



KARNATAKA LEGISLATIVE ASSEMBLY
FOURTEENTH LEGISLATIVE ASSEMBLY
SIXTEENTH SESSION

**THE KARNATAKA AADHAAR (TARGETED DELIVERY OF FINANCIAL
AND OTHER SUBSIDIES, BENEFITS AND SERVICES) BILL, 2018**

(L.A. Bill No. 52 of 2018)

A Bill to provide for, as a good governance measure, efficient, transparent, and targeted delivery of financial and other subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of State to individuals residing in the State of Karnataka using Aadhaar as a sole identifier, and for matters connected therewith.

Whereas, it is expedient to make a law to provide for, as a good governance measure, efficient, transparent, and targeted delivery of financial and other subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of the State, to the individuals residing in the State of Karnataka using Aadhaar as a sole identifier, and to provide for matters connected therewith;

Be it enacted by the Karnataka State Legislature in the Sixty- ninth year of the Republic of India as follows:-

1. Short title, extent and commencement.- (1) This Act may be called the Karnataka Aadhaar (Targeted Delivery of Financial and Other Subsidies, benefits and Services) Act, 2018.

(2) It extends to the whole of the State of Karnataka.

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

2. Definitions.- (1) In this Act, unless the context otherwise requires,-

- (a) "Agency of the State Government" means any authority or body established or constituted by any Central or State law in the State of Karnataka including the local bodies, and any other body owned and controlled by the State Government and includes the bodies whose composition and administration are predominantly controlled by the State Government;
- (b) "Benefit" means any advantage, gift, reward, relief or payment, in cash or kind, provided to an individual or group of individuals and includes such other benefits as may be notified by the State Government, from time to time;

- (c) "Central Act", means the Aadhaar (Targeted Delivery of Financial and Other Subsidies, benefits and Services) Act, 2016; (Central Act 18 of 2016)
- (d) "Consolidated Fund of State" means a Consolidated Fund of State of Karnataka;
- (e) "Government" or "State Government" means the Government of Karnataka;
- (f) "Service" means any provision, facility, utility or any other assistance provided in any form to an individual or a group of individuals and includes such other services as may be notified by the State Government;
- (g) "Subsidy" means any form of aid, support, grant, subvention or appropriation, in cash or kind provided to an individual or a group of individuals and includes such other subsidies as may be notified by the State Government, from time to time.

(2) Words and expressions used in this Act but not defined hereinabove shall have the same meanings as respectively assigned to them under the Central Act.

3. Proof of Aadhaar number necessary for receipt of certain subsidies, benefits and services, etc.- The State Government or, as the case may be, any Agency of the State Government, may, for the purpose of establishing identity of an individual as a condition for receipt of a subsidy, benefit or service for which the expenditure is incurred entirely by way of withdrawal from, or the receipt therefrom forms part of the Consolidated Fund of the State, or any fund set up by any Agency of the State Government, require that such individual undergo authentication, or furnish proof of possession of Aadhaar number or, in the case of an individual to whom no Aadhaar number has been assigned, such individual makes an application for enrolment:

Provided that, till such time an Aadhaar number is not assigned to an individual, the individual shall be offered alternate and viable means of identification for delivery of the subsidy, benefit or service.

4. Notifying Schemes by State Government.- The State Government shall, within a period of three months from the date of commencement of this Act, and thereafter, from time to time, notify the list of schemes, subsidies, benefit or services for which such authentication or proof is required as per section 3.

5. Application of Chapter III and VI of Central Act.- The provisions of Chapter III and Chapter VI of the Central Act shall mutatis mutandis apply to authentication under this Act.

6. Act to be in addition and not in derogation of any other law.- The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

7. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against the State Government or any officer,

or other employees of the State Government for anything which is in good faith done or intended to be done under this Act or rules made thereunder.

8. Power to make rules.- (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) specifying the manner of use of Aadhaar number for the purposes of providing or availing of various subsidies, benefits, services and other purposes for which Aadhaar number may be used;

(b) any other matter which is required to be, or may be, specified, or in respect of which provisions are to be made by rules.

(3) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature, 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 in which it is so laid or the session or sessions immediately following, both Houses agree in making any modification in the rule or both 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 or omitted to be done under that rule.

9. Power to remove difficulties.- (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by an order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act which appear to it to be necessary or expedient for the purposes of removing the difficulty:

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

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each House of the State Legislature.

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to enact the Karnataka Aadhaar (Targeted Delivery of Financial and Other Subsidies, benefits and Services) Bill, 2018, to provide for,-

(1) the correct identification of Targeted Beneficiaries for delivery of various subsidies, benefits, services, grants, wages and other social benefit schemes for the effective implementation of these programmes of the State Government or its agencies through Aadhaar Identification;

(2) further to ensure that the subsidies, benefits and services reach to the intended beneficiaries;

(3) linking the use of Aadhaar identification for delivery of various subsidies, benefits, services, grants, wages and other social benefit schemes which are funded from the consolidated fund of Karnataka or its agencies; and

(4) a good governance, efficient, transparent and targeted delivery of the subsidies, benefits and services, the expenditure for which is incurred from the consolidated Fund of the State or of any agency of the State Government to individuals residing in the State of Karnataka using Aadhaar as sole the identifier.

Hence, the Bill.

FINANCIAL MEMORANDUM

There will be no extra financial implication involved in the proposed Legislative measure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8:	Sub-clause (1) empowers the State Government to make rules to carry out the purposes of this Act.
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The proposed delegation of legislative power is normal in character.

SIDDARAMAIAH

Chief Minister

S. Murthy

Secretary (I/c)

Karnataka Legislative Assembly

ANNEXURE

Extract from the Aadhaar (Targeted Delivery of Financial and Other Subsidies, benefits and Services) Act, 2016 (Central Act 18 of 2016)

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**CHAPTER III
AUTHENTICATION**

7. Proof of Aadhaar number necessary for receipt of certain subsidies, benefits and services, etc.- The Central Government or, as the case may be, the State Government may, for the purpose of establishing identity of an individual as a condition for receipt of a subsidy, benefit or service for which the expenditure is incurred from, or the receipt therefrom forms part of, the Consolidated Fund of India, require that such individual undergo authentication, or furnish proof of possession of Aadhaar number or in the case of an individual to whom no Aadhaar number has been assigned, such individual makes an application for enrolment:

Provided that if an Aadhaar number is not assigned to an individual, the individual shall be offered alternate and viable means of identification for delivery of the subsidy, benefit or service.

8. Authentication of Aadhaar number.- (1) The Authority shall perform authentication of the Aadhaar number of an Aadhaar number holder submitted by any requesting entity, in relation to his biometric information or demographic information, subject to such conditions and on payment of such fees and in such manner as may be specified by regulations.

(2) A requesting entity shall,-

(a) unless otherwise provided in this Act, obtain the consent of an individual before collecting his identity information for the purposes of authentication in such manner as may be specified by regulations; and

(b) ensure that the identity information of an individual is only used for submission to the Central Identities Data Repository for authentication.

(3) A requesting entity shall inform, in such manner as may be specified by regulations, the individual submitting his identity information for authentication, the following details with respect to authentication, namely:—

(a) the nature of information that may be shared upon authentication;

(b) the uses to which the information received during authentication may be put by the requesting entity; and

(c) alternatives to submission of identity information to the requesting entity.

(4) The Authority shall respond to an authentication query with a positive, negative or any other appropriate response sharing such identity information excluding any core biometric information.

9. Aadhaar number not evidence of Citizenship or Domicile, etc..-The Aadhaar number or the authentication thereof shall not, by itself, confer any right of, or be proof of, citizenship or domicile in respect of an Aadhaar number holder.

10. Central Identities Data Repository.- The Authority may engage one or more entities to establish and maintain the Central Identities Data Repository and to perform any other functions as may be specified by regulations.

CHAPTER IV
UNIQUE IDENTIFICATION AUTHORITY OF INDIA

11. Establishment of Authority.- (1) The Central Government shall, by notification, establish an Authority to be known as the Unique Identification Authority of India to be responsible for the processes of enrolment and authentication and perform such other functions assigned to it under this Act.

(2) The Authority shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The head office of the Authority shall be in New Delhi.

(4) The Authority may, with the prior approval of the Central Government, establish its offices at other places in India.

12. Composition of Authority.- The Authority shall consist of a Chairperson, appointed on part-time or full-time basis, two part-time Members, and the chief executive officer who shall be Member Secretary of the Authority, to be appointed by the Central Government.

13. Qualifications for appointment of Chairperson and Members of Authority.- The Chairperson and Members of the Authority shall be persons of ability and integrity having experience and knowledge of at least ten years in matters relating to technology, governance, law, development, economics, finance, management, public affairs or administration.

14. Term of office and other conditions of service of Chairperson and Members.- (1) The Chairperson and the Members appointed under this Act shall hold office for a term of three years from the date on which they assume office and shall be eligible for re-appointment:

Provided that no person shall hold office as the Chairperson or Member after he has attained the age of sixty-five years.

(2) The Chairperson and every Member shall, before entering office, make and subscribe to, an oath of office and of secrecy, in such form and in such manner and before such Authority as may be prescribed.

(3) Notwithstanding anything contained in sub-section (1), the Chairperson or Member may,-

(a) relinquish his office, by giving in writing to the Central Government, a notice of not less than thirty days; or

(b) be removed from his office in accordance with the provisions of section 15.

(4) The salaries and allowances payable to, and the other terms and conditions of service of, the Chairperson and allowances or remuneration payable to part-time Members shall be such as may be prescribed.

15. Removal of Chairperson and Members.- (1) The Central Government may remove from office, the Chairperson, or a Member, who,-

(a) is, or at any time has been adjudged as insolvent;

(b) has become physically or mentally incapable of acting as the Chairperson or, as the case may be, a Member;

(c) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude;

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as the Chairperson or, as the case may be, a Member; or

(e) has, in the opinion of the Central Government, so abused his position as to render his continuance in office detrimental to the public interest.

(2) The Chairperson or a Member shall not be removed under clause (b), clause (d) or clause (e) of sub-section (1) unless he has been given a reasonable opportunity of being heard.

16. Restrictions on Chairperson or Members on employment after cessation of office.- The Chairperson or a Member on ceasing to hold office for any reason, shall not, without previous approval of the Central Government,-

(a) accept any employment in, or be connected with the management of any organisation, company or any other entity which has been associated with any work done or contracted out by the Authority, whether directly or indirectly, during his tenure as Chairperson or Member, as the case may be, for a period of three years from the date on which he ceases to hold office:

Provided that nothing contained in this clause shall apply to any employment under the Central Government or a State Government or local authority or in any statutory authority or any corporation established by or under any Central, State or provincial Act or a Government Company, as defined in clause (45) of section 2 of the Companies Act, 2013;

(b) act, for or on behalf of any person or organisation in connection with any specific proceeding or transaction or negotiation or a case to which the Authority is a party and with respect to which the Chairperson or such Member had, before cessation of office, acted for or provided advice to, the Authority;

(c) give advice to any person using information which was obtained in his capacity as the Chairperson or a Member and being unavailable to or not being able to be made available to the public; or

(d) enter, for a period of three years from his last day in office, into a contract of service with, accept an appointment to a board of directors of, or accept an offer of employment with, an entity with which he had direct and significant official dealings during his term of office.

17. Functions of Chairperson.- The Chairperson shall preside over the meetings of the Authority, and without prejudice to any provision of this Act, exercise and discharge such other powers and functions of the Authority as may be prescribed.

18. Chief executive officer.- (1) There shall be a chief executive officer of the Authority, not below the rank of Additional Secretary to the Government of India, to be appointed by the Central Government.

(2) The chief executive officer shall be the legal representative of the Authority and shall be responsible for,-

(a) the day-to-day administration of the Authority;

(b) implementing the work programmes and decisions adopted by the Authority;

(c) drawing up of proposal for the Authority's decisions and work programmes;

(d) the preparation of the statement of revenue and expenditure and the execution of the budget of the Authority; and

(e) performing such other functions, or exercising such other powers, as may be specified by regulations.

(3) Every year, the chief executive officer shall submit to the Authority for approval,-

(a) a general report covering all the activities of the Authority in the previous year;

- (b) programmes of work;
- (c) the annual accounts for the previous year; and
- (d) the budget for the coming year

(4) The chief executive officer shall have administrative control over the officers and other employees of the Authority.

19. Meetings of Authority.- (1) The Authority shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings, including quorum at such meetings, as may be specified by regulations.

(2) The Chairperson, or, if for any reason, he is unable to attend a meeting of the Authority, the senior most Member shall preside over the meetings of the Authority.

(3) All questions which come up before any meeting of the Authority shall be decided by a majority of votes by the Members present and voting and in the event of an equality of votes, the Chairperson or in his absence the presiding Member shall have a casting vote.

(4) All decisions of the Authority shall be signed by the Chairperson or any other Member or the Member-Secretary authorised by the Authority in this behalf.

(5) If any Member, who is a director of a company and who as such director, has any direct or indirect pecuniary interest in any manner coming up for consideration at a meeting of the Authority, he shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Authority, and the Member shall not take part in any deliberation or decision of the Authority with respect to that matter.

20. Vacancies, etc., not to invalidate proceedings of Authority.- No act or proceeding of the Authority shall be invalid merely by reason of,-

- (a) any vacancy in, or any defect in the constitution of, the Authority;
- (b) any defect in the appointment of a person as Chairperson or Member of the Authority; or
- (c) any irregularity in the procedure of the Authority not affecting the merits of the case.

21. Officers and other employees of Authority.- (1) The Authority may, with the approval of the Central Government, determine the number, nature and categories of other officers and employees required by the Authority in the discharge of its functions.

(2) The salaries and allowances payable to, and the other terms and conditions of service of, the chief executive officer and other officers and other employees of the Authority shall be such as may be specified by regulations with the approval of the Central Government.

22. Transfer of assets, liabilities of Authority.- On and from the establishment of the Authority,-

- (a) all the assets and liabilities of the Unique Identification Authority of India, established vide notification of the Government of India in the Planning Commission number A-43011/02/2009-Admin. I, dated the 28th January, 2009, shall stand transferred to, and vested in, the Authority.

Explanation: The assets of such Unique Identification Authority of India shall be deemed to include all rights and powers, and all properties, whether movable or immovable, including, in particular, cash balances, deposits and all other interests and rights in, or arising out of, such properties as may be in the

possession of such Unique Identification Authority of India and all books of account and other documents relating to the same; and liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind;

(b) without prejudice to the provisions of clause (a), all data and information collected during enrolment, all details of authentication performed, debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for such Unique Identification Authority of India immediately before that day, for or in connection with the purpose of the said Unique Identification Authority of India, shall be deemed to have been incurred, entered into or engaged to be done by, with or for, the Authority;

(c) all sums of money due to the said Unique Identification Authority of India immediately before that day shall be deemed to be due to the Authority; and

(d) all suits and other legal proceedings instituted or which could have been instituted by or against such Unique Identification Authority of India immediately before that day may be continued or may be instituted by or against the Authority.

23. Powers and functions of Authority.- (1) The Authority shall develop the policy, procedure and systems for issuing Aadhaar numbers to individuals and perform authentication thereof under this Act.

(2) Without prejudice to sub-section (1), the powers and functions of the Authority, inter alia, include,-

(a) specifying, by regulations, demographic information and biometric information required for enrolment and the processes for collection and verification thereof;

(b) collecting demographic information and biometric information from any individual seeking an Aadhaar number in such manner as may be specified by regulations;

(c) appointing of one or more entities to operate the Central Identities Data Repository;

(d) generating and assigning Aadhaar numbers to individuals;

(e) performing authentication of Aadhaar numbers;

(f) maintaining and updating the information of individuals in the Central Identities Data Repository in such manner as may be specified by regulations;

(g) omitting and deactivating of an Aadhaar number and information relating thereto in such manner as may be specified by regulations;

(h) specifying the manner of use of Aadhaar numbers for the purposes of providing or availing of various subsidies, benefits, services and other purposes for which Aadhaar numbers may be used;

(i) specifying, by regulations, the terms and conditions for appointment of Registrars, enrolling agencies and service providers and revocation of appointments thereof;

(j) establishing, operating and maintaining of the Central Identities Data Repository;

(k) sharing, in such manner as may be specified by regulations, the information of Aadhaar number holders, subject to the provisions of this Act;

(l) calling for information and records, conducting inspections, inquiries and audit of the operations for the purposes of this Act of the Central Identities Data Repository, Registrars, enrolling agencies and other agencies appointed under this Act;

(m) specifying, by regulations, various processes relating to data management, security protocols and other technology safeguards under this Act;

(n) specifying, by regulations, the conditions and procedures for issuance of new Aadhaar number to existing Aadhaar number holder;

(o) levying and collecting the fees or authorising the Registrars, enrolling agencies or other service providers to collect such fees for the services provided by them under this Act in such manner as may be specified by regulations;

(p) appointing such committees as may be necessary to assist the Authority in discharge of its functions for the purposes of this Act;

(q) promoting research and development for advancement in biometrics and related areas, including usage of Aadhaar numbers through appropriate mechanisms;

(r) evolving of, and specifying, by regulations, policies and practices for Registrars, enrolling agencies and other service providers;

(s) setting up facilitation centres and grievance redressal mechanism for redressal of grievances of individuals, Registrars, enrolling agencies and other service providers;

(t) such other powers and functions as may be prescribed.

(3) The Authority may,-

(a) enter into Memorandum of Understanding or agreement, as the case may be, with the Central Government or State Governments or Union territories or other agencies for the purpose of performing any of the functions in relation to collecting, storing, securing or processing of information or delivery of Aadhaar numbers to individuals or performing authentication;

(b) by notification, appoint such number of Registrars, engage and authorise such agencies to collect, store, secure, process information or do authentication or perform such other functions in relation thereto, as may be necessary for the purposes of this Act.

(4) The Authority may engage such consultants, advisors and other persons as may be required for efficient discharge of its functions under this Act on such allowances or remuneration and terms and conditions as may be specified by contract.

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