

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 7730  
OFFERED BY MR. CLINE OF VIRGINIA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Bankruptcy Threshold  
3 Adjustment Act”.

**4 SEC. 2. DEBT LIMIT MODIFICATIONS.**

5       (a) MODIFICATION TO THE SMALL BUSINESS BANK-  
6 RUPTCY DEBT LIMIT.—Section 1182(1) of title 11,  
7 United States Code, is amended to read as follows:

8           “(1) DEBTOR.—The term ‘debtor’—

9           “(A) subject to subparagraph (B), means a  
10           person engaged in commercial or business ac-  
11           tivities (including any affiliate of such person  
12           that is also a debtor under this title and exclud-  
13           ing a person whose primary activity is the busi-  
14           ness of owning single asset real estate) that has  
15           aggregate noncontingent liquidated secured and  
16           unsecured debts as of the date of the filing of  
17           the petition or the date of the order for relief  
18           in an amount not more than \$7,500,000 (ex-

1 including debts owed to 1 or more affiliates or in-  
2 siders) not less than 50 percent of which arose  
3 from the commercial or business activities of  
4 the debtor; and

5 “(B) does not include—

6 “(i) any member of a group of affili-  
7 ated debtors under this title that has ag-  
8 gregate noncontingent liquidated secured  
9 and unsecured debts in an amount greater  
10 than \$7,500,000 (excluding debt owed to 1  
11 or more affiliates or insiders);

12 “(ii) any debtor that is a corporation  
13 subject to the reporting requirements  
14 under section 13 or 15(d) of the Securities  
15 Exchange Act of 1934 (15 U.S.C. 78m,  
16 78o(d)); or

17 “(iii) any debtor that is an affiliate of  
18 a corporation described in clause (ii).”.

19 (b) MODIFICATION TO THE CONSUMER BANKRUPTCY  
20 DEBT LIMIT.—Section 109 of title 11, United States  
21 Code, is amended by striking subsection (e) and inserting  
22 the following:

23 “(e) Only an individual with regular income that  
24 owes, on the date of the filing of the petition, noncontin-  
25 gent, liquidated debts that aggregate less than \$2,750,000

1 or an individual with regular income and such individual's  
2 spouse, except a stockbroker or a commodity broker, that  
3 owe, on the date of the filing of the petition, noncontin-  
4 gent, liquidated debts that aggregate less than \$2,750,000  
5 may be a debtor under chapter 13 of this title.”.

6 **SEC. 3. EFFECTIVE DATE.**

7 The amendments made by this Act shall apply to any  
8 case that is commenced under title 11, United States  
9 Code, on or after the date of enactment of this Act.

