

Small Business Reorganization Act of 2019

The Small Business Reorganization Act (SBRA) of 2019 becomes effective on February 19, 2020. It amends Title 11 of the U.S. Code to create a new subchapter V to Chapter 11 for the reorganization of small business debtors. The current law regarding small business debtors is not repealed. The law creates an alternate procedure that small business debtors may elect to use. Filings under SBRA will not be accepted prior to February 19, 2020.

Interim rules have promulgated and adopted by this Court. See the General Order, **Adoption of Interim Bankruptcy Rules Small Business Reorganization Act of 2019**, at <https://www.okwb.uscourts.gov/court-info/local-rules-and-orders/general-orders>. A copy of the interim rules is filed with the General Order.

A very brief synopsis of the legislation was included in the January 2020 ECFiler. For more information, refer to the Interim Rules with redline version and committee notes at <https://www.uscourts.gov/rules-policies/pending-rules-and-forms-amendments>.

New CM/ECF events associated with the law change include:

- A checkbox on the voluntary petition for individuals indicates that a debtor wishes to proceed under SBRA; see Question 13
- A checkbox on the voluntary petition for non-individuals indicates that a debtor wishes to proceed under SBRA; see Question 8
- When filing the petition, a business debtor must elect that they wish to proceed under subchapter V

- A small business debtor filing under subchapter V must certify that aggregate non-contingent liquidated debts are less than \$2,725,625
- New Notices of Chapter 11 Bankruptcy Case for Individuals and Corporations/Partnerships have been promulgated as Official Forms 309E2 and 309F2; the new forms include the name of the subchapter V trustee
- When the petition is filed, a deadline for filing the subchapter V plan is set 90 days from petition filing; Official Form 425A has been promulgated for this purpose
- A debtor, who has filed a Chapter 11 petition, may elect to become a Small Business Debtor or a Small Business Debtor under subchapter V by filing a Debtors Election of Small Business Designation as permitted by law and selecting the appropriate button in the event
- A Pre-Status Conference Report is required to be filed 14 days prior to the Status Conference; use the event, Pre-Status Conference Report
- When filing a Chapter 11 plan, a user must select whether the plan is filed for Chapter 11 Reorganization; Chapter 11 Small Business; Chapter 11 Small Business under subchapter V; or Chapter 11 Small Business under subchapter V as a consensual plan

Official Forms 101, 201, 309E1, 309E2, 309F1, 309F2, 314, 315, and 425A have been promulgated. The forms and committee notes are available at <https://www.uscourts.gov/rules-policies/pending-rules-and-forms-amendments/pending-changes-bankruptcy-forms>.