

**Bill No. 101 of 2020**

THE JUDICIOUS USE OF TAX REVENUE (FOR GOVERNMENT  
ADVERTISEMENTS) BILL, 2020

By

SHRIMATI SUPRIYA SULE, M.P.

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BILL

*to strictly prohibit the use of tax revenue for any form of promotion of the Central Government, State Governments, elected and nominated representatives, politicians and political parties, symbols and colours and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Judicious Use of Tax Revenue (For Government Advertisements) Act, 2020.

Short title and commencement.

5 (2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “advertisement” means any form of promotion or a awareness increasing exercise through print, audio visual or outdoor media;

(b) “annual report” means a report giving the details of advertisement expenditure, its allocation and content taken up over the year by the appropriate Government; 5

(c) “appropriate Government” means in the case of a State or a Union territory having legislature, the concerned State Government or the Union Territory Government, as the case may be, and in all other cases, the Central Government; 10

(d) “Authority” means the Authority for Appropriate Use of Tax Revenue established under section 5;

(e) “awareness” means educating citizens through information, and communication campaigns;

(f) “Court” means the Supreme Court and the High Courts of the country; 15

(g) “political parties” means all political entities having a name and symbol of their own, having registered with the Election Commission of India; and

(h) “prescribed” means prescribed by the rules made under this Act.

Banning of appropriation of tax revenue for promotion of the Government and Political Parties.

3. The appropriation of tax revenue, including revenue from cess, tariffs and any resources from the Consolidated Fund of India for the purpose of promotion of the Central Government, elected and nominated representatives, politicians and political parties, symbols and colours of political parties, shall be strictly prohibited. 20

Use of tax revenue for only social and development purposes.

4. The Central Government shall appropriate the funds from the Consolidated Fund of India for advertising only if it increases awareness and promotes the welfare of citizens in such manner as may be prescribed. 25

Constitution of Authority for Appropriate Use of Tax Revenue.

5. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be constituted, for the purposes of this Act, an Authority, to be known as the Authority for Appropriate Use of Tax Revenue consisting of the following members, namely:—

(a) the Chief Election Commissioner of India — Vice-Chairperson *ex-officio*; 30

(b) four retired Chief Justices and Judges of the Supreme Court — Members, *ex-officio*; and

(c) four former Chief Election Commissioners of India — Members, *ex-officio*. 35

(2) The Central Government shall appoint such number of officers and staff as it considers necessary for the functioning of the Authority.

(3) The salary, allowances and terms and conditions of services of officers and staff of the Authority shall be such as may be prescribed.

Meetings of the Authority.

6. (1) The Authority shall meet at such times and places and shall observe such rules of procedure in regard to transaction of business at its meetings as may be prescribed by the Authority. 40

(2) The expenditure incurred to attend meetings by the Members referred to in sub-clauses (a) to (d) of section 5, shall be drawn from the Consolidated Fund of India.

5 7. (1) The Authority shall discharge such functions as may be necessary to ensure appropriate use of tax revenue for only welfare and development of citizens of the country and restrict its use for promotion of politicians, political parties and symbols. Functions of the Authority.

(2) Without prejudice to generality of the provisions contained in sub-section (1), the Authority shall,—

10 (a) undertake an impact assessment study within one year of setting up of the Authority to collect comprehensive data about current allocation of advertisement expenditure and its impact on increasing awareness about health, education and other intended outcomes;

15 (b) frame regulations to be followed by the appropriate Government in advertisements for promoting awareness and welfare of citizens *inter alia* including:—

20 (i) expenditure on the advertisement based on the nature of the advertisement, the population it is trying to reach, the geographical areas in which the problem or issue is prevalent, the intensity of the problem and such other criteria as the Authority deem fit;

(ii) the weightage to be given to each of the factors mentioned under sub-clause (i) while calculating the expenditure for advertisement allocation; and

25 (iii) restrict on the use of photos of politicians, peoples' representatives, any member of the Central Government, symbols and slogans of political parties and any other parametres as the Authority deem fit; and

30 (c) formulate transparent and unbiased policy for distribution of appropriate Government advertisements among print media, electronic media and publishers based on the readership figures, per capita outreach of particular newspaper among citizens in that particular region, vernacular language spoken and such other factors as may be determined in the Authority, from time to time.

35 8. Every advertisement sponsored by the people's tax revenue shall abide by the principles of justice, liberty, equality, fraternity to keep intact the sovereign, socialist, secular, democratic and republican nature of our country as enshrined in the Constitution and have no bias or preference towards any single community, caste, class, religion, language or domicile. Advertisements by the Government to abide by the Constitutional principles.

40 9. If any politician, people's representative or any other person violates any of the provisions of this Act, he shall be suspended from his office and be liable for a fine which may extend upto rupees one crore or one year imprisonment or both, after being given a reasonable opportunity of being heard: Penalty for violating the provisions of this Act

Provided that if a politician uses tax revenue to promote himself or his party for the second time in his lifetime then he shall be disqualified from contesting elections or holding public office in future.

45 10. (1) The appropriate Government shall prepare once every year, as may be prescribed, an annual report giving the summary of content and advertising expenditure incurred on various schemes over the year and it shall contain statements of annual accounts by all Ministries. Annual Report and its laying before the Parliament.

50 (2) A copy of the report shall be forwarded to the Central Government and the Central Government shall lay the report before each House of Parliament.

Audit of the funds.

11. (1) The Comptroller and Auditor General of India shall conduct an audit of the funds utilised in advertisements by the appropriate Government for promotion and creation of awareness, which shall be laid before both the Houses of Parliament.

(2) While conducting an audit under sub-section (1), if Comptroller and Auditor General finds any misallocation, the courts may take *suo motu* cognisance of any misallocation of expenditure and penalise the erring politicians as per section 9. 5

Expenses to be charged on the Consolidated Fund of India

12. The funds to be utilized by the authority for carrying out the purposes of this Act shall be charged on the Consolidated Fund of India.

Power to remove difficulties.

13. If any difficulty arises in giving effect to the provisions of this Act, the Authority may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of any difficulty: 10

Provided that no such order shall be made after expiry of two years from the date of commencement of this Act.

Power to make rules.

14. (1) The Authority shall, in consultation with appropriate Government, may by notification in the Official Gazette, make rules for carrying out the purposes of this Act. 15

(2) Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule. 20 25

(3) Every rule made by the State Government under this Act shall be laid, as soon as may be after it is made, before the State Legislature.

## STATEMENT OF OBJECTS AND REASONS

The Central Government spends a phenomenal amount of citizens' taxes on advertisements and promotions in print and digital media, social media. This drains away people's resources which could be deployed more efficiently, if this advertisement expenditure is converted to social and development expenditure. Thus the basic premise is that as the money for advertising is the hard earned people's money (collected by the Government from tax revenue), it should be used for social welfare and development of the citizens and not for advertising of the political parties and their office bearers.

In 2017-18, the Central Government spent as much as Rs. 1,313.57 crore on communication campaigns, undertaken in respect of various schemes and programmes of Government of India. This is more than 34% increase in advertisement expenditure from 2014-15, when it was Rs. 979.78 crore. The expenditure incurred by Bureau of Outreach and Communication (BOC) (erstwhile DAVP) (Directorate of Advertising and Visual Publicity) through Print media is Rs. 636.09 crore, Audio Visual AV is Rs. 468.93 crore, Outdoor Advertising OP is Rs. 208.55 crore totalling Rs. 1,313.57 crore.

In 2015, the Supreme Court had issued directions regulating the content and expenditure on Government advertisements. But despite this, none of the States have formed their respective Committees and the Centre and the States have repeatedly defied these SC regulations on content and expenditure on Government advertisements. Thus a policy framework regulating content and expenditure on Government advertisement is needed.

At present in the country, the Ministry of Information and Broadcasting—both regulates the Media sector, and also acts as a source of advertising revenue to them (through BOC). Thus there is an inherent conflict of interest in the duties of BOC and I&B Ministry. Taking this important lacuna into consideration, constitution of an independent Authority to look into and regulate the Government advertisement expenditure and allocation is necessary so that the conflict of interest is taken care of.

The BOC (erstwhile DAVP) is responsible for advertisement expenditure of the Central Government of various Ministries. But there has been no impact assessment done to gauge the efficacy of the Information, Education and Communication (IEC) campaigns in respect of various schemes/programmes. The Bill proposes to do this, and allocate expenditure accordingly based on the impact an advertisement can make on learning outcomes of citizens, the expenditure is allocated to different forms of advertising in the fields of health, education, women empowerment.

The need is to strictly prohibit promotion of peoples' representatives (including elected and nominated representatives, the Executive and politicians holding political posts within their party like Party Chief/ President), political parties, their symbols and colours, at the expense of people's taxes in any form. The Bill provides for inclusion of only indicators relating to increasing awareness in the advertisements, with no pictures of politicians (dead or alive) on them. The Bill provides for an Authority which will decide any additional specifications of design of posters and advertisements, to be followed by the Centre when promoting awareness on health, education etc. Thus the Bill champions for diverting resources from propaganda to improving social and development indicators. The Bill provides for the Authority to also make advertisement regulations to be followed by the State Governments. The State Governments shall then make laws for their respective States based on these regulations.

The Bill provides for the broad principles that must be followed by the Authority when framing guidelines for advertisement by Ministries. The Bill mandates the

regulations framed by the Authority to adhere to the Constitutional principles of secularism and equality, without there being any bias or preference towards any single community, caste, class, religion, language or domicile.

The Bill provides for the posters and advertisements by the Government that are devised to promote awareness among citizens, to be in local vernacular language of respective area where the advertisement is being published. Since the purpose of the advertisement is to solely promote awareness among people, it is only logical to put up advertisements in the language they comprehend. Thus the Bill also strictly prohibits preference to any particular language in Governments advertisements.

The CAG conducts an audit of the funds utilised in advertisements by the Government for promotion and creation of awareness, which shall be laid before both the Houses of Parliament. Courts can take *suo motu* cognisance of any misallocation of expenditure and penalise the erring politicians as per the provisions in this Bill.

The Bill provides for punishment for violating the provisions of the Bill and ensures that the Executive or politicians are answerable to the people/electorate. The punitive authority will lie with the High Courts and the Supreme Court. The Courts can take cognisance of an offence committed under this Bill and penalise/prosecute the erring politicians.

The erring representative is given a chance to be heard in the Court, to justify his case. If found to have erred, the politician shall be suspended from his office and is liable for a fine of Rs. 1 crore or one year imprisonment or both. If a politician uses tax revenue to promote himself or his party for the second time in his lifetime, then he is disqualified from contesting elections or holding public office ever again in his lifetime. In case, it is the photo of political party chief/ president that is circulating with advertisements, then he is liable for a fine of Rs. 1 crore or one year imprisonment or both, depending on the intensity of the wrongdoing and as the courts may decide.

The Standing Committee on Information Technology in its 47th report on Issues related to paid news, made some observations on the advertisement distribution policy of DAVP. Its recommendations of—having transparent and unbiased policy for distribution of advertisements by Centre and State Governments; increasing scrutiny of advertising distribution to Print Media; and disclosing the disbursement of advertisement expenditure— are all given life to, in this Bill.

The Bill provides for broad guidelines for advertisement expenditure to be decided by the Authority. The allocation will be decided based on the nature of the advertisement, the population it is trying to reach, the geographical areas in which the problem/ issue (that the advertisement is trying to create awareness of) is prevalent, the intensity of the problem and other criteria, which will be decided by the Authority. The Authority shall also decide the weightage to be given to each of these factors when calculating the advertisement allocation.

The Bill thus champions for appropriate use of peoples' tax resources by limiting Government expenditure on advertisements to just promotion of welfare and awareness among citizens. Even in the advertisements it allows, the Bill strictly prohibits all forms of promotion of the Central Government, State Governments, elected & nominated representatives, politicians and political parties, symbols and colours.

Hence this Bill.

NEW DELHI;  
October 28, 2019.

SUPRIYA SULE

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117(1) AND  
117(3) OF THE CONSTITUTION

[Copy of Letter No. H-11018/4/2019-MUC-I dated 22 May, 2020 from Shri Prakash Javadekar, Minister of Environment, Forest and Climate Change and Information and Broadcasting to the Secretary General, Lok Sabha].

The President, having been informed of the subject matter of the Judicious Use of Tax Revenue (For Government Advertisement) Bill, 2019 by Shrimati Supriya Sule, M.P., recommends the introduction of the Bill under article 117(1) and consideration of the Bill under articles 117(3) of the Constitution in Lok Sabha.

## FINANCIAL MEMORANDUM

Clause 5 of the Bill provides for the Constitution of the Authority for Appropriate Use of Tax Revenue. It also provides for the appointment of number of officers and staff for the functioning of the Authority. Clause 12 provides that funds required for carrying out the purposes of this Act shall be charged on the Consolidated Fund of India. The Bill, therefore, if enacted, will involve recurring expenditure of five crore rupees per annum which shall be charged from the Consolidated Fund of India.

A non-recurring expenditure to the tune of rupees one crore is also likely to be involved.



## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill empowers the Authority to make regulations to be followed by the appropriate Government in advertisement for promoting awareness regarding welfare of citizens. Clause 14 empowers the authority to make necessary rules, by notification in the official gazette for carrying out the purposes of the Bill. As the regulation and rules will relate to matters of details only, delegation of legislative power is, therefore, of a normal character.

LOK SABHA

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*(Shrimati Supriya Sule, M.P.)*