



## Annual Review of State Laws 2023

**For Prelims:** [Budget](#), [Public Accounts Committee](#), [Comptroller and Auditor General](#), [Ordinances](#), [Organized Crime](#), [Lokayukta](#), [Goods and Services Tax](#)

**For Mains:** Effectiveness of Public Accounts Committee, Budgetary Transparency and Scrutiny, Efficiency of Legislative Process, Administrative and Governance Reforms

**Source:** [TH](#)

### Why in News?

PRS Legislative Research has recently released its "**Annual Review of State Laws 2023.**" The report conducted an in-depth analysis of the functioning of State legislatures across India, shedding light on various key aspects of their performance.

### Note:

- PRS Legislative Research, commonly referred to as PRS, is an Indian non-profit organisation established in September 2005 as an independent research institute to **make the Indian legislative process better informed**, more transparent and participatory. PRS is based in New Delhi.

### What are the Key Highlights of the Report?

- **Budget Passage Without Discussion:**
  - In 2023, of the Rs 18.5 lakh crore [budget](#) presented by 10 States, close to **40% was passed without discussion.**
    - In Madhya Pradesh, 85% of the Rs 3.14 lakh crore Budget was passed without discussion, topping the list.
- Once the Finance Minister announces the Budget, it goes for **general discussion**. Following this, there is a **scrutiny of demands by committees.**
  - After this, there is discussion and voting on Ministry expenditure.
- The Budget in Parliament goes through six stages: **Presentation, General discussion, Scrutiny, Voting, Passing Appropriation Bill, Passing Finance Bill.**
- Kerala, Jharkhand, and West Bengal followed with 78%, 75%, and 74% respectively. However, in 10 States where data was available, 36% of the expenditure demands were voted on and passed without being discussed.
  - The trend raises concerns regarding the **transparency and scrutiny of state finances.**
- **Public Accounts Committee (PAC):**
  - In 2023, the PAC held 24 sittings and tabled 16 reports on average in the States considered.

- In five (Bihar, Delhi, Goa, Maharashtra and Odisha) of the 13 States **the PAC did not table any reports.**
- In Maharashtra, the PAC neither convened nor released any report throughout the year.
- Tamil Nadu led with 95 reports tabled, emphasising the wide disparity among states in upholding accountability.
- Bihar and Uttar Pradesh witnessed significant PAC sittings without a single report being tabled.
- The **PAC**, typically chaired by the **Leader of the Opposition or a senior member from the Opposition**, scrutinises the accounts of State governments and State reports of the **Comptroller and Auditor General**.
- **Swift Legislative Action:**
  - **44% of bills were passed either on the same day of introduction** or the following day.
    - The figure is consistent with the trend observed in 2022 (56%) and 2021 (44%).
  - Gujarat, Jharkhand, Mizoram, Puducherry, and Punjab passed all bills on the same day they were introduced.
    - In 13 out of 28 State legislatures, bills were passed within five days of introduction.
  - **Kerala and Meghalaya took longer than five days** to pass more than 90% of their bills, highlighting a slower but potentially more deliberative process.
- **Ordinances:**
  - **Uttar Pradesh topped with 20 ordinances**, followed by Andhra Pradesh (11) and Maharashtra (9).
    - Ordinances covered a wide range of subjects including the establishment of new universities, public examinations, and ownership regulations.
    - Kerala's significant decrease in ordinances from 2022 to 2023 raises questions about the necessity and effectiveness of such measures.
- **Governors** utilise their power to **promulgate ordinances** when State Legislative Assemblies are not in session.
- **Overview of Law Making:**
  - On average, states passed **18 Bills each in 2023**, not counting the Appropriation Bills for the budget.
    - Maharashtra topped with 49 Bills while Delhi and Puducherry passed just 2 each.
  - While the **Constitution requires the Governor to give assent to Bills at the earliest**, 59% of the Bills received assent within a month of being passed. Delays were seen in states like Assam, Nagaland and West Bengal.
    - **Only 23** out of the over 500 Bills passed **were referred to legislative committees** for deeper examination before being passed.

## What are the Other Key Legislations Passed by Subjects?

- **Health:**
  - Rajasthan passed a **Right to Health Bill, 2023** guaranteeing free healthcare services and emergency treatment.
- **Law and Justice:**
  - Haryana and Rajasthan introduced **laws to combat organised crime** on the lines of the **Maharashtra Control of Organised Crime Act, 1999 (MCOCA)**.
  - The **Gujarat Prohibition on Holding Protest in a Public Place Bill, 2023** prohibits protesting and agitating in a public place that may lead to obstruction of the public movement, blockage of roads, or other law and order issues.
- **Land:**
  - Andhra Pradesh also amended the **Assigned Lands (Prohibition of Transfers) Act, 1977** which prohibited the transfer of land that had been assigned by the government to the landless poor people for cultivation.
  - Himachal Pradesh amended its **Himachal Pradesh Ceiling on Land Holdings Act, 1972**, to remove **gender discrimination** in the calculation of permissible holdings.
- **Labour and Employment:**
  - Rajasthan enacted a law for social security and the **welfare of gig/platform workers like delivery personnel**.

- [Rajasthan provided for minimum guaranteed employment](#) under a new law.
- **Local Governance:**
  - Chhattisgarh enacted a law **Chhattisgarh Leasehold Rights to the Homeless Persons of Urban Areas Act, 2023** to provide lease rights to homeless persons in urban areas, aiming to ensure their relocation and rehabilitation while maintaining public health and safety standards.

## How can Legislation be Improved for Better Governance and Accountability?

- **Strengthening PAC:**
  - Standardise PAC operations with guidelines and protocols including sitting frequency, reporting requirements, and report timelines.
  - Implement mechanisms to monitor and evaluate PAC performance regularly. Encourage greater accountability among PAC members by ensuring substantive discussions and report tabling in all settings.
- **Expedited Decision-Making:**
  - Establish a legislative framework outlining a time limit for the Governor's assent.
    - This aligns with recommendations by the [Sarkaria Commission on Centre-State Relations \(1988\)](#) which emphasised timely decisions on bills.
  - Mandate the Governor to provide clear and specific reasons for any delay in granting assent aligned with the ethos of transparency.
- **Legislative Review:**
  - Advocate for more thorough discussions and debates on budgets before passage in the legislature.
  - The **Sarkaria Commission on Centre-State Relations** has emphasised the importance of **strengthening the role of State Finance Commissions and ensuring that their recommendations** are given due consideration in the legislative discussions on budgets.
- **Legislative Functioning:**
  - The **National Commission to Review the Working of the Constitution** recommends:
    - Parliamentarians should be subject to public **scrutiny via a parliamentary ombudsman**.
    - State Legislatures with fewer than 70 members should convene for at least 50 days annually; those with more should meet for at least 90 days.
      - The **Rajya Sabha and Lok Sabha should hold sessions for a minimum of 100 and 120 days**, respectively.

## Conclusion

- The findings underscore the need for enhanced transparency and accountability mechanisms in State legislatures to ensure effective governance.
- Addressing disparities in budgetary processes, accountability mechanisms, legislative efficiency, and the utilisation of ordinances is crucial for upholding democratic principles and efficient governance at the state level.

### **Drishti Mains Question:**

Q. How does the trend of hurriedly passing state budgets in legislative assemblies, as observed in the 2023 budget passage across Indian states, impact transparency, accountability, and fiscal responsibility?

## UPSC Civil Services Examination, Previous Year Questions (PYQ)

### **Prelims**

Q. Which of the following are the discretionary powers given to the Governor of a State? (2014)

1. Sending a report to the President of India for imposing the President's rule
2. Appointing the Ministers
3. Reserving certain bills passed by the State Legislature for consideration of the President of India
4. Making the rules to conduct the business of the State Government

**Select the correct answer using the code given below:**

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2, 3 and 4 only
- (d) 1, 2, 3 and 4

**Ans: (b)**

**Q. When the annual Union Budget is not passed by the Lok Sabha, (2011)**

- (a) the Budget is modified and presented again
- (b) the Budget is referred to the Rajya Sabha for suggestions
- (c) the Union Finance Minister is asked to resign
- (d) the Prime Minister submits the resignation of Council of Ministers

**Ans: (d)**

**Q. With reference to the Union Government, consider the following statements: (2015)**

1. The Department of Revenue is responsible for the preparation of the Union Budget that is presented to the Parliament.
2. No amount can be withdrawn from the Consolidated Fund of India without the authorization from the Parliament of India.
3. All the disbursements made from Public Account also need the authorization from the Parliament of India.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 2 only
- (d) 1, 2 and 3

**Ans: (c)**

---

## **Mains**

**Q.** Discuss the essential conditions for exercise of the legislative powers by the Governor. Discuss the legality of re-promulgation of ordinances by the Governor without placing them before the Legislature. **(2022)**

**Q.** Effectiveness of the government system at various levels and people's participation in the governance system are interdependent". Discuss their relationship in the context of India. **(2016)**

**Q.** Public expenditure management is a challenge to the Government of India in the context of budget-making during the post-liberalization period. Clarify it. **(2019)**

