enactment of this Act, and
``(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge, shall not be filled.''.
(b) Temporary Office of Bankruptcy Judges

Authorized by the
Bankruptcy Judgeship Act of 1992.--Section 2(b)(2) of the

Temporary Bankruptcy Judgeships Extension Act of 2012 (28

U.S.C. 152 note; Public Law 112-121) is amended--

(1) in subparagraph (A)(i), by striking ``5'' and inserting

``10''; and

(2) in subparagraph (B)(i), by striking ``5'' and inserting

``10''.

SEC. 3. TEMPORARY OFFICE OF BANKRUPTCY JUDGE AUTHORIZED.

(a) Appointments.--The following bankruptcy judges shall be

appointed in the manner prescribed in section 152(a)(1) of

title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of that

title:

(1) Two additional bankruptcy judges for the district of Delaware.

(2) One additional bankruptcy judge of the middle district of Florida.

(3) One additional bankruptcy judge for the eastern district of Michigan.

(b) Vacancies.--

(1) District of Delaware.--The 6th and 7th vacancies in the office of a bankruptcy judge for the district of Delaware--

(A) occurring more than 10 years after the date of enactment of the Temporary Bankruptcy Judgeships Extension

Act of 2012 (28 U.S.C. 152 note; Public Law 112-121); and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge, shall not be filled.

(2) Middle district of Florida.--The 1st vacancy in the office of a bankruptcy judge for the middle district of Florida--

(A) occurring more than 5 years after the date of enactment of this Act; and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge, shall not be filled.

(3) Eastern district of Michigan.--The 2d vacancy in the office of a bankruptcy judge for the eastern district of Michigan--

(A) occurring more than 11 years after the date of enactment of the Temporary Bankruptcy Judgeships Extension

Act of 2012 (28 U.S.C. 152 note; Public Law 112-121); and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge, shall not be filled.

SEC. 4. BANKRUPTCY FEES.

(a) Amendments to Title 28 of the United States Code.--

Section 1930(a)(6) of title 28, United States Code, is

amended--

(1) by striking `` (6) In'' and inserting `` (6) (A) Except as

provided in subparagraph (B), in''; and

(2) by adding at the end the following:

`` (B) During each of fiscal years 2018 through 2022, if the

balance in the United States Trustee System Fund as of

September 30 of the most recent full fiscal year is less than

\$200,000,000, the quarterly fee payable for a quarter in

which disbursements equal or exceed \$1,000,000 shall be the

lesser of 1 percent of such disbursements or \$250,000.''.

(b) Deposits of Certain Fees for Fiscal Years 2018 Through

2022.--Notwithstanding section 589a(b) of title 28, United

States Code, for each of fiscal years 2018 through 2022--

(1) 98 percent of the fees collected under section 1930(a)(6) of such title shall be deposited as offsetting

collections to the appropriation ``United States Trustee

System Fund'', to remain available until expended; and

(2) 2 percent of the fees collected under section 1930(a)(6) of such title shall be deposited in the general

fund of the Treasury.

(c) Application of Amendments.--The amendments made by this

section shall apply to quarterly fees payable under section

1930(a)(6) of title 28, United States Code, as amended by this section, for disbursements made in any calendar quarter that begins on or after the date of enactment of this Act.

SEC. 5. CLARIFICATION OF RULE ALLOWING DISCHARGE TO GOVERNMENTAL CLAIMS ARISING FROM THE DISPOSITION OF FARM ASSETS UNDER CHAPTER 12 BANKRUPTCIES.

(a) In General.--Subchapter II of chapter 12 of title 11, United States Code, is amended by adding at the end the following:

``Sec. 1232. Claim by a governmental unit based on the disposition of property used in a farming operation

``(a) Any unsecured claim of a governmental unit against the debtor or the estate that arises before the filing of the petition, or that arises after the filing of the petition and before the debtor's discharge under section 1228, as a result of the sale, transfer, exchange, or other disposition of any property used in the debtor's farming operation--

``(1) shall be treated as an unsecured claim arising before the date on which the petition is filed;

``(2) shall not be entitled to priority under section 507;

``(3) shall be provided for under a plan; and

``(4) shall be discharged in accordance with section 1228.

``(b) For purposes of applying sections 1225(a)(4),

1228(b)(2), and 1229(b)(1) to a claim described in subsection

(a) of this section, the amount that would be paid on such

claim if the estate of the debtor were liquidated in a case

under chapter 7 of this title shall be the amount that would

be paid by the estate in a chapter 7 case if the claim were

an unsecured claim arising before the date on which the

petition was filed and were not entitled to priority under

section 507.

``(c) For purposes of applying sections 523(a), 1228(a)(2),

and 1228(c)(2) to a claim described in subsection (a) of this

section, the claim shall not be treated as a claim of a kind

specified in subparagraph (A) or (B) of section 523(a)(1).

``(d)(1) A governmental unit may file a proof of claim for

a claim described in subsection (a) that arises after the

date on which the petition is filed.

``(2) If a debtor files a tax return after the filing of

the petition for a period in which a claim described in

subsection (a) arises, and the claim relates to the tax

return, the debtor shall serve notice of the claim on the

governmental unit charged with the responsibility for the

collection of the tax at the address and in the manner designated in section 505(b)(1). Notice under this paragraph shall state that the debtor has filed a petition under this chapter, state the name and location of the court in which the case under this chapter is pending, state the amount of the claim, and include a copy of the filed tax return and documentation supporting the calculation of the claim.

``(3) If notice of a claim has been served on the governmental unit in accordance with paragraph (2), the governmental unit may file a proof of claim not later than 180 days after the date on which such notice was served. If the governmental unit has not filed a timely proof of the claim, the debtor or trustee may file proof of the claim that is consistent with the notice served under paragraph (2). If a proof of claim is filed by the debtor or trustee under this paragraph, the governmental unit may not amend the proof of claim.

``(4) A claim filed under this subsection shall be determined and shall be allowed under subsection (a), (b), or (c) of section 502, or disallowed under subsection (d) or (e) of section 502, in the same manner as if the claim had arisen immediately before the date of the filing of the petition.''.
(b) Technical and Conforming Amendments.--

(1) In general.--Subchapter II of chapter 12 of title 11, United States Code, is amended--

(A) in section 1222(a)--

(i) in paragraph (2), by striking ``unless--' and all that follows through ``the holder' and inserting ``unless the holder';

(ii) in paragraph (3), by striking ``and' at the end;

(iii) in paragraph (4), by striking the period at the end and inserting ``; and'; and

(iv) by adding at the end the following:
``(5) subject to section 1232, provide for the treatment of any claim by a governmental unit of a kind described in section 1232(a).';

(B) in section 1228--

(i) in subsection (a)--

(I) in the matter preceding paragraph (1)--

(aa) by inserting a comma after ``all debts provided for by the plan'; and

(bb) by inserting a comma after ``allowed under section 503 of this title'; and

(II) in paragraph (2), by striking ``the kind' and all that follows and inserting ``a kind specified in section 523(a) of this title, except as provided in section 1232(c).'; and

(ii) in subsection (c)(2), by inserting ``, except as

provided in section 1232(c)'' before the period at the end;
and

(C) in section 1229(a)--
(i) in paragraph (2), by striking ``or'' at the end;
(ii) in paragraph (3), by striking the period at the end and inserting ``; or''; and
(iii) by adding at the end the following:
``(4) provide for the payment of a claim described in section 1232(a) that arose after the date on which the petition was filed.''.
(2) Table of sections.--The table of sections for subchapter II of chapter 12 of title 11, United States Code,
is amended by adding at the end the following:

``1232. Claim by a governmental unit based on the disposition of
property used in a farming operation.''.
(c) Effective Date.--The amendments made by this section shall apply to--
(1) any bankruptcy case--
(A) that is pending on the date of enactment of this Act;
(B) in which the plan under chapter 12 of title 11, United States Code, has not been confirmed on the date of enactment of this Act; and
(C) relating to which an order of discharge under section 1228 of title 11, United States Code, has not been entered;
and

(2) any bankruptcy case that commences on or after
the date
of enactment of this Act.