

**AMENDMENT TO RULES COMMITTEE PRINT**

**118-36**

**OFFERED BY MS. ROSS OF NORTH CAROLINA**

At the end of subtitle C of title XVII, insert the following new section:

1 **SEC. 17\_\_.** **CLOSING BANKRUPTCY LOOPHOLES FOR**  
2 **CHILD PREDATORS.**

3 (a) **TITLE 11 AMENDMENTS.**—Title 11, United  
4 States Code, is amended—

5 (1) in section 101—

6 (A) by redesignating paragraphs (51B),  
7 (51C), and (51D) as paragraphs (51C), (51D),  
8 and (51E), respectively; and

9 (B) by inserting after paragraph (51A) the  
10 following:

11 “(51B) The term ‘sexual abuse of a child’  
12 means any act that is a violation under—

13 “(A) section 1589, 1590, 1591, 2241(c),  
14 2242, 2243, 2251, 2251A, 2252, 2252A, 2260,  
15 2421, 2422, 2423, 2258, or 2258A, of title 18;

16 “(B) section 20341 of title 34; or

17 “(C) a non-Federal law that is similar to  
18 a law described in subparagraph (A).”;

1 (2) in section 107—

2 (A) by amending subsection (b) to read as  
3 follows:

4 “(b)(1) Subject to paragraph (2), on request of a  
5 party in interest, the bankruptcy court shall, and on the  
6 bankruptcy court’s own motion, the bankruptcy court  
7 may—

8 “(A) protect an entity with respect to a trade  
9 secret or confidential research, development, or com-  
10 mercial information; or

11 “(B) protect a person with respect to scan-  
12 dalous or defamatory matter contained in a paper  
13 filed in a case under this title.

14 “(2)(A) Subject to subparagraph (B), this subsection  
15 shall not apply to a case regarding debts or other financial  
16 liability relating to an allegation of sexual abuse of a child  
17 except to the extent necessary to protect the identity and  
18 personal information of the person that made such allega-  
19 tion.

20 “(B) In the event the applicable debtor of a case de-  
21 scribed in subparagraph (A) is found innocent of the alle-  
22 gation described in such subparagraph in a court of law,  
23 such subparagraph shall not apply.”; and

24 (B) by adding at the end the following:

1           “(4) With respect to a case described in para-  
2           graph (2)(A), a court, or any order issued by a  
3           court, may seal any evidence relating to the allega-  
4           tion described in such paragraph if the applicable  
5           debtor is found innocent of abuse in a court of  
6           law.”;

7           (3) in section 362(b)(2)(A)—

8           (A) in clause (iv) by striking “or” at the  
9           end;

10          (B) in clause (v) by adding “or” at the  
11          end; and

12          (C) by adding at end the following:

13                 “(vi) concerning the sexual abuse of a  
14                 child, or any related claims;”;

15          (4) in section 524(g)(2)(B)(i), by amending  
16          subclause (I) to read as follows:

17                         “(I) is to assume the liabilities of  
18                         a debtor which at the time of entry of  
19                         the order for relief has been named as  
20                         a defendant in personal injury, wrong-  
21                         ful death, or property-damage actions  
22                         seeking recovery for damages—

23                                 “(aa) allegedly caused by  
24                                 the presence of, or exposure to,

1 asbestos or asbestos-containing  
2 products; or

3 “(bb) relating to the sexual  
4 abuse of a child;”;

5 (5) in section 541, by adding at end the fol-  
6 lowing:

7 “(g) In all cases regarding debts or other financial  
8 liability relating to allegations of sexual abuse of a child  
9 in which an applicable debtor is an organization described  
10 in section 501(c)(3) of the Internal Revenue Code of 1986  
11 and exempt from tax under section 501(a) of such Code,  
12 the court shall—

13 “(1) engage the services of an independent fo-  
14 rensic accountant to review the assets and interests  
15 of—

16 “(A) such debtor; and

17 “(B) any nondebtor sought to be released  
18 from liability in a proposed reorganization plan;  
19 and

20 “(2) require preparation of a report (that in-  
21 cludes information reviewed by the independent fo-  
22 rensic accountant under paragraph (1)) to assist the  
23 court with ensuring that such assets and interests  
24 are properly included or excluded from the estate.”;

1           (6) in section 1109, by adding at the end the  
2 following:

3           “(c) With respect to a case described in subsection  
4 (b) in which a claim, relating to sexual abuse of a child,  
5 is filed against an applicable debtor, the court shall hold  
6 a conference within 60 days of the deadline by which  
7 proofs of claim must be filed to consider victim impact  
8 statements.

9           “(d) With respect to any victim impact statements  
10 considered under subsection (c), to encourage candor, and  
11 thus enhance the utility of such victim impact statements,  
12 the information provided through such victim impact  
13 statements may not be, or be used as, evidence by any  
14 person in the applicable case.

15           “(e) In this section, the term ‘victim impact state-  
16 ment’ means a voluntary written, oral, video, or audio  
17 statement describing the emotional, physical, familial, or  
18 financial effect suffered as a result of being a victim of  
19 sexual abuse of a child—

20           “(1) that is submitted, or presented, to the  
21 court in the name of the victim (or under a pseu-  
22 donym) who is a creditor of the applicable debtor in  
23 a case, relating to an allegation of sexual abuse of  
24 a child, under this chapter.

1           “(2) the sole purpose of which is to increase en-  
2           gagement and understanding between the bank-  
3           ruptcy court and victims and survivors of sexual  
4           abuse of a child.”;

5           (7) in section 1111, by adding at the end the  
6           following:

7           “(c) A claim relating to sexual abuse of a child are  
8           deemed timely filed regardless of and notwithstanding the  
9           state statute of limitation otherwise applicable to the  
10          claim.”; and

11          (8) in section 1181 by adding at the end the  
12          following:

13          “(d) PROHIBITION ON CLAIMS RELATED TO CHILD  
14          SEXUAL ABUSE.—Notwithstanding any provision of law  
15          to the contrary, no filings under subchapter V of this  
16          chapter shall be permitted for claims relating to sexual  
17          abuse of a child.”.

18          (b) FEDERAL RULES OF BANKRUPTCY PROCEDURE  
19          AMENDMENTS.—The Federal Rules of Bankruptcy Proce-  
20          dure (11 U.S.C. app.) are amended—

21                 (1) in rule 2004—

22                         (A) in subsection (b), by inserting “In a  
23                         reorganization case under chapter 11 of the  
24                         Code related to the alleged sexual abuse of a  
25                         child, the examination shall also relate to the

1 abuse allegations against the debtor and any af-  
2 filiated entity, remedial policies and responses  
3 to those allegations, information on the debtor  
4 or an affiliated entity's finances and financial  
5 projections, and any other matter relevant to  
6 the case or to the formulation of a plan." after  
7 the final period; and

8 (B) in subsection (c), by inserting "In a  
9 reorganization case under chapter 11 of the  
10 Code related to the alleged sexual abuse of a  
11 child, debtor attendance for examination and  
12 the production of documents or electronically  
13 stored information is required." after the final  
14 period; and

15 (2) in rule 9018, by inserting "In no respect  
16 shall any court order seal any evidence of alleged  
17 crimes relating to the sexual abuse of a child other  
18 than to protect the identity and personal information  
19 of the person(s) alleging that they were abused un-  
20 less the alleged offender is found innocent of abuse  
21 in a court of law." after the final period.

