

**THE MEGHALAYA FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT  
(AMENDMENT) BILL, 2024**

A

Bill

To amend the Meghalaya Fiscal Responsibility and Budget Management Act, 2006.

Be it enacted by the Legislature of the State of Meghalaya in the Seventy-Fifth Year of the Republic of India as follows:-

Short title & commencement	1.	(a) This Bill may be called the Meghalaya Fiscal Responsibility and Budget Management (Amendment) Bill, 2024. (b) It shall come into force from the date of publication in the Official Gazette.
Scope of Amendment	2.	The amendment laid out in this Amendment Bill shall be in relation to the provisions of the Meghalaya Fiscal Responsibility and Budget Management Act, 2006.
Amendment of Section 4	3.	(a) In sub-section 2, the words “may prescribe such targets as may be deemed” shall be substituted with the words “shall prescribe targets”.

**STATEMENT OF OBJECT AND REASONS**

Fiscal Management objectives have clearly been set in Section 3 of the Meghalaya Fiscal Responsibility and Budget Management Act, 2026 and Fiscal Targets have unambiguously been laid out in Section 4(1) of the said Act. However, a major loophole exists in the statute because Section 4(1) is not mandatorily binding on Government; reason being that the word used in the statutory clause is “*may*” instead of “*shall*”.

Because of this one single loophole in the Meghalaya FRBM Act, we see that successive Governments have been at liberty not to reduce Fiscal Deficit to 3 percent of Gross State Domestic Product, and ever increasing Government borrowings are burdening the total outstanding liability on the Consolidated Fund of the State much above 28% of GSDP.

Now this proposed enactment seeks to fulfill the following purpose:-

1. To effectively plug a legal loophole in the Meghalaya FRBM Act, so as to make the role of Government definite.
2. To ensure that Fiscal Targets relating to Fiscal Deficit and Total Outstanding Liabilities, as laid out in the Meghalaya FRBM Act, are mandatorily carried out by Government.
3. To amend the Meghalaya Fiscal Responsibility and Budget Management Act, 2006.

Hence this Bill.

**Bah Adelbert Nongrum**  
MLA, 17 North Shillong

**FINANCIAL MEMORANDUM**

Proposed amendment of Meghalaya Fiscal Responsibility and Budget Management Act, 2006 shall involve no expenditure.