

Bill No. LVI of 2016

THE CONSTITUTION (AMENDMENT) BILL, 2016

A

BILL

further to amend the Constitution of India.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (Amendment) Act, 2016.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification
5 in the Official Gazette, appoint.

2. In the Constitution, for article 109, the following shall be substituted, namely:—

Amendment
of article 109.

"109 (1). A Money Bill may be introduced in either House of Parliament.

Special
procedure in
respect of
Money Bills.

(2) After a Money Bill has been passed by the House of the People, it shall be
transmitted to the Council of States for its recommendations and the Council of States
10 shall within a period of fourteen days from the date of its receipt of the Bill return the
Bill to the House of the People with its recommendations, and the House of the People
may thereupon either accept or reject all or any of the recommendations of the Council
of States.

(3) If the House of the People accepts any of the recommendations of the Council
15 of States, the Money Bill shall be deemed to have been passed by both Houses with
the amendments recommended by the Council of States and accepted by the House of
the People.

(4) If the House of the People does not accept any of the recommendations of
20 the Council of States, the Money Bill shall be deemed to have been passed by both
Houses in the form in which it was passed by the House of the People without any of
the amendments recommended by the Council of States.

(5) If a Money Bill passed by the House of the People and transmitted to the Council of States for its recommendations is not returned to the House of the People within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the House of the People.

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(6) After a Money Bill has been passed by the Council of States, it shall be transmitted to the House of the People for its consideration.

(7) The House of the People shall follow the same procedure laid down for considering the Bill referred to in clause (6) like any other Bill passed by the Council of States and transmitted to it.

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(8) The procedure laid down under the clauses (2), (3), (4) and (5) shall be followed in respect of Money Bills introduced in the House of People; and

(9) The procedure laid down under clauses (6) and (7) shall be followed in respect of the Money Bills introduced in the Council of States.

Amendment
of article 117.

3. In article 117 of the Constitution, in clause (1), the words "and a Bill making such provision shall not be introduced in the Council of States" shall be omitted

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Amendment
of article 198.

4. In the Constitution, for article 198, the following shall be substituted, namely:—

Special
procedure in
respect of
Money Bills.

"198 (1). A Money Bill may be introduced in either House of Legislature of a State which has a Legislative Council.

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(2) After a Money Bill has been passed by Legislative Assembly of a State having a Legislative Council it shall be transmitted to the Legislative Council for its recommendations and the Legislative Council shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the Legislative Assembly with its recommendations and the Legislative Assembly may thereupon either accept or reject all or any, of the recommendations of the Legislative Council.

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(3) If the Legislative Assembly accepts any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both Houses with the amendments recommended by the Legislative Council and accepted by the Legislative Assembly.

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(4) If the Legislative Assembly does not accept any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both Houses in the form in which it was passed by the Legislative Assembly without any of the amendments recommended by the Legislative Council.

(5) If a Money Bill passed by the Legislative Assembly and transmitted to the Legislative Council for its recommendations is not returned to the Legislative Assembly within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the Legislative Assembly.

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(6) After a Money Bill has been passed by the Legislative Council, it shall be transmitted to the Legislative Assembly for its consideration.

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(7) The Legislative Assembly shall follow the same procedure laid down for considering the Bill referred to in clause (6) like any other Bill passed by the Legislative Council and transmitted to it.

(8) The procedure laid down under the clauses (2), (3), (4) and (5) shall be followed in respect of Money Bills introduced in the Legislative Assembly; and

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(9) The procedure laid down under clauses (6) and (7) shall be followed in respect of the Money Bills introduced in the Legislative Council.

Amendment
of article 207.

5. In article 207 of the Constitution, in clause (1), the words "and a Bill making such provision shall not be introduced in Legislative Council shall be omitted.

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STATEMENT OF OBJECTS AND REASONS

The founders of our Indian Constitution have thought that only the federal form of Government with bicameral legislature is suitable for a vast country like India to sustain its unique feature of "**Unity in Diversity**". The Constitution has mandated to form a "Council of States" *i.e.*, a House elected by the elected members of Assemblies of the States and union territories, along with a directly elected House of People to represent the parliamentary democracy. Though the Union Council of Ministers are collectively responsible only to the House of the People and the House of the People solely enjoys the matters relating to certain financial matters, the Council of States had also played a constructive and effective role in our federal set up. The performance of Council of States in the legislative field and in influencing the policies of the government has been quite significant. The Rajya Sabha, the Upper House of Parliament, has efficiently served its Constitutional mandate and preserved its dignity and prestige.

However, Article 109 and Article 117 of the Constitution prohibit the introduction of Money Bills and certain Financial Bills in the Council of States. The decision on these Bills is totally vested with the House of People and Council of States cannot make amendments to the above Bills but only it can recommend amendments and finally accepting or rejecting the recommendations of Council of States rests with House of People only. Introduction and final decision on the Money Bill are two different things and mere allowing introduction of Bills will not have any effect either on the responsibility or on the authority of the House. But denying even introduction of Money Bills in the Upper House is not understandable and it is prohibiting the Members of the Council of States to put forth his/her ideas in the matters of Money Bills, thus infringing their rights guaranteed under articles 14 and 19(1) of the Constitution. Even permitting the introduction of Money Bills in the Upper House will not hamper the basic principles of Constitution as the House of the People is the ultimate authority to take a decision on the Money Bills as mandated by the Constitution. Sometimes, a situation may arise that a party in power in a certain State, may not have representation in House of People, and in such situation its representative in the Council of States may want to bring to the notice of the government about some issues involving financial liability on the Union Government, through a Private Member Bill. But not allowing him/her to introduce such Bills by terming them as Money Bills/ Financial Bills hampers the interest of the State.

Similarly Article 198 and Article 207 of the Constitution prohibit the introduction of Money Bills and certain Financial Bills in the Legislative Council of the States, wherever they exist. This is infringing the rights of Members of Legislative Councils.

Allowing the introduction of Money Bills/ Financial Bills in the Council of States/ Legislative Councils does not alter the basic features of the Constitution. Therefore, with due respects to constitutional mandate of specific responsibility given to House of People and Legislative Assemblies, this Bill proposes to sustain the dignity of the Upper House of Parliament as well as Legislative Councils of the States by permitting the Money Bills/ Financial Bills to be introduced in them.

Hence, the Bill.

DR. K. V. P. RAMACHANDRA RAO

ANNEXURE

EXTRACTS FROM THE CONSTITUTION OF INDIA

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109. Special procedure in respect of Money Bills.—(1) A Money Bill shall not be introduced in the Council of States.

(2) After a Money Bill has been passed by the House of the People it shall be transmitted to the Council of States for its recommendations and the Council of States shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the House of the People with its recommendations and the House of the People may thereupon either accept or reject all or any of the recommendations of the Council of States.

(3) If the House of the People accepts any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses with the amendments recommended by the Council of States and accepted by the House of the People.

(4) If the House of the People does not accept any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses in the form in which it was passed by the House of the People without any of the amendments recommended by the Council of States.

(5) If a Money Bill passed by the House of the People and transmitted to the Council of States for its recommendations is not returned to the House of the People within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the House of the People.

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117. Special provisions as to financial Bills.—(1) A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President and a Bill making such provision shall not be introduced in the Council of States:

Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

(2) A Bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alternation or regulation of any tax by any local authority or body for local purposes.

(3) A Bill which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of India shall not be passed by either House of Parliament unless the President has recommended to that House the consideration of the Bill.

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198. Special procedure in respect of Money Bills.—(1) A Money Bill shall not be introduced in a Legislative Council.

(2) After a Money Bill has been passed by the Legislative Assembly of a State having a Legislative Council, it shall be transmitted to the Legislative Council for its recommendations, and the Legislative Council shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the Legislative Assembly with its recommendations, and the Legislative Assembly may thereupon either accept or reject all or any of the recommendations of the Legislative Council.

(3) If the Legislative Assembly accepts any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both Houses with the amendments recommended by the Legislative Council and accepted by the Legislative Assembly.

(4) If the Legislative Assembly does not accept any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both Houses in the form in which it was passed by the Legislative Assembly without any of the amendments recommended by the Legislative Council.

(5) If a Money Bill passed by the Legislative Assembly and transmitted to the Legislative Council for its recommendations is not returned to the Legislative Assembly within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the Legislative Assembly.

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207. Special Provisions as to financial Bills.—(1) A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 199 shall not be introduced or moved except on the recommendation of the Governor, and a Bill making such provision shall not be introduced in a Legislative Council:

Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

(2) A bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.

(3) A Bill, which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of a State shall not be passed by a House of the Legislature of the State unless the Governor has recommended to that House the consideration of the Bill.

RAJYA SABHA

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further to amend the Constitution of India.

(Dr. K.V.P. Ramachandra Rao, M.P.)