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**COUNTY GOVERNMENT OF BUNGOMA**



**COUNTY ASSEMBLY OF BUNGOMA  
OFFICE OF THE CLERK**

**THIRD SESSION**

**SECTORAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING  
REPORT ON**

**BUNGOMA COUNTY FINANCE BILL 2024.**

Clerk's Chambers,  
County Assembly Buildings,  
P.O BOX 1886 – 50200,  
BUNGOMA, KENYA.

November, 2024

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## CHAPTER ONE

### 1.0 PREFACE

**Mr. Speaker sir**, on behalf of the Committee on Finance and Economic Planning it is my pleasure to present the Bungoma County Finance Bill, 2024 that was introduced to the House through First Reading on Tuesday 1st October, 2024 at 2:30 pm.

### 1.1. The establishment and functions of the committee

**Hon. Speaker,**

The Sectoral Committee on Finance and Economic Planning is established pursuant to the provisions of Standing Order No. 217 of the County Assembly of Bungoma and executes its mandate in accordance with Standing Order 217(5) which provides as follows:

- a) Investigate, inquire and report all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.
- b) Study the program and policy objectives of departments and the effectiveness of the implementation;
- c) study and review all county legislation referred to it;
- d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- f) to vet and report on all appointments where the constitution or any law requires the County Assembly to approve, except those under Standing order 185(Committee on Appointments); and
- g) make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation.

### 1.2 mandate of the committee

The Second Schedule to the Bungoma County Assembly Standing Orders mandates the committee to consider matters relating to:

- a) Public Finance;
- b) Monetary Policies;
- c) Revenue Policies including taxation;
- d) County Integrated Development Plan;
- e) Annual Development Plan;
- f) Mobilization of resources for funding the budgetary requirement of the county government.

### 1.3 Committee Membership

**Mr. Speaker Sir,** the Committee on Finance and Economic Planning as currently constituted comprises of the following members:-

- |                             |                  |
|-----------------------------|------------------|
| 1. Hon. James Mukhongo      | Chairperson      |
| 2. Hon. Orise Kundu         | Vice chairperson |
| 3. Hon. Stephen Wamalwa     | Member           |
| 4. Hon. Everlyne Mutiembu   | Member           |
| 5. Hon. Violet Makhanu      | Member           |
| 6. Hon. Jack Kawa           | Member           |
| 7. Hon. Vitalis Juma        | Member           |
| 8. Hon. Francis Chemion     | Member           |
| 9. Hon. Tony Barasa         | Member           |
| 10. Hon. George Makari      | Member           |
| 11. Hon. Aggrey Mulongo     | Member           |
| 12. Hon. Godfrey Wanyama    | Member           |
| 13. Hon. Everton Nganga     | Member           |
| 14. Hon. Christine Mukhongo | Member           |
| 15. Hon. Jerusa Aleo        | Member           |

## 1.4 LEGAL FRAMEWORK

### Hon. Speaker

Article 185 of the Constitution of Kenya 2010 provides for the legislative authority of the County Assembly wherein states;

185. (1) The legislative authority of a county is vested in, and exercised by, its county assembly.

(2) A county assembly may make any laws that are necessary for or incidental to, the effective performance of the functions and exercise of the powers of the county government under the Fourth Schedule.

(3) A county assembly, while respecting the principle of the separation of powers, may exercise oversight over the county executive committee and any other county executive organs.

(4) A county assembly may receive and approve plans and policies for—  
(a) the management and exploitation of the county's resources; and

(b) the development and management of its infrastructure

As further read with section 8 of the County Government Act, 2012 which provides

8. (1) The county assembly shall—

(a) vet and approve nominees for appointment to county public offices as may be provided for in this Act or any other law;

(b) perform the roles set out under Article 185 of the Constitution;

(c) approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;

(d) approve the borrowing by the county government in accordance with Article 212 of the Constitution;

(e) approve county development planning; and

(f) perform any other role as may be set out under the Constitution or legislation.

Hon Speaker,

Article 174 of the Constitution of Kenya provides for the objects of devolution wherein it states

174. The objects of the devolution of government are—

- (a) to promote democratic and accountable exercise of power;
- (b) to foster national unity by recognizing diversity;
- (c) to give powers of self-governance to the people and enhance the participation of the people in the exercise of the powers of the State and in making decisions affecting them;
- (d) to recognize the right of communities to manage their own affairs and to further their development;
- (e) to protect and promote the interests and rights of minorities and marginalized communities;
- (f) to promote social and economic development and the provision of proximate, easily accessible services throughout Kenya;
- (g) to ensure equitable sharing of national and local resources throughout Kenya;
- (h) to facilitate the decentralization of State organs, their functions and services, from the capital of Kenya; and
- (i) to enhance checks and balances and the separation of powers.

**Mr. Speaker Sir,** Section 132(2) of the PFM Act, 2012 provides as follows: ***"the County Executive Committee Member for Finance shall, on the same date that the revenue raising measures are pronounced, submit to the County Assembly the County Finance Bill, setting out the revenue raising measures for the County Government, together with a policy statement expounding on those measures."*** under the said Section 132 of the Act, the County Finance Bill is supposed to be submitted to the County Assembly in time to enable the Assembly to pass the Bill within ninety (90) days from the day of enactment of the County Appropriations Bill into law.

**Mr. Speaker Sir,** the Finance Bill is an annual legislative proposal which must be submitted to the County Assembly on an annual basis and within the statutory timelines. In addition, the CEC Member for Finance is hereby reminded that the legislative proposal must be submitted together with a policy statement expounding on the policy consideration behind the revenue raising measures of the County Government proposed in the Finance Bill.



**Mr. Speaker Sir,** Section 132 (4) of the Public Finance Management Act, 2012 provides as follows: *"The recommendations of the County Executive Committee Member for Finance shall be included in a report and tabled in the County Assembly"*

The Bill is a money Bill within the meaning of Article 114 of the Constitution as read together with Section 21 of the County Governments Act, 2012.

Section 21(4) of the County Governments Act defines a Money Bill as:-

(4) For the purposes of this Act, "money Bill" means a Bill that contains provisions dealing with—

- (a) taxes;
- (b) the imposition of charges on a public fund or the variation or repeal of any of those charges;
- (c) the appropriation, receipt, custody, investment or issue of public money;
- (d) the raising or guaranteeing of any loan or its repayment; or (e) matters incidental to any of those matters.

The Bill does not infringe on the fundamental rights and freedom as enshrined in the Constitution.

Article 209(4) and (5) provides that the National and County Government may impose charges for the services. The taxation of other revenue raising powers of a county shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or national mobility of goods, services capital or labour.


In addition, Article 210(1) of the Constitution on imposition of tax states that no tax or licensing fee may imposed, waived or varies as except as provided by legislation. Based on the aforementioned the Bill concerns the Count Government.

### 1.5 Acknowledgment

**Mr. Speaker Sir,** I take this opportunity to express my gratitude and sincere thanks to the members of the committee for dedicating their limited time to sit and examine the Finance Bill, 2024. The committee would also like to register appreciation to the members of secretariat who worked with us for their unwavering commitment. Further the Committee notes with great appreciation the mobilization at village level by the Ward Managers to converge members of the public to give their views to the Committee. Lastly, the committee is grateful to the Hon. Speaker, and the Office of the Clerk of the County Assembly of Bungoma for the support received as it discharged its mandate.

**Mr. Speaker Sir,** it is therefore my duty, on behalf of the committee members of Finance and Economic Planning, to table this report and recommend it to the County Assembly for consideration and adoption.



Signed  Date 26/11/2024  
Hon. James Barasa Mukhongo, MCA (Chwele/ Kabuchai Ward)  
Chairperson, Committee on Finance and Economic Planning

## CHAPTER TWO

### 2.0 PUBLIC HEARINGS

**Mr. Speaker Sir**, pursuant to Article 196(b) of the Constitution of Kenya 2010 and the County Assembly of Bungoma Standing Order No. 140(2) which requires that public participation and involvement of the public in the legislative and other business of the County Assembly and its Committees, a notification was placed in the Daily Nation Tuesday 5<sup>th</sup> November 2024 informing the public to submit written representations on the Finance Bill, 2024 to the Clerk of the County Assembly via post office, email or hand delivery on or before 15<sup>th</sup> November 2024 (**Annex 1**)

**Mr. Speaker Sir**, the committee received the memorandum from the following groups;

- 1) Redo Kenya budget champions
- 2) Emonyo Yefwe international
- 3) Development Education Services for Community Empowerment.
- 4) Voice of Bungoma CSOs

The views of these groups are attached to this report as (annexure II)

### PUBLIC VIEWS ON FINANCE BILL, 2024

The Committee on Finance and Economic Planning held public participation forum that was attended by stakeholders drawn from organized groups such as, Auction Rings, Motorcycle operators commonly known as '*bodaboda*', Tuk tuk/ Lorries/ Pickup/Canters operators, Public Service Vehicles or '*matatu*' operators, Civil Society, open air market traders, Chamber of Commerce, exhaustor service providers as well as representatives from each of forty five (45) wards across the County.

**Mr. Speaker sir**, a summary of views of the public and all other stakeholders are as follows:

#### Summary of public views

##### 1. Agriculture and Livestock Development

- Reduce fertilizer prices to Kshs. 2,000 per 50kg for planting and top dressing to support farmers.
- Maintain soil testing fees at Kshs. 500 to encourage farm productivity.
- Reduce tractor hire services to Kshs. 2,500 per day to boost mechanized farming.

- Introduce efficient cess collection points for farm produce at entry/exit points to maximize revenue.

## **2. Public Health and Sanitation**

- Lower inspection fees for learning institutions and medical facilities, particularly in rural areas.
- Reduce vaccination fees for food handlers from Kshs. 1,500 to Kshs. 500 to improve compliance.
- Make burial clearance fees affordable or free for low-income groups.
- Enforce penalties for litter bin vandalism and illegal dumping.

## **3. Trade, Energy, and Industrialization**

- Classify and reduce business permit fees for small-scale traders (e.g., mama mboga and small shop operators).
- Segregate alcoholic drink licenses for rural and urban establishments with more favorable rates for rural areas.
- Introduce charges for open-air retail displays along major streets (e.g., Kshs. 200/day).

## **4. Revenue Collection and Administration**

- Fully automate revenue collection and integrate it with GIS for transparency.
- Establish a single pay bill system for all county revenue streams.
- Conduct a forensic audit of the automated revenue management system to enhance credibility.
- Train revenue officers in governance, integrity, and public relations to improve service delivery.
- Implement quarterly reviews of revenue targets to assess and adjust strategies.

## **5. Urban and Physical Planning**

- Reduce fees for land subdivision, amalgamation, and boundary surveys to encourage compliance.
- Encourage the use of county surveyors by making their charges more competitive.
- Introduce penalties for non-compliance with urban planning regulations, such as unauthorized land use.

## **6. Public Participation and Governance**

- Enhance civic education on revenue obligations and rights to encourage compliance.
- Increase stakeholder engagement, including market committees and civil society, in decision-making.
- Promote transparency by publishing detailed revenue performance reports.

## **7. Infrastructure and Environmental Management**

- Introduce charges for waste disposal based on business scale, e.g., factories (Kshs. 20,000/year) and supermarkets (Kshs. 8,000/year).
- Develop a policy for sand harvesting and timber royalties to regulate environmental degradation.
- Establish clear procedures for charging fees on pets in urban areas to formalize this revenue stream.

## **8. Support for Small and Medium Enterprises (SMEs)**

- Lower license fees for mobile money agents and small-scale agro-vets to stimulate entrepreneurship.
- Provide flexible payment schedules for taxes and licenses in 2-3 installments yearly.

## **9. Education, Culture, and Social Services**

- Reduce charges for hiring parks and stadia for schools and community activities to encourage usage.
- Lower registration fees for community-based organizations from Kshs. 5,000 to Kshs. 2,500 to promote social initiatives.

## **10. Anti-Corruption and Efficiency**

- Increase penalties for corrupt practices among revenue officers to deter misconduct.
- Rotate and redeploy revenue officers annually to minimize collusion and favoritism.

## CHAPTER THREE

### 3.0 THE COMMITTEE PROPOSED AMENDMENTS TO THE FINANCE BILL 2024

Mr. Speaker Sir, the Committee proposes a number of amendments to the Finance Bill, 2024 as follows;

#### FIRST SCHEDULE: FINANCE AND ECONOMIC PLANNING.

##### 1. Amendment on Item code number 1- 10011

Description of fee or Charge	Unit of measure	Proposed charges	Committee recommended Charges 2024
Penalty for scanning, Forging and photocopying			
Trade license	per instance	70,000	150,000

##### 2. Amendment on item code 1-1003

Description of fee or Charge	Unit of measure	Proposed charges	Committee recommended Charges 2024
Penalty on cash transaction by officers without issuance amount of official receipt	per instance	+100% of the amount transacted	+200% of the transacted

#### SECOND SCHEDULE: AGRICULTURE, LIVESTOCK, VETERINARY AND FISHERIES

##### 3. Amendment on Item code number 1- 2110 and 1-2111 respectively

Description of fee or Charge	Unit of measure	Proposed charges 2024	Committee recommended charges
Planting fertilizer	per 50kg bag	2,200	2,000
Topdressing fertilizer	per 50kg bag	2,200	2,000

##### 4. Amendment on item code 1-2120 crop development Services

Description of fee or Charge	Unit of measure	Proposed charges	Committee recommended
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Soil testing	per sample	2024 1,000	charges 500
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### **THIRD SCHEDULE: ENVIRONMENT, WATER AND TOURISM**

#### **5. Amendment on item code 1-290**

Description of fee or Charge	Unit of measure	Proposed charges 2024	Committee recommended charges
Illegal dumping of wastes Construction material, construction Demolition debris	per instance	10,000	30,000

### **FOURTH SCHEDULE: HEALTH AND SANITATION**

#### **6. An amendment on item code 1-3508**

Description of fee or Charge	Unit of measure	Proposed charges 2024	Committee recommended charges
Blockage removal within Premises per blockage Covered	per premise	1,000	0

#### **7. An amendment by inserting new code 1-6824 penalty for using wrong lane**

Description of fee or Charge	Unit of measure	Proposed charges 2024	Committee recommended charges
Penalty for Motor vehicles Using a wrong Lane along Dual carriage way.	Per instance	New	1000
Penalty for Motorbikes Using wrong lane along Dual carriage way	per instance	new	500





## CHAPTER FOUR

### 4.0 OBSERVATION, RECOMMENDATIONS AND CONCLUSIONS

#### 4.1 Committee observations

**Mr. Speaker sir,** the committee made the following observation from the Finance Bill 2023.

1. That there are several key legislations that have been passed by the County Assembly of Bungoma, however, most of the legislation lacks a schedule for fees and charges.
2. That Finance Bill 2024 was submitted to the County Assembly of Bungoma on 30<sup>th</sup> September 2024 which was the dateline to approve the Finance Bill, this late submission hindered the processing of the Bill by the County Assembly within the statutory timelines.
3. That the Bill was not properly drafted and was not in order as to the style and format of a Finance Bill.
4. Members of the public raised concern of the revenue collectors receiving cash and sometimes failing to receipt the same. It was further noted that BARMS is not verifiable and accurate and is not connected to GIS.
5. That there is no seamless coordination between the Sector Departments and the department of Finance and Economic planning in prioritization of programs that support the maximization of revenue collection hence existence of a big variance between the target and the actual revenue collected affecting implementation of projects and programs.
6. There is need to fully establish a County Court to enable easy enforcement of the County revenue raising legislation.
7. The County has not established a valuation roll which will increase the land rates and plot rent and immensely improve revenue collection.
8. The County Department of Gender Culture, Youth & Sports does not have appropriate regulations to operationalize the Bungoma County Alcoholic Drinks Control Act 2015
9. There are some department that lack revenue raising legislation to enhance revenue for instance; Agriculture, livestock Fisheries and Cooperative development lacks; Livestock sale yard Act, Animal Control and welfare Act, Mabanga ATC, AMC, Chwele fish farm and farm input support programme.(free and subsidized fertilizer and maize seeds.)
10. There are some revenue streams, despite having been passed in previous Finance Act, the County has not operationalized them, this includes fees and

charges related to animals roaming in towns and penalty on loading and offloading of trucks along Moi avenue and dual carriage way.

11. The County Government of Bungoma has not fully operationalized the Bungoma County Agricultural produces cess Act 2017.
12. That most of markets lack Market infrastructure such Auction rings, Sanitation facilities, sheds and such other facilities
13. It was noted that some vehicle and motorbikes are using wrong lane along dual carriage way as result causing unnecessary accidents.
14. Concerns were raised on feedback/validation after public participation on various Bills and statutory document including Finance Bill.
15. There is rapidly increasing of catering services in public and private function without paying any fees or charges of the County Government.
16. There is harassment of business community by the County enforcement officers during revenue collection and some instances they collect money without receipting.

#### 4.2 Committee recommendations

**Mr. Speaker sir,** the committee made the following recommendations:

1. **THAT** the respective department upon adoption of this Finance Bill 2024 should amend the existing revenue raising legislation by inserting schedules on fees and charges and submit them to county assembly for approval.
2. **THAT** the County Executive Committee Member of Finance and Economic Planning should submit a policy statement alongside Finance Bill by 30<sup>th</sup> April each year in compliance with Section 132 (2) of the Public Finance Management Act, 2012 to ensure that the Finance Bill is processed within the statutory timelines.
3. **THAT** henceforth the department should use the enacted County Revenue raising legislations to conform to the style and format of a Finance Bill while preparing the Bungoma County Finance Bill.
4. **THAT** the Revenue Directorate should fully automate revenue collection to embrace fully a cashless revenue collection system, except in rare circumstances and should connect BARMS with GIS. This will reduce leakages and improve domestic revenue generation and revenue

administration and management.

5. **THAT** the department of Finance and Economic Planning should liaise with other department in setting realistic targets and developing programs that will enhance local revenue in the County.
6. **THAT** office of the County attorney in liaison with County secretary should approach the Judiciary through office of chief registrar of Judiciary with a view of establishing County Court/revenue related tribunals for effective enforcement of County revenue raising legislations.
7. **THAT** the sector committee on Lands, Urban and physical planning and Housing should fast-track the consideration and submission to the House for approval the valuation role. This will increase the land rates and plot rent and immensely improve revenue collection.
8. **THAT** the County Executive Committee of Finance and Economic Planning is hereby directed to urgently develop regulations for revenue raising legislation passed by the County Assembly to operationalize them in order to enhance local revenue collection and management.
9. **THAT** the following Bills should be fast-tracked by respective sector committees to enhance revenue collection in the County:
  - a) The Construction and Development Bill
  - b) The Bungoma County Public Health and Sanitation Bill.
  - c) The Bungoma County Animal Welfare Control Bill.
  - d) The Bungoma County Rating Bill
  - e) Bungoma County Agricultural Institutional Bill 2024
  - f) Bungoma County Livestock Sale Yard Bill, 2024
  - g) The Bungoma County Food Safety Coordination Bill, 2024
10. **THAT** respective departments should implement all revenue stream items as approved by the County Assembly.
11. **THAT** the County Government should operationalize the Bungoma County Agricultural Produce Cess Act, 2017; including establishing County exit cess collection points in line section 11 of the Act to maximize revenue collection and ploughing back 90% of cess collected in the agricultural cess producing areas as stipulated in section 12 of the Act.
12. **THAT** the County Government should establish key market infrastructure in order to create, nurture and sustain an enabling environment for business growth.
13. **THAT** the county should impose a penalty on vehicle and motorbikes using a wrong lane, a penalty of kshs 1000 and kshs 500 respectively. The departments of Finance and Economic Planning and Public Administration and ICT should liaise and deploy enforcement officers to make sure strict

compliance.

14. **THAT** the department should carryout sensitization of business community and validation upon adoption of the Finance Bill 2024.
15. **THAT** the County should consider charging outside catering services being offered by hotels and individuals in public and private functions.
16. **THAT** the respective departments should train enforcement officers on customer service and carry out strict supervision during revenue collection and any officers found taking money without receipting, should face full force of the law so as deter other officers from engaging in such fraudulent activities.

#### 4.3 Conclusion

**Mr. Speaker Sir,** the enactment of this Bill into law by this House will serve to provide the much needed legislative framework at the county level for raising local revenue.

## **ANNEXTURES**

**Annex I : Adoption Minutes**




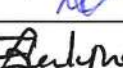
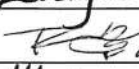

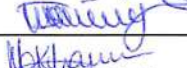



**Annex I : Public Participation Advert**

**Annex III : Public participation report**

**Annex IV : The Bungoma County Finance Bill, 2024**

### Adoption schedule

The following members of Finance and Economic Planning Committee append our signatures confirming the contents there in the Finance Bill 2024 public views report.

NO	NAME	DESIGNATION	SIGNATURE
1	Hon James Mukhongo	Chairman	
2	Hon Orize Kundu	Vice Chair	
3	Hon Stephen Wamalwa	Member	
4	Hon Aggrey Mulongo	Member	
5	Hon Everlyne Mutiembu	Member	
6	Hon Tony Barasa	Member	
7	Hon Vitalis Wangila	Member	
8	Hon Jack Kawa	Member	
9	Hon Violet Makhanu	Member	
10	Hon George Makari	Member	
11	Hon Francis Chemion	Member	