



KARNATAKA LEGISLATIVE ASSEMBLY  
FIFTEENTH LEGISLATIVE ASSEMBLY  
SEVENTH SESSION

**THE KARNATAKA CONTINGENCY FUND (AMENDMENT)**

**BILL, 2020**  
**(LA Bill No. 52 of 2020)**

A Bill further to amend the Karnataka Contingency Fund Act, 1957 (Karnataka Act 11 of 1957).

Whereas it is expedient further to amend the Karnataka Contingency Fund Act, 1957 (Karnataka Act 11 of 1957) to increase the amount to be paid out of the consolidated fund of the State to the Karnataka Contingency Fund to release amount during the emergency situations such as epidemic diseases, natural calamities etc., when there is no budgetary provision for the same. Such funds from the Contingency fund have been used without the approval of the Legislature. In the last two years limit of the Contingency fund, have been temporarily increased through Ordinance. Since last 35 years the limit of the Contingency Fund is Rs. 80.00 crores. It is necessary to increase the amount of the Contingency Fund to Rs.500.00 crores, for the purposes hereinafter appearing;

Whereas it is expedient to meet non-provision in the Budget 2020-21 for various packages announced due to covid-19, Whereas it was proposed to pay Rs.5000/- each to Auto or Taxi Drivers, Barbers, Washerman and Rs.25,000/- per hectare to flowers growers and Rs.15,000/- per hectare to fruit and vegetable growers, for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Seventy first year of the Republic of India, as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Contingency Fund (Amendment) Act, 2020.

(2) It shall be deemed to have come into force with effect from the 14<sup>th</sup> day of July 2020.

**2. Amendment of section 2.-** In section 2 of the Karnataka Contingency Fund Act, 1957 (Karnataka Act 11 of 1957) (hereinafter referred to as the Principal Act) for the words “eighty crores” the words “five hundred crores” shall be substituted.

**3. Repeal and savings.-** (1) The Karnataka Contingency Fund (Amendment) Ordinance, 2020 (Karnataka Ordinance No. 14 of 2020) is hereby repealed.

(2) Notwithstanding such repeal anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under principal Act, as amended by this Act.

**STATEMENT OF OBJECTS AND REASONS**

It is considered necessary to amend the Karnataka Contingency Fund Act, 1957 (Karnataka Act 11 of 1957) to increase the amount to be paid out of the consolidated fund of the State to the Karnataka Contingency Fund to,-

- (i) release amount during the emergency situations such as epidemic diseases, natural calamities. etc., when there is no budgetary provision for the same. Such funds from the Contingency fund have been used without the approval of the Legislature. In the last two years limit of the Contingency fund, have been temporarily increased through Ordinance. Since last 35 years, the limit of the Contingency Fund is Rs. 80.00 crores. It is necessary to increase the amount of the Contingency Fund to Rs.500.00 crores; and
- (ii) meet the non-provision in the Budget 2020-21 for various packages announced due to covid-19, Whereas it was proposed to pay Rs.5000/- each to Auto or Taxi Drivers, Barbers, Washerman and Rs.25,000/- per hectare to flowers growers and Rs.15,000/- per hectare to fruit and vegetable growers.

As the matter was urgent and both the Houses of the Karnataka Legislature were not in session, the Karnataka Contingency Fund (Amendment) Ordinance, 2020 (Karnataka ordinance 14 of 2020) was promulgated to achieve the above object.

This Bill seeks to replace the said Ordinance.

Hence the Bill.

**FINANCIAL MEMORANDUM**

There is no extra expenditure involved in the proposed Legislative measure.

**EXPLANATORY STATEMENT AS REQUIRED BY SUB-RULE (1) OF RULE 80 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN THE KARNATAKA LEGISLATIVE ASSEMBLY.**

It is considered necessary to amend the Karnataka Contingency Fund Act, 1957 (Karnataka Act 11 of 1957) to increase the amount to be paid out of the consolidated fund of the State to the Karnataka Contingency Fund to,-

- (i) release amount during the emergency situations such as epidemic diseases, natural calamities. etc., when there is no budgetary provision for the same. Such funds from the Contingency fund have been used without the approval of the Legislature. In the last two years limit of the Contingency fund, have been temporarily increased through Ordinance. Since last 35 years, the limit of the Contingency Fund is Rs. 80.00 crores. It is necessary to increase the amount of the Contingency Fund to Rs.500.00 crores; and
- (ii) meet the non-provision in the Budget 2020-21 for various packages announced due to covid-19, Whereas it was proposed to pay Rs.5000/- each to Auto or Taxi Drivers, Barbers, Washerman and Rs.25,000/- per hectare to flowers growers and Rs.15,000/- per hectare to fruit and vegetable growers.

As the matter was urgent and both the Houses of the Karnataka Legislature were not in session, the Karnataka Contingency Fund (Amendment) Ordinance, 2020 (Karnataka ordinance 14 of 2020) was promulgated to achieve the above object.

**B.S. Yediyurappa**  
Chief Minister

**M.K. Vishalakshi**  
Secretary (I/c)  
Karnataka Legislative Assembly

**ANNEXURE****EXTRACT FROM THE KARNATAKA CONTINGENCY FUND ACT, 1957****(KARNATAKA ACT 11 of 1957)****XX****XX****XX**

**2. Establishment of a Contingency Fund.-** There shall be established for the State of Karnataka a Contingency Fund in the nature of an imprest entitled the Contingency Fund of the State of Karnataka , into which shall be paid from and out of the Consolidated Fund of the State a sum of eighty crores of rupees.