

SPEAKER'S RULING

POINT OF ORDER BILL S-230

Honourable Senators,

On March 31, after Senator Grafstein had spoken to his motion for the second reading of Bill S-230, An Act to amend the Bank of Canada Act (credit rating agency), Senator Nolin rose on a point of order. He noted that, under clause 2, the bill cannot be brought into force before funds have been appropriated, based on a Royal Recommendation, for the purpose of the bill. On this basis, he was of the view that the Senate cannot proceed with the study of the bill.

The effect of the type of clause challenged by Senator Nolin was addressed in some detail in a ruling given on May 27, 2008, concerning Bill S-234, introduced by our retired colleague Senator Gill. That bill contained a virtually identical provision. The ruling is published at pages 1086 to 1088 of the *Journals of the Senate*, and is directly applicable to the current point of order. The final paragraph, which summarized the effect of this type of clause, applies equally to Bill S-230. It suggests that the bill has no real effect without a separate appropriation of the necessary funds. As stated in the ruling of May 27, 2008:

[T]here is no obligation to appropriate new money imposed upon Her Majesty. Nothing can happen if funds are not properly appropriated following a Royal Recommendation. Preferring to err on the side of allowing Senators the largest opportunity possible to consider proposals, debate on this item can proceed.

The ruling on Bill S-230 is the same. The bill does not require a Royal Recommendation, since nothing can happen following its adoption until and unless funds have been appropriated. Debate can therefore continue.