

**THE KARNATAKA CONTINGENCY FUND ACT, 1957.**

ARRANGEMENT OF SECTIONS.

**STATEMENT OF OBJECTS AND REASONS**

Sections:

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3. [Custody of the Contingency Fund and withdrawal therefrom.](#)
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**STATEMENT OF OBJECTS AND REASONS**

**I**

**Act 11 of 1957.**—Mysore Act No. XXI of 1950, provided for the constitution of a Contingency Fund consisting of a sum of Rs. 30 lakhs for the former State of Mysore. In view of the formation of the new State of Mysore, it is necessary to constitute a new Contingency Fund with an amount of rupees one crore.

Hence this Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 16th March 1957 as No. 60 at page.2)

**II**

**Amending Act 3 of 1958.**— Not available

**III**

**Amending Act 15 of 1961.**— Not available

**IV**

**Amending Act 20 of 1965.**—According to section 2 of the Mysore Contingency Fund Act, 1957, a sum of rupees two crores can be paid from and out of the Consolidated Fund of the State to the Contingency Fund. As this sum is found insufficient for making emergent payments like food operations or schemes for which additional assistance is sanctioned by the Government of India after the Budget is passed by the Legislature or other inevitable payments it is considered necessary to raise the amount to be paid into the Contingency Fund from two crores of rupees to four crores of rupees. In other neighbouring States the corpus of contingency fund has been fixed as under.—

Maharashtra	... Seven crores
Madras	... Five crores
Andhra Pradesh	... Five crores

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 11th October 1965 as No.189 at page 2 )

**V**

**Amending Act 1 of 1973.**—According to section 2 of the Mysore Contingency Fund Act, 1957 a sum of four crores of rupees can be paid from and out of the Consolidated Fund of the State to the Contingency, Fund. This sum is found insufficient for making emergent payments towards scarcity relief operations undertaken by the State Government in some parts of the State. The corpus of the contingency fund was temporarily raised to ten crores by the promulgation of the Mysore Contingency Fund (Temporary) (Amendment) Ordinance, 1972. Now it is considered necessary to raise the amount to be paid into the Contingency Fund from four crores of rupees to ten crores of rupees as a permanent measure. In the following States the corpus of the contingency fund has been fixed as under—

Tamil Nadu	... Ten crores
Gujarat	... Twenty crores

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 12th December 1972, as No. 597 at page. 3 )

**VI**

**Amending Act 62 of 1976.**—Article 267(2) of the Constitution of India provides for the establishment of a Contingency Fund for the State. According to section 2 of the Karnataka Contingency Fund Act, 1957 a sum of ten crores of rupees can be paid from and out of the Consolidated Fund of the State to the Contingency Fund. This sum is found insufficient for making emergent payments like scarcity relief operations and for other development activities. The corpus of the Contingency Fund has been temporarily raised to twenty crores of rupees by the promulgation of the Karnataka Contingency Fund (Temporary) (Amendment) Ordinance, 1976. Now it is considered necessary to raise the amount to be paid into the Contingency Fund from ten crores of rupees to twenty crores of rupees as a permanent measure.

Hence the Bill.

(Obtained from LA Bill No. 58 of 1976 in File No. LAW 97 LGN 76.)

**VII**

**Amending Act 2 of 1981.**—It is considered necessary to increase of the corpus of the Contingency Fund from Rs. 20 crores to Rs. 35 crores to meet urgent payments pending sanction of the Legislature.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 6th February 1981 as No.112 at page.3 )

**VIII**

**Amending Act 21 of 1984.**—It is considered necessary to increase of the corpus of the Contingency Fund from Rs. 35 crores to Rs. 60 crores to meet urgent payments on 'New Service' pending sanction of the Legislature.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 22nd February 1984 as No.135 at page.3)

**IX**

**Amending Act 31 of 1985.**—It is considered necessary to increase the corpus of the Contingency Fund from Rs. 60 crores to Rs. 80 crores to meet urgent payments pending sanction of the Legislature.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 7th August 1985 as No. 429 at Page 3.)

**X**

**AMENDING ACT 19 OF 2020.**- 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.

[L.A. Bill No. 52 of 2020, File No. Samvyashae 62 Shasana 2020]  
[Clause (2) of Article 267 of the Constitution of India.]

**1[KARNATAKA]1 ACT No. 11 of 1957.**

(First published in the 1[Karnataka Gazette]1 on the First Day of April 1957.)

**THE 1[KARNATAKA]1 CONTINGENCY FUND ACT, 1957.**

(Received the assent of the Governor on the Thirty-first Day of March 1957.)

(As amended by Act 3 of 1958, 15 of 1961, 20 of 1965, 1 of 1973, 62 of 1976, 2 of 1981, 21 of 1984, 31 of 1985 and 19 of 2020.)

**An Act to provide for the establishment of a Contingency Fund for the 1[State of Karnataka]1.**

WHEREAS clause (2) of article 267 of the Constitution of India provides that the Legislature of a State may by law establish a Contingency Fund in the nature of an imprest;

AND WHEREAS it is expedient to establish such a Contingency Fund for the 1[State of Karnataka]1;

BE it enacted by the 1[Karnataka State Legislature]1 in the Eighth Year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973

**1. Short title.**-This Act may be called the 1[Karnataka]1 Contingency Fund Act, 1957.

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**2. Establishment of a Contingency Fund.**- There shall be established for the 1[State of Karnataka]1 a Contingency Fund in the nature of an imprest entitled the Contingency Fund of the 1[State of Karnataka]1, into which shall be paid from and out of the Consolidated Fund of the State a sum of <sup>1</sup>[<sup>2</sup>[five hundred crores]<sup>2</sup>]<sup>1</sup>.

1. Substituted by Act 31 of 1985 w.e.f. 12.6.1985

2. Substituted by Act 19 of 2020 w.e.f. 14.07.2020

**3. Custody of the Contingency Fund and withdrawals therefrom.**-The Contingency Fund of the 1[State of Karnataka]1 shall be held on behalf of the Governor by the Secretary to the 1[Government of Karnataka]1 in the Department of Finance, and no advances shall be made out of such Fund except for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature under appropriation made by law.

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973

**4. Power to make rules.**- For the purpose of carrying out the objects of this Act, the State Government may make rules regulating all matters connected with or ancillary to the custody of, the payment of moneys into and the withdrawal of moneys from, the Contingency Fund of the 1[State of Karnataka]1.

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**KARNATAKA ACT NO.19 OF 2020**

(First published in the Karnataka Gazette Extra-ordinary on the 15th day of October, 2020)

**THE KARNATAKA CONTINGENCY FUND (AMENDMENT) ACT, 2020**

(Received the assent of the Governor on the 14<sup>th</sup> day of October 2020)

An Act 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.

**Section 2 is incorporated in the Principal Act.**

**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.

By Order and in the name of  
the Governor of Karnataka,

**(K. DWARAKANATA BABU)**  
Secretary to Government  
Department of Parliamentary Affairs  
And Legislation