UNITED STATES BANKRUPTCY COURT DISTRICT OF NEVADA

IN RE: ADOPTION OF TEMPORARY AMENDMENT TO INTERIM BANKRUPTCY RULE 1020 CORRESPNDING TO THE BANKRUPTCY THRESHOLD ADJUSTMENT AND TECHNICAL ACT

ADMINISTRATIVE ORDER 2022-04

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act")¹ was signed into law. The CARES Act temporarily amended various provisions of the Bankruptcy Code² for a one-year period. In order to promptly implement the provisions of the CARES Act, the Court on April 22, 2020 issued Administrative Order 2020-10, adopting Interim Bankruptcy Rule 1020(a) in its entirety.

On March 27, 2021, the COVID-19 Bankruptcy Relief Extension Act of 2021 ("Extension Act")³ was signed into law. The Extension Act extended the CARES Act's bankruptcy-related amendments for an additional one-year period.

On March 27, 2022, the sunset date contained in the Extension Act passed without further legislative action. As a result, on March 27, 2022, the definition of the term "debtor" under the CARES Act, as applicable to cases filed under Subchapter V of Chapter 11 of the Bankruptcy Code, lapsed as well. On March 28, 2022, the Court issued Administrative Order 2022-02, rescinding Administrative Order 2020-10.

¹ Pub. L. No. 116-136, 134 Stat. 281 (2020).

² 11 U.S.C. §§ 101-1532, inclusive.

³ Pub. L. No. 117-5, 135 Stat. 249 (2021).

On June 21, 2022, the Bankruptcy Threshold Adjustment and Technical Corrections Act ("Corrections Act")⁴ was signed into law, temporarily amending various provisions of the Bankruptcy Code for a two-year period. Among other things, the Corrections Act reinstated the definition of the term "debtor" under the CARES Act, as applicable to cases filed under Subchapter V of Chapter 11 of the Bankruptcy Code. By its terms, the Corrections Act applies retroactively to pending cases commenced during the time period between March 27, 2020 and June 21, 2022. Adoption of Amended Interim Rule 1020 is necessary to promptly implement the terms of the Corrections Act.

IT IS THEREFORE ORDERED that pursuant to 28 U.S.C. § 2071, FED. R. CIV. P. 83, and FED. R. BANKR. P. 9029, Amended Interim Rule 1020, as attached hereto, is adopted in its entirety and shall remain in effect until the earlier of June 21, 2024, or further order of this Court.

IT IS FURTHER ORDERED that Amended Interim Rule 1020 shall apply retroactively to pending cases commenced in the time period between March 27, 2020 and June 21, 2022.

Dated this 26th day of July, 2022.

August B. Landis, Chief Judge United States Bankruptcy Court District of Nevada

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⁴ Pub. L. No. 117-151, 136 Stat. 1298 (2022).

1	Interim Rule 1020. Chapter 11 Reorganization Case for
2	Small Business Debtors <u>or Debtors Under Subchapter V</u>
3	(a) <u>SMALL 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
22	under § 341(a) of the Code, or within 30 days after any
23	amendment to the statement, whichever is later.

- 24 (c) PROCEDURE FOR OBJECTION OR
- 25 DETERMINATION. Any objection or request for a
- determination under this rule shall be governed by Rule 9014
- 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
- 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, ____ Stat. ____. 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.