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AMENDMENT TO H.R. 975
OFFERED BY MR. SHERMAN

Add at the end the following:

1 **TITLE _____**

2 **SEC. ____ . LOCAL FILING OF BANKRUPTCY CASES.**

3 (a) VENUE OF CASES UNDER TITLE 11.—Section
4 1408 of title 28, United States Code, is amended—

5 (1) by striking “Except” and inserting the fol-
6 lowing:

7 “(a) Except”;

8 (2) in paragraph (2), by inserting “as defined
9 in section 101(2)(A) of title 11” after “affiliate”;
10 and

11 (3) by adding at the end the following:

12 “(b) For purposes of subsection (a)—

13 “(1) if the debtor is a corporation, the domicile
14 and residence of the debtor are conclusively pre-
15 sumed to be where the debtor’s principal place of
16 business in the United States is located; and

17 “(2) if an affiliate, as defined in section
18 101(2)(A) of title 11, is not a debtor in a case under
19 title 11, but the debtor is an affiliate as defined in
20 subparagraph (B), (C), or (D) of that section, then
21 the bankruptcy case may be filed in the district in



1 which the principal place of business of the affiliate
2 with the greatest assets in the United States is lo-
3 cated.”.

4 (b) CHANGE OF VENUE.—Section 1412 of title 28,
5 United States Code, is amended—

6 (1) by striking “A” and inserting the following:

7 “(a) A”; and

8 (2) by adding at the end the following:

9 “(b) The district court of a district in which is filed
10 a case laying venue in the wrong division or district shall
11 dismiss, or if it be in the interest of justice, transfer such
12 case to any district or division in which it could have been
13 brought.

14 “(c) Nothing in this chapter shall impair the jurisdic-
15 tion of a district court of any matter involving a party
16 who does not interpose timely and sufficient objection to
17 the venue.

18 “(d) As used in this section—

19 “(1) the term “district court” includes—

20 “(A) the bankruptcy judges of each such
21 court as defined in section 151 of this title; and

22 “(B) the District Court of Guam, the Dis-
23 trict Court for the Northern Mariana Islands,
24 and the District Court of the Virgin Islands, in-



1 cluding any bankruptcy judge of each such
2 court; and
3 “(2) the term “district” includes the territorial
4 jurisdiction of each such court.”.

