Parliament 3 (Types of Bill)

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Legislative Procedure in Parliament

- The legislative procedure is identical in both the Houses of Parliament.
- Every bill has to pass through the same stages in each House.
- A bill is a proposal for legislation and it becomes an act or law when duly enacted.

The bills introduced in the Parliament can also be classified into four categories:

1. **Ordinary bills,** which are concerned with any matter other than financial subjects.

2**. Money bills**, which are concerned with the financial matters like taxation, public expenditure,etc

3. **Financial bills**, which are also concerned with financial matters (but are different from money bills).

4. **Constitution amendment bills**, which are concerned with the amendment of the provisions of the Constitution.

Money Bills

Article 110 of the Constitution deals with the definition of money bills.

It states that a bill is deemed to be a money bill if it contains only provisions dealing with any of the following matters:

- The imposition, abolition, remission, alteration or regulation of any tax;
- The regulation of the borrowing of money by the Union government;
- The custody of the Consolidated Fund of India or the contingency fund of India, the payment or withdrawal of money from them
- Declaration of any expenditure as 'charged' on the Consolidated Fund of India
- The receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money, or the audit of the accounts of the Union or of a state

- If any question arises whether a bill is a money bill or not, the decision of the Speaker of the Lok Sabha is final. His decision in this regard cannot be questioned in any court of law or in the either House of Parliament or even the president.

- When a money bill is transmitted to the Rajya Sabha for recommendation and presented to the president for assent, the Speaker endorses it as a money bill.

- A money bill can only be introduced in the Lok Sabha and that too on the recommendation of the president.

- Every such bill is considered to be a government bill and can be introduced only by a minister.

- The Rajya Sabha cannot reject or amend a money bill.

- It can only make recommendations.
- It must return the bill to the Lok Sabha within 14 days, with or without recommendations.
- The Lok Sabha can either accept or reject all or any of the recommendations of the Rajya Sabha.

- If the Rajya Sabha does not return the bill to the Lok Sabha within 14 days, the bill is deemed to have been passed by both the Houses in the form originally passed by the Lok Sabha.
- Thus, the **Lok Sabha has more powers than Rajya Sabha with regard to a money bill.**
- On the other hand, both the Houses have equal powers with regard to an ordinary bill.

- Finally, when a money bill is presented to the president, he may either give his assent to the bill or withhold his assent to the bill but cannot return the bill for reconsideration of the Houses.

- Normally, the president gives his assent to a money bill as it is introduced in the Parliament with his prior permission.

Financial Bills - Art.117

- Financial bills are those bills that deal with fiscal matters, that is, revenue or expenditure.
- However, the Constitution uses the term financial bill in a technical sense.

Financial bills are of three kinds:

- ➢ Money bills—Article 110
- ➢ Financial bills (I)—Article 117 (1)
- ➢ Financial bills (II)—Article 117 (3)

** Money bills are simply a species of financial bills.

Hence, all money bills are financial bills but all financial bills are not money bills.

- Only those financial bills are money bills which contain exclusively those matters which are mentioned in Article 110 of the Constitution.
- These are also certified by the Speaker of Lok Sabha as money bills.

- The financial bills (I) and (II), on the other hand, have been dealt with in Article 117 of the Constitution.

Financial Bills (I) - Article 117 (1)

- contains not only any or all the matters mentioned in Article 110, but also other matters of general legislation.
- a bill that contains a borrowing clause, but does not exclusively deal with borrowing.

- In two respects, a financial bill (I) is similar to a money bill :

(a) both of them can be introduced only in the Lok Sabha and not in the Rajya Sabha, and

(b) both of them can be introduced only on the recommendation of the president.

- In all other respects, a financial bill (I) is governed by the same legislative procedure applicable to an ordinary bill.
- Hence, it can be either rejected or amended by the Rajya Sabha
- In case of a disagreement between the two Houses over such a bill, the president can summon a joint sitting of the two Houses to resolve the deadlock.

Financial Bills (II) - Article 117 (3)

- Contains provisions involving expenditure from the Consolidated Fund of India, but does not include any of the matters mentioned in Article 110.
- It is treated as an ordinary bill and in all respects.
- Financial bill (II) can be introduced in either House of Parliament and recommendation of the President is not necessary for its introduction.
- It can be either rejected or amended by either House of Parliament.
- In case of a disagreement between the two Houses over such a bill, the President can summon a joint sitting of the two Houses to resolve the deadlock.

Joint Sitting of Two Houses - Art 108

Joint sitting is an **extraordinary machinery** provided by the Constitution to resolve a **deadlock** between the two Houses over the passage of a bill.

A deadlock is deemed to have taken place under any one of the following three situations after a bill has been passed by one House and transmitted to the other House:

1. if the bill is rejected by the other House;
2. if the Houses have finally disagreed as to the amendments to be made in the bill; or
3. if more than six months have elapsed from the date of the receipt of the bill by the other House without the bill being passed by it.

- In the above 3 situations, the president can summon a joint sitting for the purpose of deliberating and voting on the bill.

- It must be noted here that the provision of joint sitting is applicable to ordinary bills or financial bills only and not to money bills or Constitutional amendment bills.

- In the case of a money bill, the Lok Sabha has overriding powers, while a Constitutional amendment bill must be passed by each House separately.

- If the bill (under dispute) has already lapsed due to the dissolution of the Lok Sabha, no joint sitting can be summoned.

- But, the joint sitting can be held if the Lok Sabha is dissolved after the President has notified his intention to summon such a sitting (as the bill does not lapse in this case). After the President notifies his intention to summon a joint sitting of the two Houses, none of the Houses can proceed further with the bill.

- The Speaker of Lok Sabha presides over a joint sitting of the two Houses and the Deputy Speaker, in his absence.

- If the Deputy Speaker is also absent from a joint sitting, the Deputy Chairman of Rajya Sabha presides.

- If he is also absent, such other person as may be determined by the members present at the joint sitting, presides over the meeting.

- Chairman of Rajya Sabha does not preside over a joint sitting as he is not a member of either House of Parliament.

Since 1950, the provision regarding the joint sitting of the two Houses has been invoked only thrice.

1. **Dowry Prohibition Bill 1960:** As the Lok Sabha did not agree to the amendments made by the Rajya Sabha , a joint session was held on May 6, 1961.

2. **Banking Service Commission (Repeal) bill 1977**: The Rajya Sabha rejected the bill after it is passed in the Lok Sabha. A joint Sitting was held on May 16, 1978.

3. **Prevention of Terrorism Bill 2002**: The bill was passed by the Lok Sabha but, rejected by the Upper House. A joint sitting was held on March 26, 2002.

Funds

The Constitution of India provides for the following three kinds of funds for the Central government:

1. Consolidated Fund of India (Article 266 (1))

2. Public Account of India (Article 266 (2))

3. Contingency Fund of India (Article 267)

Consolidated Fund of India

- It is a fund to which all receipts are credited and all payments are debited.

(a) all revenues received by the Government of India;

(b) all loans raised by the Government by the issue of treasury bills, loans or ways and means of advances; and

(c) all money received by the government in repayment of loans forms the Consolidated Fund of India.

- All the legally authorised payments on behalf of the Government of India are made out of this fund.

Public Account of India

- All other public money (other than those which are credited to the Consolidated Fund of India) received by or on behalf of the Government of India shall be credited to the Public Account of India.
- This includes

provident fund deposits, judicial deposits,

savings bank deposits, departmental deposits,

Remittances.

- This account is operated by executive action, that is, the payments from this account can be made without parliamentary appropriation.
- Such payments are mostly in the nature of banking transactions.

Contingency Fund of India

Parliament enacted the contingency fund of India Act in 1950.

This fund is placed at the disposal of the president, and he can make advances out of it to meet unforeseen expenditure pending its authorisation by the Parliament.

The fund is held by the finance secretary on behalf of the president.

Like the public account of India, it is also operated by executive action.

THANK YOU