

Bill Summary

The Central Road Fund (Amendment) Bill, 2017

- The Central Road Fund (Amendment) Bill, 2017 was introduced in Lok Sabha on July 24, 2017 by the Minister of Road Transport and Highways, Mr. Nitin Gadkari. The Bill amends the Central Road Fund Act, 2000. The Act regulates the Central Road Fund (CRF), that is credited with the cess collected on high speed diesel oil and petrol. This collected amount is then released to National Highways Authority of India, and to the state/union territory governments for the development of national and state highways. The Bill seeks to allocate a share of this cess towards the development of inland waterways.
- **Inclusion of inland waterways:** The Bill defines national waterways as those that have been declared as ‘national waterways’ under the National Waterways Act, 2016. Currently, 111 waterways are specified under the 2016 Act.
- **Utilisation of fund:** Under the 2000 Act, the fund can be utilised for various road projects including: (i) national highways, (ii) state roads including roads of inter-state and economic importance, and (iii) rural roads. The Bill provides that in addition to these the fund will also be used for the development and maintenance of national waterways.
- **Powers of central government:** Under the Act, the central government has the power to administer the fund. The central government will make decisions on the: (i) investments on national highways and expressways projects, (ii) raising funds for the development and maintenance of national highways, and rural roads, and (iii) disbursement of funds for national highways, state roads and rural roads. The Bill provides that central government will make all the above decisions for national waterways as well.
- **Allocation of cess:** Under the Act, the cess on high speed diesel oil and petrol is allocated towards different types of roads. The Bill seeks to decrease the allocation of cess towards the development and maintenance of national highways from 41.5% to 39%. It allocates 2.5% of the cess towards the development and maintenance of national waterways. As per the financial memorandum of the Bill, at the current rate of levy of this cess, the share allocated towards waterways will amount to around Rs 2,000 crore per annum. The remaining cess amount will continue to be used for the development of other roads such as national highways, state highways, etc.

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