

Constitutional Chamber declares nonexistence constitutionality defects in the Bill n ° 20.580: "Strengthening of public finances"

December 4, 2018

On November 23, 2018, the Constitutional Chamber of the Supreme Court of Justice declared that no vices were present in Bill No. 20,850 ("Strengthening of Public Finances"), popularly known as the "Reforma Fiscal".

In this decision, the Costa Rican Constitutional Court ruled on three constitutional questions raised by the Legislative Assembly. In relation to the first consultation (file n ° 18-016546-0007-CO), the ruling was that there were no substantive defects in the bill, based on the aspects raised by the Legislative Assembly in its consultation:

- a. Early childhood and INA (National Learning Institute) Expenditure as part of the national GDP.
- b. Resources destined to higher education.
- c. Elimination of specific allocations to PANI (Children's National Board), FODESAF (Social Development and Family Allowance Fund), IMAS (Mixed Institute for Social Aid), among others.
- d. Funds and reserves of the CCSS (Social Security).
- e. Application of the legal reservation in the creation of incentives, compensations or salary bonuses.
- f. Obligation for the public institutions top officials to denounce collective conventions when they end.
- g. Tax amnesties administered by decentralized entities.

Regarding the second consult presented (file n ° 18-016883-0007-CO), points a) and b) were unanimously considered not admissible, since they did not comply with the obligation to, specifically express an objection or doubt of constitutionality. Items c) and d) were taken under consideration by the Constitutional Chamber but deemed inadmissible, given that the bill does not affect the organization and/or the functioning of the Judiciary Branch. As a result of these rulings, the bill in question was declared as not requiring a qualified majority for its approval. Finally, the third consultation (file n ° 18-016904-0007-CO), was declared not admissible for defects in its form.

This decision of the Constitutional Court implied, from the legal point of view, that the Legislative Assembly could continue with the study and vote of the of Bill No. 20,85. It was approved in the second debate, with 34 votes in favor and 17 votes against and yesterday, the President of the Republic signed the legislative text, so publication in the Official Gazette La Gaceta is all that remains for effective entry into force.

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