The Money Bill Route

Mains: *GS II – Polity*

Why in News?

Recently Lok Sabha passed the Supreme Court (Number of Judges) Amendment Bill, 2026 as a money Bill, a route it had also taken in 2019 when the Supreme Court strength was raised to 34.

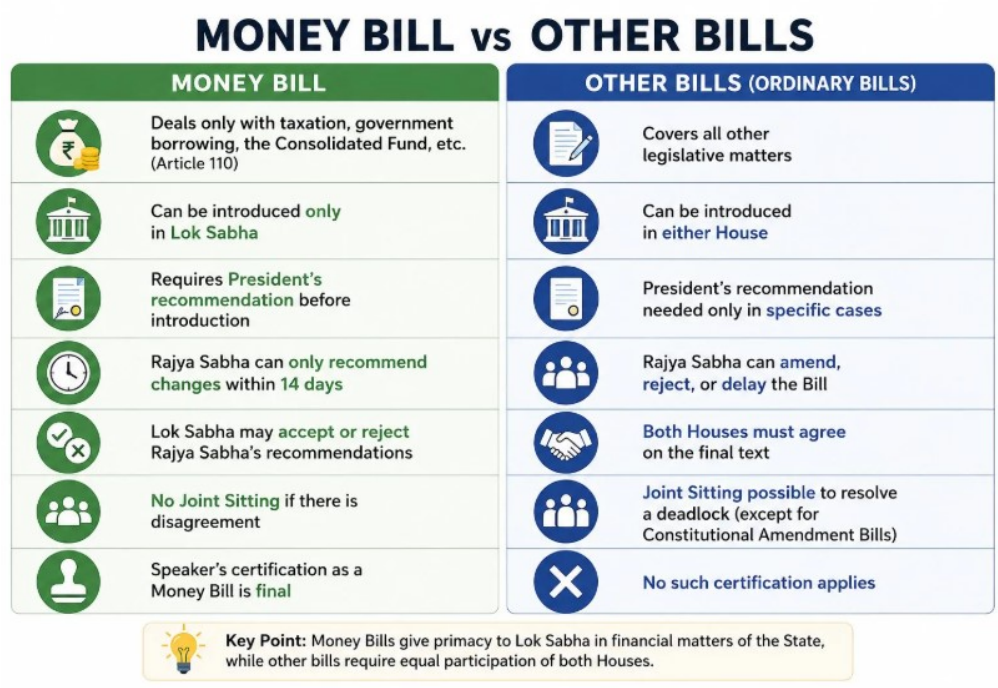
What is a Money Bill?

- **A Money Bill** – A Money Bill in India is a special law that deals exclusively with financial matters like taxes, government borrowing, and spending or withdrawing money from the Consolidated Fund of India
- It is a bill that **contains only provisions dealing with the matters listed in Article 110(1)**, such as:
  - Imposition, abolition, remission, alteration, or regulation of taxes.
  - Borrowing of money by the Government of India.
  - Custody, payment into, or withdrawal from the **Consolidated Fund of India** or the **Contingency Fund of India**.
  - Appropriation of money from the Consolidated Fund.
  - Declaration of expenditure charged on the Consolidated Fund.
  - Receipt, custody, or audit of public money.
  - **Any matter incidental** to the above subjects.

Relevant Articles of Money Bill
• **Article 109** – Prescribes the special procedure for passing a Money Bill. • **Article 110** – Defines a Money Bill. • **Article 111** – President's assent to Bills. The President cannot return a Money Bill for reconsideration. • **Article 117** – Deals with Financial Bills, which are different from Money Bills.

What are the special legislative procedures of a money bill?

- **Introduction –** A Money Bill can be introduced **only in the Lok Sabha**, **only by a Minister**, and **only with the prior recommendation of the President**.



- **Speaker's Certification** - The **Speaker of the Lok Sabha certifies** whether a Bill is a Money Bill.
- Under **Article 110(3)**, this decision is declared final, though it is subject to **limited judicial review** as recognized by the Supreme Court.
- **Limited Role of the Rajya Sabha** - The Rajya Sabha **cannot amend or reject** a Money Bill.
- It can only **recommend changes** and must return the Bill within **14 days**.
- The Lok Sabha may **accept or reject** these recommendations.
- If the Bill is not returned within 14 days, it is **deemed to have been passed** by both Houses in the form approved by the Lok Sabha.
- **President's Assent and No Joint Sitting** - There is **no provision for a joint sitting** in the case of a Money Bill.
- After being passed by Parliament, the Bill is presented to the **President**, who **cannot return it for reconsideration** under Article 111.

What are the contentious legislations passed as money bills?

- **Aadhaar Act, 2016** - Passed as a Money Bill to provide statutory backing to the Aadhaar biometric identity system.
- Its classification as a Money Bill remains one of the central constitutional controversies.
- **Finance Act, 2017 (Tribunal Reforms)** - Passed as a Money Bill, It reorganised several tribunals and altered the appointment, qualifications, tenure, and service conditions of tribunal members.
- These provisions were challenged as unrelated to the core definition of a Money Bill.
- **Prevention of Money Laundering Act (PMLA) Amendments** - Several amendments to the PMLA were introduced through **Finance Acts passed as Money Bills** (not through a standalone "PMLA Amendment Act" passed as a Money Bill).
- Their validity on the Money Bill issue is pending before the Supreme Court.

- **Foreign Contribution (Regulation) Act (FCRA) Amendments -** Certain amendments affecting foreign funding of NGOs were introduced through **Finance Acts passed as Money Bills**, leading to constitutional challenges over whether such provisions could validly be included.
- **Supreme Court (Number of Judges) Amendment Bill, 2026** – The parliament passed this bill that increases the sanctioned strength of the Supreme Court from **34 to 38 judge**s (including the Chief Justice of India).
- Parliament passed it as a Money Bill, **citing the additional government expenditure** required for salaries, staff, residences, security, and other

What are the concerns in using money bill route to pass important laws?

- **Circumventing the Rajya Sabha** – The Upper House cannot amend or reject a Money Bill; its role is limited to non-binding recommendations within 14 days.

> *In his 2018 dissent in the **Aadhaar case**, then Justice D. Y. Chandrachud called the use of the Money Bill route a **"fraud on the Constitution"** and a **"subterfuge",** arguing it bypasses the Rajya Sabha.*

- **Bypassing Opposition** – Governments use this shortcut to push controversial legislation through the Lok Sabha alone when they lack numbers in the Upper House.
- **Reduced Debate** – Rushing bills as financial measures cuts short comprehensive committee evaluation and public deliberation.
- **Ambiguity in Article 110** – Broad phrases like **"incidental"** financial provisions allow non-financial subjects to sneak into a Money Bill.
- **Questionable Precedents** – High-profile laws—such as the Aadhaar Act and tribunal/PMLA amendments—were passed this way, triggering intense legal challenges over executive overreach.
- **Limited Review** – The absolute authority of the Lok Sabha Speaker to certify a bill leaves little room to question misuse.

Reference

The Indian Express| The Money bill route

PRS India| Money Bill Vs Other Bills