**Subject Name:** Constitution Law
**Topic Name:** Legislative Procedure

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The process of making laws, known as 'legislative procedure,' commences with the introduction of legislative proposals in the form of a "Bill."

A 'Bill' represents the draft of a legislative proposal, which can be introduced in either House of Parliament, with the exception of money or finance bills, which are exclusively introduced in the Lok Sabha (Article 107(1)).

A Bill can only become law upon receiving approval from both Houses of Parliament (Article 107(2)) and the assent of the President (Article 111). A Bill may be introduced by a Minister or a private Member.

## Ordinary Bills (Article 107)

An Ordinary Bill can be described as a bill that does not fall under the categories of Money Bill, Financial Bill, or a Bill involving expenditure from the Consolidated Fund.

An Ordinary Bill can be introduced in either House of Parliament (similarly provided for in the case of State Legislature by Article 196). Once passed by one House, the Bill is sent to the other House. Upon agreement by both Houses, with or without amendments, the Bill is considered to be passed by both. Subsequently, the Bill is forwarded for the President's assent. Hence, in the case of ordinary bills, the Rajya Sabha holds equal standing with the Lok Sabha.

It's noteworthy that a Bill progresses through several stages in each House of Parliament, including First Reading, Second Reading, Committee Stages, Report Stage, and Third Reading. After its introduction (First Reading, where no discussions occur), a motion is proposed for the Bill's consideration, referral to a Select Committee (which later submits its report), or to a Joint Committee, or for circulation to solicit public opinion.

During the Second Reading, a general discussion on the principles of the Bill and its clause-by-clause consideration takes place. The Third Reading is confined to a limited discussion for the passage or rejection of the Bill as a whole.

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## In case of Deadlock on a Bill (Article 108)

If there is disagreement between the two Houses regarding a Bill, it cannot be considered as having been passed by both. The President holds the authority to convene a 'joint session' of both Houses if a Bill (excluding a Money Bill) passed by one House is rejected by the other, if the amendments proposed by one House are unacceptable to the other, or if the other House fails to take any action on a Bill for six months (unless the Bill has lapsed due to the dissolution of the Lok Sabha).

The President shall notify the Houses of his intention to summon them for a joint sitting, either through a message if they are in session or via public notification if they are not. Once the President notifies his intention, neither House shall proceed further with the Bill.

During the joint session, presided over by the Speaker of the Lok Sabha, a decision is reached by a majority of the total number of members from both Houses present and voting. Given the greater number of Lok Sabha members, the will of the Lok Sabha prevails. As of now, a joint session has been convened only three times.

The Bill is considered passed with any agreed-upon amendments at the joint sitting. No new amendments, except those previously in disagreement between the two Houses and necessitated by the delay in the Bill's passage, can be proposed at the joint sitting.

Even if the Lok Sabha is dissolved, a joint sitting of the two Houses is held if the President had notified his intention before the dissolution. Therefore, the dissolution of the Lok Sabha does not affect the joint sitting, and the Bill passed at the joint sitting is deemed to have been passed by

both Houses. This scenario stands as the only instance where members of a dissolved House participate in passing a Bill.

## Deadlock: Position in State Legislature (Article 197)

Unlike the Rajya Sabha, the Legislative Council of a State does not possess equal powers concerning a 'Non-Money' Bill. Hence, a deadlock between the two Houses of the State Legislature cannot occur. Consequently, there exists no provision for holding a joint sitting of the two Houses of the State Legislature. The authority to resolve conflicts between the two Houses lies with the Legislative Assembly.

Article 197(1) stipulates that if a Bill passed by the Legislative Assembly of a State with a Legislative Council is transmitted to the Council and:

- the Council rejects the Bill; or
- more than three months elapsed without the Council passing the Bill; or
- the Council passes the Bill with amendments to which the Legislative Assembly does not agree,

then the Legislative Assembly may pass the Bill again, with or without such amendments as suggested or agreed to by the Legislative Council, and transmit it back to the Council.

Article 197(2) further specifies that if after being passed for the second time by the Legislative Assembly and transmitted to the Legislative Council:

- the Council rejects the Bill; or
- more than one month elapses without the Council passing the Bill; or
- the Council passes the Bill with amendments to which the Legislative Assembly does not agree,

then the Bill is deemed to have been passed by the State Legislature in the form in which it was passed by the Legislative Assembly for the second time, along with any amendments suggested by the Legislative Council and agreed to by the Legislative Assembly.

Hence, regarding a 'non-money bill', the Legislative Council holds no power except to delay the passage of the Bill for up to four months.

It should be noted that if an ordinary bill or a bill involving expenditure from the Consolidated Fund of the State, originating in the Legislative Council and passed by it, is rejected by the Legislative Assembly, it shall lapse.

## Money Bills (Article 110)

According to Article 110(1), a Bill qualifies as a Money Bill if it solely pertains to any of the following matters:

- Imposition, abolition, remission, alteration, or regulation of any tax.
- Regulation of borrowing money or giving guarantees by the Government of India, or amending laws regarding financial obligations undertaken by the Government.

- Custody, payment, or withdrawal of money from the Consolidated or Contingency Fund of India.
- Appropriation of money from the Consolidated Fund of India.
- Declaration of certain expenditures as charged on the Consolidated Fund of India or increasing such expenditures.
- Receipt, custody, or issue of money from the Consolidated Fund of India or the Public Account of India, or auditing the Union or State accounts.
- Any matter incidental to the aforementioned matters.

It's important to note that a Bill isn't classified as a Money Bill solely because it includes provisions for imposing fines or other pecuniary penalties, or for demanding or paying fees for services rendered. Additionally, a Bill doesn't qualify as a Money Bill solely because it deals with the imposition, abolition, remission, alteration, or regulation of any tax by a local authority for local purposes.

## Special Procedure in respect of Money Bills (Article 109)

Money Bills can only be introduced in the Lok Sabha on the recommendation of the President of India. If there is any question regarding whether a Bill qualifies as a Money Bill or not, the decision of the Speaker of the Lok Sabha is final.

The Speaker's certification that a Bill is a Money Bill is endorsed and signed by him when the Bill is transmitted to the Rajya Sabha (after passing through the Lok Sabha) and also when it is presented to the President for his assent. This endorsement aims to limit the powers of the Rajya Sabha regarding Money Bills.



## Role of Rajya Sabha with Regard to Money Bills

In matters concerning Money Bills, the Lok Sabha holds a pre-eminent position. Money Bills cannot be introduced in the Rajya Sabha, and it lacks the authority to reject or amend them. The Rajya Sabha is required to return a Money Bill, passed and transmitted by the Lok Sabha, within 14 days from the date of its receipt. The Rajya Sabha may return a Money Bill with or without its recommendations:

If the Rajya Sabha returns a Money Bill without any recommendations, it is presented to the President for his assent.

If the Lok Sabha accepts any amendments recommended by the Rajya Sabha, the Bill is considered to have been passed by both Houses of Parliament.

If the Lok Sabha does not accept any amendments recommended by the Rajya Sabha, the Money Bill is deemed to have been passed by both Houses of Parliament in the form it was passed by the Lok Sabha, without any amendments recommended by the Rajya Sabha, and is presented to the President for his assent.

If the Rajya Sabha fails to return a Money Bill within the prescribed period of 14 days, the Bill is deemed to have been passed by both Houses of Parliament at the end of the said period, in the form it was passed by the Lok Sabha, and is presented to the President for his assent.

The President may either give or withhold his assent to a Money Bill. According to the Constitution, a Money Bill cannot be returned to the House for reconsideration.

## Finance Bills (Article 117)

Finance Bills are confidential Bills introduced in the Lok Sabha every year immediately after the presentation of the General Budget. Their purpose is to enact the financial proposals of the Government of India for the following financial year. Since Finance Bills substantially deal with amendments to various tax laws, they are treated as Money Bills.

Similar to Money Bills, Finance Bills cannot be introduced in the Lok Sabha without prior recommendation from the President, and they cannot be introduced in the Rajya Sabha.

However, concerning other matters, a Finance Bill is treated like an Ordinary Bill. Once the Finance Bill is passed by the Lok Sabha, it is sent to the Rajya Sabha for approval. A Finance Bill cannot be presented to the President for his assent unless both Houses of Parliament have passed it. Therefore, a Finance Bill combines characteristics of both an Ordinary Bill and a Money Bill.

## The Budget (Article 112)

The 'Annual Financial Statement,' commonly known as the Budget, details the estimated receipts and expenditures of the Government of India for each financial year, spanning from April 1st to

March 31st. According to Article 112(1) of the Constitution, this statement must be presented before Parliament annually.

The Budget is divided into two parts when presented to the Lok Sabha: the Railway Budget, focusing on railway finance, and the General Budget, providing an overall financial outlook of the Government of India, excluding railways.

The President specifies the days for presenting the Budget. Traditionally, the General Budget is presented on the last working day of February each year at 5 P.M., while the Railway Budget is usually presented in the third week of February. Concurrently, copies of both budgets are placed on the Table of the Rajya Sabha.

The budgets of Union Territories and States under President's Rule are also presented to the Lok Sabha. The procedure for the Union Government's Budget applies in such cases, with any necessary variations or modifications as determined by the Speaker.

The estimates of expenditure included in the Annual Financial Statement must distinguish between sums required for expenditure charged upon the Consolidated Fund of India and sums needed for other expenditures from the same fund, while also differentiating between revenue account expenditure and other forms of expenditure (Article 112(2)).

Certain expenditures, such as emoluments of the President, salaries and allowances of key parliamentary figures, judicial salaries and pensions, and interest payments on loans, are considered "charged on the Consolidated Fund" under Article 112(3). These expenditures are not subject to parliamentary vote or reduction, although parliamentary discussion on them is permitted.


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## Appropriation Bills (Article 114)

Appropriation Bills are introduced in the Lok Sabha immediately after the voting of relevant demands for grants. These bills fall under the category of 'Money Bills' as they seek authorization

for appropriating funds from the Consolidated Fund of India to cover the grants approved by the House and the expenditure charged on the Consolidated Fund of India.

Article 114(1) specifies that following the approval of grants by the Lok Sabha under Article 113, a Bill is introduced to provide for the appropriation of all funds required from the Consolidated Fund of India to cover:

- The grants approved by the Lok Sabha.
- The expenditure charged on the Consolidated Fund of India, within the limits shown in the statement previously presented before Parliament.

No amendments can be proposed to such Bills in either House of Parliament that would alter the amount or designation of any grant approved, or vary the amount of any expenditure charged on the Consolidated Fund of India.

Subject to the provisions of Articles 115 and 116, funds cannot be withdrawn from the Consolidated Fund of India except through appropriations made by law passed in accordance with the provisions outlined in this article.