

**Amendment to the text of H.R. 975 as Passed by the
House**

Offered by Mr. Sensenbrenner of Wisconsin

Strike “Bankruptcy Abuse Prevention and Consumer Protection Act of 2003” each place it appears and insert “Bankruptcy Abuse Prevention and Consumer Protection Act of 2004”.

In section 204 strike “2002” and insert “2003”.

Strike section 1001 and insert the following:

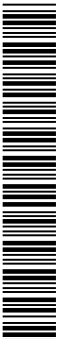
1 SEC. 1001. PERMANENT REENACTMENT OF CHAPTER 12.

2 (a) REENACTMENT.—

3 (1) IN GENERAL.—Chapter 12 of title 11,
4 United States Code, as reenacted by section 149 of
5 division C of the Omnibus Consolidated and Emer-
6 gency Supplemental Appropriations Act, 1999 (Pub-
7 lic Law 105–277), and as in effect on December 31,
8 2003, is hereby reenacted.

9 (2) EFFECTIVE DATE OF REENACTMENT.—

10 Paragraph (1) shall take effect on January 1, 2004.



1 (b) AMENDMENTS—Chapter 12 of title 11, United
2 States Code, as reenacted by subsection (a), is amended
3 by this Act.

4 (c) CONFORMING AMENDMENT.—Section 302 of the
5 Bankruptcy Judges, United States Trustees, and Family
6 Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is
7 amended by striking subsection (f).

In section 1201—

(1) strike paragraph (2) and insert the fol-
lowing:

8 (2) in each paragraph (other than paragraph
9 (54A)), by inserting “The term” after the paragraph
10 designation;

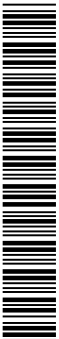
and

(2) strike paragraph (7) and insert the fol-
lowing:

11 (7) in paragraph (54A)—

12 (A) by striking “the term” and inserting
13 “The term”; and

14 (B) by indenting the left margin of para-
15 graph (54A) 2 ems to the right; and



Strike titles XIV and XV, and insert the following:

1 **TITLE XIV—PREVENTING COR-**
2 **PORATE BANKRUPTCY ABUSE**

3 **SEC. 1401. EMPLOYEE WAGE AND BENEFIT PRIORITIES.**

4 Section 507(a) of title 11, United States Code, as
5 amended by section 212, is amended—

6 (1) in paragraph (4) by striking “90” and in-
7 serting “180”, and

8 (2) in paragraphs (4) and (5) by striking
9 “\$4,000” and inserting “\$10,000”.

10 **SEC. 1402. FRAUDULENT TRANSFERS AND OBLIGATIONS.**

11 Section 548 of title 11, United States Code, is
12 amended—

13 (1) in subsections (a) and (b) by striking “one
14 year” and inserting “2 years”,

15 (2) in subsection (a)—

16 (A) by inserting “(including any transfer
17 to or for the benefit of an insider under an em-
18 ployment contract)” after “transfer” the 1st
19 place it appears, and

20 (B) by inserting “(including any obligation
21 to or for the benefit of an insider under an em-
22 ployment contract)” after “obligation” the 1st
23 place it appears, and

24 (3) in subsection (a)(1)(B)(ii)—



1 (A) in subclause (II) by striking “or” at
2 the end,

3 (B) in subclause (III) by striking the pe-
4 riod at the end and inserting “; or”, and

5 (C) by adding at the end the following:

6 “(IV) made such transfer to or for the benefit
7 of an insider, or incurred such obligation to or for
8 the benefit of an insider, under an employment con-
9 tract and not in the ordinary course of business.”.

10 **SEC. 1403. PAYMENT OF INSURANCE BENEFITS TO RETIRED**
11 **EMPLOYEES.**

12 Section 1114 of title 11, United States Code, is
13 amended—

14 (1) by redesignating subsection (l) as subsection
15 (m), and

16 (2) by inserting after subsection (k) the fol-
17 lowing:

18 “(l) If the debtor, during the 180-day period ending
19 on the date of the filing of the petition—

20 “(1) modified retiree benefits; and

21 “(2) was insolvent on the date such benefits
22 were modified;

23 the court, on motion of a party in interest, and after notice
24 and a hearing, shall issue an order reinstating as of the
25 date the modification was made, such benefits as in effect



1 immediately before such date unless the court finds that
2 the balance of the equities clearly favors such modifica-
3 tion.”.

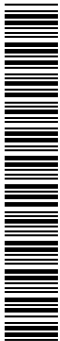
4 **SEC. 1404. EFFECTIVE DATE; APPLICATION OF AMEND-**
5 **MENTS.**

6 (a) **EFFECTIVE DATE.**—Except as provided in sub-
7 section (b), this title and the amendments made by this
8 title shall take effect on the date of the enactment of this
9 Act.

10 (b) **APPLICATION OF AMENDMENTS.**—

11 (1) **IN GENERAL.**—Except as provided in para-
12 graph (2), the amendments made by this title shall
13 apply only with respect to cases commenced under
14 title 11 of the United States Code on or after the
15 date of the enactment of this Act.

16 (2) **AVOIDANCE PERIOD.**—The amendment
17 made by section 1402(1) shall apply only with re-
18 spect to cases commenced under title 11 of the
19 United States Code more than 1 year after the date
20 of the enactment of this Act.



1 **TITLE XV—GENERAL EFFECTIVE**
2 **DATE; APPLICATION OF**
3 **AMENDMENTS**

4 **SEC. 1501. EFFECTIVE DATE; APPLICATION OF AMEND-**
5 **MENTS.**

6 (a) EFFECTIVE DATE.—Except as otherwise provided
7 in this Act, this Act and the amendments made by this
8 Act shall take effect 180 days after the date of enactment
9 of this Act.

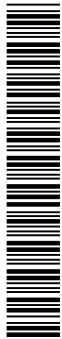
10 (b) APPLICATION OF AMENDMENTS.—

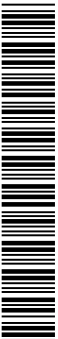
11 (1) IN GENERAL.—Except as otherwise pro-
12 vided in this Act and paragraph (2), the amend-
13 ments made by this Act shall not apply with respect
14 to cases commenced under title 11, United States
15 Code, before the effective date of this Act.

16 (2) CERTAIN LIMITATIONS APPLICABLE TO
17 DEBTORS.—The amendments made by sections 308,
18 322, and 330 shall apply with respect to cases com-
19 menced under title 11, United States Code, on or
20 after the date of the enactment of this Act.

21 **SEC. 1502. TECHNICAL CORRECTIONS.**

22 (a) CONFORMING AMENDMENTS TO TITLE 11 OF
23 THE UNITED STATES CODE.—Title 11 of the United
24 States Code, as amended by the preceding provisions of
25 this Act, is amended—



1 (1) in section 507—
2 (A) in subsection (a)—
3 (i) in paragraph (5)(B)(ii) by striking
4 “paragraph (3)” and inserting “paragraph
5 (4)”; and
6 (ii) in paragraph (8)(D) by striking
7 “paragraph (3)” and inserting “paragraph
8 (4)”;
9 (B) in subsection (b) by striking “sub-
10 section (a)(1)” and inserting “subsection
11 (a)(2)”; and
12 (C) in subsection (d) by striking “sub-
13 section (a)(3)” and inserting “subsection
14 (a)(1)”;
15 (2) in section 523(a)(1)(A) by striking
16 “507(a)(2)” and inserting “507(a)(3)”;
17 (3) in section 752(a) by striking “507(a)(1)”
18 and inserting “507(a)(2)”;
19 (4) in section 766—
20 (A) in subsection (h) by striking
21 “507(a)(1)” and inserting “507(a)(2)”; and
22 (B) in subsection (i) by striking
23 “507(a)(1)” each place it appears and inserting
24 “507(a)(2)”;


1 (5) in section 901(a) by striking “507(a)(1)”
2 and inserting “507(a)(2)”;

3 (6) in section 943(b)(5) by striking “507(a)(1)”
4 and inserting “507(a)(2)”;

5 (7) in section 1123(a)(1) by striking
6 “507(a)(1), 507(a)(2)” and inserting “507(a)(2),
7 507(a)(3)”;

8 (8) in section 1129(a)(9)—

9 (A) in subparagraph (A) by striking
10 “507(a)(1) or 507(a)(2)” and inserting
11 “507(a)(2) or 507(a)(3)”; and

12 (B) in subparagraph (B) by striking
13 “507(a)(3)” and inserting “507(a)(1)”;

14 (9) in section 1226(b)(1) by striking
15 “507(a)(1)” and inserting “507(a)(2)”; and

16 (10) in section 1326(b)(1) by striking
17 “507(a)(1)” and inserting “507(a)(2)”.

18 (b) RELATED CONFORMING AMENDMENT.—Section
19 6(e) of the Securities Investor Protection Act of 1970 (15
20 U.S.C. 78fff(e)) is amended by striking “507(a)(1)” and
21 inserting “507(a)(2)”.

In the table of contents strike the items relating to
titles XIV and XV, and insert the following items:



TITLE XIV—PREVENTING CORPORATE BANKRUPTCY ABUSE

- Sec. 1401. Employee wage and benefit priorities.
- Sec. 1402. Fraudulent transfers and obligations.
- Sec. 1403. Payment of insurance benefits to retired employees.
- Sec. 1404. Effective date; application of amendments.

TITLE XV—GENERAL EFFECTIVE DATE; APPLICATION OF
AMENDMENTS

- Sec. 1501. Effective date; application of amendments.
- Sec. 1502. Technical corrections.

