

**COMMITTEE ON RULES OF PRACTICE AND PROCEDURE
OF THE
JUDICIAL CONFERENCE OF THE UNITED STATES
WASHINGTON, DC 20544**

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October 16, 2019

MEMORANDUM

TO: Chief Judges, United States District Courts
Judges, United States Bankruptcy Courts

FROM: Honorable David G. Campbell 
Chair, Committee on Rules of Practice and Procedure

Honorable Dennis R. Dow 
Chair, Advisory Committee on Bankruptcy Rules

RE: PROPOSED INTERIM RULE AND OFFICIAL FORM AMENDMENTS FOR PUBLIC
COMMENT IN RESPONSE TO THE SMALL BUSINESS REORGANIZATION ACT OF 2019
(IMPORTANT INFORMATION)

On August 23, 2019, the Small Business Reorganization Act of 2019, P.L. 116-54 (SBRA) was enacted into law (see <https://www.congress.gov/116/bills/hr3311/BILLS-116hr3311enr.pdf>). The SBRA creates a new subchapter V of chapter 11 for the reorganization of small business debtors. It does not repeal existing chapter 11 provisions regarding small business debtors, but instead creates an alternative procedure that small business debtors may elect to use. The effective date of the SBRA is February 19, 2020.

When it became clear that the SBRA would likely become law, the Advisory Committee on Bankruptcy Rules began an intensive effort to review the SBRA's provisions and determine changes to the bankruptcy rules and official bankruptcy forms necessary to implement the

legislation by its effective date. Although changes to the official forms can be approved in time for the SBRA effective date, changes to the bankruptcy rules take three years or more under the process established by the Rules Enabling Act, 28 U.S.C. §§ 2071-77, and will not be completed by that time. As a result, our committees will issue interim SBRA rules for adoption as local rules or by general order in each judicial district. Because it is important that the new SBRA procedures be uniform, we hope that all courts will adopt the interim rules.

Our committees will publish the proposed SBRA form changes and interim rules for public comment for a period of four weeks, starting on October 16, 2019. Information on how to submit comments can be found on the “Proposed Amendments for Public Comment” page of the Courts’ public website at: <https://www.uscourts.gov/rules-policies/proposed-amendments-published-public-comment>. **The public comment period will close on November 13, 2019.**

The committees will make any adjustments called for by the public comments and will then seek approval from the Executive Committee of the Judicial Conference, acting on an expedited basis on behalf of the Judicial Conference, to distribute the interim rules to judicial districts. If there are no delays in the approval process, distribution should occur in mid-to-late December. This will provide time for the interim rules to be adopted by general order or as local rules by the SBRA effective date of February 19, 2020. The revised forms will be distributed to courts the same time as the interim rules. The committees will then move forward with regular promulgation of the SBRA rules under the Rules enabling Act.¹ Those rules, when finally approved, will replace the interim rules. Thank you for your cooperation in accepting these interim changes needed to conform to the SBRA.

cc: District Court Executives
Clerks, United States District Courts
Clerks, United States Bankruptcy Courts
Bankruptcy Administrators
Circuit Librarians

¹ Although changes to the Official Forms will be officially promulgated by February 2020 pursuant to the Advisory Committee’s delegated authority from the Judicial Conference to issue conforming Official Form amendments, the committees intend to publish them again under the regular procedure to ensure that the public has a thorough opportunity to review them.