



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 21, 2012

**S. 2370
Small Business Reorganization Efficiency and Clarity Act**

As ordered reported by the Senate Committee on the Judiciary on May 24, 2012

S. 2370 would change bankruptcy procedures for small businesses. The bill would extend the deadline for courts to confirm bankruptcy plans for small businesses from 45 days to 90 days. S. 2370 would allow small business debtors with claims of less than \$5,000 to retain current or rehire former employees. The bill also would clarify the list of financial reports that small business debtors must file with the court and would require that small business debtors must file through procedures specific to small businesses. Finally, the legislation would require that the Government Accountability Office (GAO) submit a report to the Congress on small business bankruptcy.

Based on information provided by the Department of Justice and the Administrative Conference of the U.S. Courts and GAO, CBO estimates that implementing S. 2370 would have no significant impact on the federal budget. The legislation would slightly increase the administrative costs of processing some bankruptcy cases, but CBO estimates that those expenses would not be significant over the 2013-2017 period and would be subject to the availability of appropriated funds. Enacting S. 2370 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 2370 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.