UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF RHODE ISLAND

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In re:

RESCISSION OF INTERIM BANKRUPTCY RULES RELATED TO SMALL BUSINESS REORGANIZATION ACT OF 2019 AND ADOPTION OF REVISED INTERIM RULE 1020 BANKRUPTCY GENERAL ORDER

No. 2022-02

On December 1, 2022, the Small Business Reorganization Act of 2019 (the SBRA) interim bankruptcy rules will be adopted as full rules within the Federal Rules of Bankruptcy Procedure and therefore, are no longer required to serve as interim local rules of this Court. Accordingly, by this general order, as of December 1, 2022, this Court rescinds that portion of its February 18, 2020, General Order 2020-001 adopting these interim SBRA rules as local rules of this Court.

Additionally, on April 21, 2020, this Court issued General Order 2020-008 adopting Interim Rule 1020 as amended in response to the CARES Act in its entirety. The Bankruptcy Threshold and Technical Corrections Act (BTATCA), Pub. L. 117-151 reinstates the total debt limit for determining eligibility of a debtor to proceed under subchapter V of chapter 11 to \$7,500,000 – the amount previously in effect under the CARES Act. The BTATCA restores the \$7,500,000 limit retroactively for cases commenced on or after March 27, 2020, through June 21, 2024 (two years after enactment of the BTATCA), and Interim Rule 1020 is amended accordingly. The Advisory Committee on Bankruptcy Rules recommends that courts adopt Interim Rule 1020 as a local rule while the BTATCA subchapter V limit is in effect.

NOW THEREFORE, pursuant to 28 U.S.C. § 2071, Rule 83 of the Federal Rules of Civil Procedure, and Rule 9029 of the Federal Rules of Bankruptcy Procedure, it is ORDERED that Amended Interim Rule 1020 with the BTATCA Amendments as reflected in the attached "Revised"

Interim Rule 1020" applies to cases filed from March 27, 2020 through June 20, 2022, and cases still pending as of June 21, 2022 as well as filed on or after June 21, 2022, until further order of this Court; and

IT IS FURTHER ORDERED, this order supersedes General Order 20-008 on the Adoption of Interim Bankruptcy Rule 1020 related to the CARES Act effective April 20, 2020.

IT IS SO ORDERED.

Ordered:	Entered:
/s/ Susan M. Thurston	/s/ Diane Finkle
Susan M. Thurston	Diane Finkle
Clerk of Court	U.S. Bankruptcy Judge

Date: November 3, 2022

Attachment

1	Rule 1020. Chapter 11 Reorganization Case for Small
2	Business Debtors <u>or Debtors Under Subchapter V</u>
3	(a) <u>SMALL</u> <u>BUSINESS</u> DEBTOR
4	DESIGNATION. In a voluntary chapter 11 case, the debtor
5	shall state in the petition whether the debtor is a small
6	business debtor or a debtor as defined in § 1182(1) of the
7	Code and, if the latter so, whether the debtor elects to have
8	subchapter V of chapter 11 apply. In an involuntary chapter
9	11 case, the debtor shall file within 14 days after entry of the
10	order for relief a statement as to whether the debtor is a small
11	business debtor or a debtor as defined in § 1182(1) of the
12	Code and, if the latter so, whether the debtor elects to have
13	subchapter V of chapter 11 apply. The status of the case as
14	a small business case or a case under subchapter V of chapter
15	11 shall be in accordance with the debtor's statement under
16	this subdivision, unless and until the court enters an order
17	finding that the debtor's statement is incorrect.
18	(b) OBJECTING TO DESIGNATION. The United
19	States trustee or a party in interest may file an objection to
20	the debtor's statement under subdivision (a) no later than 30
21	days after the conclusion of the meeting of creditors held

- under § 341(a) of the Code, or within 30 days after any amendment to the statement, whichever is later.
- 24 (c) PROCEDURE FOR OBJECTION OR
 25 DETERMINATION. Any objection or request for a
 26 determination under this rule shall be governed by Rule 9014
 27 and served on: the debtor; the debtor's attorney; the United
 28 States trustee; the trustee; the creditors included on the list
 29 filed under Rule 1007(d) or, if a committee has been
 30 appointed under § 1102(a)(3), the committee or its

Committee Note

authorized agent; and any other entity as the court directs.

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The interim rule is amended in response to the enactment of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), Pub. L. No. 116-136, 134 Stat. 281.¹ That law provides a new definition of "debtor" for determining eligibility to proceed under subchapter V of chapter 11. Subdivision (a) of the rule is amended to reflect that change. This amendment to the Code will terminate one year after the date of enactment of the CARES Act.

¹ As amended by the COVID-19 Bankruptcy Relief Extension Act of 2021, Pub. L. 117-5, 135 Stat. 249 (providing that the CARES Act definition of "debtor" for determining eligibility to proceed under subchapter V of the chapter 11 will terminate two years (on March 27, 2022) after the CARES Act was enacted).