

Bill No. XXXVIII of 2015

THE ANDHRA PRADESH REORGANISATION (AMENDMENT)
BILL, 2015

A

BILL

further to amend the Andhra Pradesh Reorganisation Act, 2014.

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

1. (1) This Act may be called the Andhra Pradesh Reorganisation (Amendment) Act, 2015.

Short title and
commencement.

5 (2) It shall come into force at once.

6 of 2014

2. In the Andhra Pradesh Reorganisation Act, 2014, after section 100, the following section shall be inserted, namely:—

Insertion of
new Section
100 A.

100A. Notwithstanding anything contained contrary in this Act, the following shall be special provisions for the State of Andhra Pradesh, namely:—

Special
provisions for
Andhra
Pradesh State.

10

(a) Andhra Pradesh-Telangana Council shall be set up by Central Government on the lines of North-Eastern Council comprising of the

Chief Ministers of the two states with the Prime Minister or the Union Home Minister as its Chairperson to address issues of concern;

(b) Special status shall be granted by Central Government for the state of Andhra Pradesh for ten years;

(c) Revenue deficit of Andhra Pradesh shall be borne by Central Government till the State becomes financially viable; 5

(d) A special package shall be given by Central Government to achieve a turnaround in the financial health of the State of Andhra Pradesh;

(e) Central assistance package shall be provided for developing backward areas of Andhra Pradesh particularly in the four districts of Rayalaseema and three districts of north coastal Andhra Pradesh at par with Bundelkhand and Koraput-Bolangir-Kalahandi package; 10

(f) Central assistance shall be provided for the development of the capital of Andhra Pradesh;

(g) The allocation on Polavaram Project shall be increased by Central Government for its completion in the stipulated time frame as a national project as declared; 15

(h) The Apex Council and the River Management Boards for Godavary and Krishna shall be operationlised;

(i) Resolution or division of assets relating to boards, corporations, bank accounts, etc. shall be expedited by the Central Government; 20

(j) Existing quotas in all government, private, aided or unaided institutions of higher technical and medical education shall be ensured for a period of ten years;

(k) Establishment of institutions of national importance like IIT, IIM and AIIMS in Andhra Pradesh besides a tribal university each in both States shall be expedited by Central Government; 25

(l) A separate High Court shall be established for the state of Andhra Pradesh;

(m) Development of social, physical and industrial infrastructure and clearly identified projects like new major port at Duggirajapatnam, integrated steel plant at YSR District, crude oil refinery and petrochemical complex, Vizag-Chennai industrial corridor, railway zone with Vizag as Headquarters, metro rail facility for Vizag, Vijayawada-Guntur-Tenali, three international airports at Vizag, Vijayawada and Thirupathi, improving rail and road connectivity to the new capital of Andhra Pradesh shall be developed by the Central Government. 30
35

STATEMENT OF OBJECTS AND REASONS

The Andhra Pradesh State Reorganization Act, 2014 provides for taking appropriate fiscal measures including offer of tax incentives by the Government of India to the successor States in order to promote industrialisation and economic growth in successor State of Andhra Pradesh and special development package for the backward regions of the successor State of Andhra Pradesh, in particular for the districts of Rayalaseema and north coastal Andhra Pradesh on the lines of Special Plan in Odisha, Bundelkhand, Madhya Pradesh and Uttar Pradesh;

2. The then Prime Minister announced specific steps to address the concerns of all the regions of the State particularly of Seemandhra including special category status to the successor State of Andhra Pradesh for a period of five years so as to put the finances of the State on a firm footing. Post-bifurcation, the residuary State of Andhra Pradesh has lost significant resource base and therefore remains at a disadvantage *vis-a-vis* neighbouring revenue-surplus States. The fund crunch and resource-wise disadvantage are not the making of Andhra Pradesh. It was assured by the Government that necessary grants would be provided in the current budget which has not been done inspite of assurances to support to the State of Andhra Pradesh on several fronts, including bridging revenue deficit, providing industrial incentives, special development package for backward areas in seven districts (four districts of Rayalaseema and three northern coastal districts of Andhra Pradesh), assistance to State capital development, railway zone for the State and Special Category status.

Hence this Bill.

K. V. P. RAMACHANDRA RAO

FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for the special status for the State of Andhra Pradesh. The Bill, if enacted, will involve expenditure from the Consolidated Fund of India. It is not possible to quantify the expenditure at this juncture. However, it is estimated that a sum of rupees fifty thousand crore may involve as recurring expenditure per annum.

Non-recurring expenditure to the tune of rupees one lakh crore may also involve for creating assets.

RAJYA SABHA

A

BILL

further to amend the Andhra Pradesh Reorganisation Act, 2014

(Dr. K.V.P. Ramachandra Rao, M.P.)