## IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF PUERTO RICO

IN THE MATTER OF:

: GENERAL ORDER 22-02

# GENERAL ORDER ADOPTING AMENDMENTS TO : INTERIM BANKRUPTCY RULE 1020 TO : IMPLEMENT THE BANKRUPTCY THRESHOLD : ADJUSTMENT AND TECHNICAL CORRECTIONS ACT :

#### **GENERAL ORDER**

The Bankruptcy Threshold Adjustment and Technical Corrections Act (BTATC Act), Pub. L. No. 117-151 (2022), signed into law by the President on June 21, 2022, temporarily increases the debt threshold in subchapter V of chapter 11 and chapter 13 of title 11 of the United States Code. The BTATC Act restores the \$7,500,000 limit retroactively for cases commenced on or after March 27, 2020, which sunsets two years after the date of enactment of the BTATC Act.

To implement the BTATC Act, the Advisory Committee on Bankruptcy Rules recommends that courts adopt Interim Rule 1020 as a local rule while the BTATC Act subchapter V limit is in effect. Interim Rule 1020 was revised to implement the CARES Act debt limit from March 27, 2020, to March 27, 2022, when the relevant CARES Act provisions expired.

In view of the above, **it is hereby ordered** that 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, the attached amended Interim Rule 1020 of the Federal Rules of Bankruptcy Procedure is adopted in its entirety without change in this district and shall remain in effect until further order of this Court.

IT IS FURTHER ORDERED that notice is given that pursuant to the BTATC Act, the debt limit was reinstated for determining eligibility to proceed under subchapter V of chapter 11. Consequently, line 13 of Official Form 101 - Voluntary Petition for Individuals Filing for Bankruptcy and line 8 of Official Form 201 – Voluntary Petition for Non-Individuals Filing for Bankruptcy were amended to reflect this change. These amendments will terminate two years after the date of the enactment of the BTATC Act, unless extended.

### **BY ORDER OF THE COURT.**

In San Juan, Puerto Rico this 30th day of August, 2022.

Mildred Cabán Flores, Chief U.S. Bankruptcy Judge

Enrique S. La **Bankruptcy** Judge

Edward A. Godoy, U.S.

Maria de Los Angeles Gonzalez, U.S Judge

1 **Interim** Rule 1020. Chapter 11 Reorganization Case for 2 Small Business Debtors or Debtors Under Subchapter V 3 SMALL BUSINESS DEBTOR (a) 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 <u>Code</u> and, if <u>the latter</u> 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  $\S$  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 22 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
31	authorized agent; and any other entity as the court directs.

#### **Committee Note**

The Interim Rule is amended in response to the enactment of the Bankruptcy Threshold Adjustment and Technical Correction Act (the "BTATC Act"), Pub. L. No. 117-151, \_\_\_\_\_\_\_\_\_. The BTATC reinstates the definition of "debtor" for determining eligibility to proceed under subchapter V of chapter 11 that was in effect from March 27, 2020 through March 27, 2022, under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281, as amended. Subdivision (a) of the rule is amended to reflect that change. This Interim Rule will terminate two years after the date of enactment of the BTATC, unless the Act is extended.