

119TH CONGRESS
1ST SESSION

S. 1659

AN ACT

To amend titles 11 and 28, United States Code, to modify the compensation payable to trustees serving in cases under chapter 7 of title 11, United States Code, to extend the term of certain temporary offices of bankruptcy judges, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bankruptcy Adminis-
3 tration Improvement Act of 2025”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) Congress has amended the laws governing
7 bankruptcy fees as necessary to ensure that the
8 bankruptcy system remains self-supporting, while
9 also fairly allocating the costs of the system among
10 those who use the system.

11 (2) Because of the importance for the bank-
12 ruptcy system to be self-funded, at no cost to tax-
13 payers, Congress has closely monitored the funding
14 needs of the bankruptcy system, including by requir-
15 ing periodic reporting by the Attorney General re-
16 garding the United States Trustee System Fund.

17 (3) Because the system governing bankruptcies
18 of various types is interconnected, Congress has es-
19 tablished fees, including filing fees, quarterly fees in
20 chapter 11 cases, and other fees, that together fund
21 the courts, judges, United States trustees, and trust-
22 ees serving in bankruptcy cases under chapter 7 of
23 title 11, United States Code.

24 (4) Trustees serving in bankruptcy cases under
25 chapter 7 of title 11, United States Code, are vital
26 to the functioning of the bankruptcy system, as they

1 provide services at the front lines of the bankruptcy
2 process, administering thousands of cases.

3 (5) Chapter 7 bankruptcy trustees provide valu-
4 able returns of assets to government creditors, in-
5 cluding the Internal Revenue Service, the Depart-
6 ment of Agriculture, the Small Business Administra-
7 tion, and other Federal, State, and municipal gov-
8 ernments.

9 (6) Due to the work of the chapter 7 bank-
10 ruptcy trustees, millions of dollars are also disbursed
11 annually to private creditors of all types, including
12 medical providers, unsecured creditors, small busi-
13 nesses, and micro-enterprises such as domestic sup-
14 port providers.

15 (7) Despite the essential role of chapter 7 bank-
16 ruptcy trustees, since 1994 the amount of compensa-
17 tion paid to these trustees has not been increased.
18 As in 1994, bankruptcy trustees receive only \$60
19 per case (composed of \$45 from subsection
20 330(b)(1), and \$15 from subsection 330(b)(2), of
21 title 11, United States Code) in nearly 90 percent of
22 chapter 7 cases, and bankruptcy trustees receive no
23 compensation at all for cases in which the filing fee
24 is waived by the bankruptcy court.

1 (8) Since 1994, there have been significant in-
2 creases in salaries, attorney fees, budget appropria-
3 tions, filing fees, and court-related fees associated
4 with chapter 7 bankruptcies. In contrast, the \$60
5 paid to chapter 7 trustees has remained the same
6 and has not even been increased for inflation. In
7 2021, Congress attempted to implement a mecha-
8 nism that would give chapter 7 trustees a raise, but
9 the trustees only received increased compensation for
10 1 fiscal year. Based on Consumer Price Index esti-
11 mates, the \$60 paid to trustees in 1994 would be
12 the equivalent of over \$125 today.

13 (9) This Act and the amendments made by this
14 Act—

15 (A) increase the compensation of chapter 7
16 bankruptcy trustees to the level that is appro-
17 priate, overdue, and proportionate with the level
18 that was intended in 1994, by increasing the
19 total compensation of trustees to \$120 per case;

20 (B) ensure adequate funding of the United
21 States trustee system through the increase of
22 certain fees, which will also apply to districts
23 that are not part of a United States trustee re-
24 gion as required by existing law; and

1 (C) support the preservation of existing
2 bankruptcy judgeships that are urgently needed
3 to handle existing and anticipated increases in
4 business and consumer caseloads.

5 (10) This Act will not alter the filing fee under
6 chapter 7 of title 11, United States Code, and will
7 not modify, impair, or supersede the current author-
8 ity of the district courts of the United States, or of
9 bankruptcy courts, to waive the payment of filing
10 fees by indigent individuals.

11 **SEC. 3. TRUSTEE COMPENSATION.**

12 (a) COMPENSATION OF OFFICERS.—Section 330 of
13 title 11, United States Code, is amended—

14 (1) in subsection (b)(1) by striking “\$45” and
15 inserting “\$105”; and

16 (2) by striking subsection (e).

17 (b) REMAINDER OF FEES.—Notwithstanding any
18 other provision of law, the remainder of fees collected
19 under section 1930(a)(1)(A) of title 28, United States
20 Code, after compensating trustees under section 330(b)(1)
21 of title 11, United States Code, shall be deposited as fol-
22 lows:

23 (1) \$63.51 in the special fund of the Treasury
24 established under section 1931 of title 28, United
25 States Code.

1 (2) \$25.00 in the special fund established in ac-
 2 cordance with section 10101(b) of the Deficit Reduc-
 3 tion Act of 2005 (28 U.S.C. 1931 note).

4 (3) \$51.49 in the United States Trustee System
 5 Fund established under section 589a of title 28,
 6 United States Code.

7 (c) UNITED STATES TRUSTEE SYSTEM FUND.—Sec-
 8 tion 589a of title 28, United States Code, is amended—

9 (1) in subsection (b), by striking paragraph (1)
 10 and inserting the following:

11 “(1) 28.33 percent of the fees collected under
 12 section 1930(a)(1)(B);” and

13 (2) in subsection (f)(1)—

14 (A) in subparagraph (D) by striking
 15 “Fourth” and inserting “Second”;

16 (B) by striking subparagraphs (B) and
 17 (C); and

18 (C) by redesignating subparagraph (D) as
 19 subparagraph (B).

20 **SEC. 4. BANKRUPTCY FEES.**

21 (a) QUARTERLY FEES.—Section 1930(a)(6)(B) of
 22 title 28, United States Code, is amended—

23 (1) in clause (i), by striking “5-year” and in-
 24 serting “10-year”; and

1 (2) in clause (ii)(II), by striking “0.8” and in-
 2 serting “1.1”.

3 (b) PERIOD FOR DEPOSITS.—Section 589a(f) of title
 4 28, United States Code, as amended by section 3(c)(2),
 5 is amended by striking “2026” each place it appears and
 6 inserting “2031”.

7 (c) DEPOSITS OF CERTAIN FEES FOR FISCAL YEARS
 8 2026 THROUGH 2031.—Notwithstanding section 589a(b)
 9 of title 28, United States Code, for each of fiscal years
 10 2026 through 2031—

11 (1) the fees collected under section 1930(a)(6)
 12 of title 28, United States Code, less the amount
 13 specified in subparagraph (2) of this subsection,
 14 shall be deposited as specified in section 589a(f) of
 15 title 28, United States Code, as amended by this
 16 Act; and

17 (2) \$5,400,000 of the fees collected under sec-
 18 tion 1930(a)(6) of title 28, United States Code, shall
 19 be deposited in the general fund of the Treasury.

20 **SEC. 5. EXTENSION OF TERM OF CERTAIN TEMPORARY OF-**
 21 **FICES OF BANKRUPTCY JUDGE.**

22 (a) BANKRUPTCY ADMINISTRATION IMPROVEMENT
 23 ACT OF 2020.—Section 4 of the Bankruptcy Administra-
 24 tion Improvement Act of 2020 (28 U.S.C. 152 note) is
 25 amended—

1 (1) in subsection (a)(2)—

2 (A) in subparagraph (A)(i), by striking “5
3 years” and inserting “10 years”; and

4 (B) in subparagraph (B)(i), by striking “5
5 years” and inserting “10 years”;

6 (2) in subsection (b)(2)—

7 (A) in subparagraph (A)(i), by striking “5
8 years” and inserting “10 years”;

9 (B) in subparagraph (B)(i), by striking “5
10 years” and inserting “10 years”;

11 (C) in subparagraph (C)(i), by striking “5
12 years” and inserting “10 years”;

13 (D) in subparagraph (D)(i), by striking “5
14 years” and inserting “10 years”;

15 (E) in subparagraph (E)(i), by striking “5
16 years” and inserting “10 years”; and

17 (F) in subparagraph (F)(i), by striking “5
18 years” and inserting “10 years”;

19 (3) in subsection (c)(2)—

20 (A) in subparagraph (A)(i), by striking “5
21 years” and inserting “10 years”; and

22 (B) in subparagraph (B)(i), by striking “5
23 years” and inserting “10 years”;

24 (4) in subsection (d)(2)—

1 (A) in subparagraph (A)(i), by striking “5
2 years” and inserting “10 years”; and

3 (B) in subparagraph (B)(i), by striking “5
4 years” and inserting “10 years”;

5 (5) in subsection (e)(2)(A), by striking “5
6 years” and inserting “10 years”; and

7 (6) in subsection (f)(2)(A), by striking “5
8 years” and inserting “10 years”.

9 (b) BANKRUPTCY JUDGESHIP ACT OF 2017.—Sec-
10 tion 1003(b)(2)(A) of the Bankruptcy Judgeship Act of
11 2017 (28 U.S.C. 152 note) is amended by striking “5
12 years” and inserting “10 years”.

13 **SEC. 6. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

14 (a) IN GENERAL.—Except as provided in paragraph
15 (2), the amendments made by this Act shall take effect
16 on October 1 that first occurs after the date of enactment
17 of this Act.

18 (b) EXCEPTIONS.—

19 (1) COMPENSATION OF OFFICERS.—Section 3
20 and the amendments made by section 3 shall apply
21 to any case under title 11, United States Code, com-
22 menced on or after October 1 that first occurs after
23 the date of enactment of this Act—

24 (A) under chapter 7 of title 11, United
25 States Code; or

1 (B) under chapter 11, 12, or 13 of title 11,
 2 United States Code, that is converted to a case
 3 under chapter 7 of title 7, United States Code.

4 (2) BANKRUPTCY FEES.—Section 4 and the
 5 amendments made by section 4 shall apply to—

6 (A) any case pending under chapter 11 of
 7 title 11, United States Code, on or after Octo-
 8 ber 1 that first occurs after the date of enact-
 9 ment of this Act; and

10 (B) quarterly fees payable under section
 11 1930(a)(6) of title 28, United States Code, for
 12 disbursements made in any calendar quarter
 13 that begins on or after October 1 that first oc-
 14 curs after the date of enactment of this Act.

Passed the Senate August 1, 2025.

Attest:

Secretary.

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