CAB/HR/HSD/005

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY, 10TH JUNE, 2026

Morning Sitting

3rd County Assembly **5th Session**

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COUNTY ASSEMBLY OF BUNGOMA

THE DAILY HANSARD

WEDNESDAY, 10TH JUNE, 2026

The House met at the County Assembly Chamber at 9:30 a.m.

(Mr. Deputy Speaker [Hon. Stephen Wamalwa] in the Chair)

PRAYER

COMMUNICATION FROM THE CHAIR

I have a communication to make; Honourable Members, we are adjusting our Order Paper of the day so that we delete the Order No.9 and 10. We shall be referred back to House Business Committee for rescheduling.

MOTION

RESUMPTION OF MOTION ON THE REPORT OF THE SECTORAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON THE BUNGOMA COUNTY REVENUE ENHANCEMENT ACTION PLAN

Mr. Deputy Speaker: Very well, this is a resumption of the Report being moved by the gracious Lady Hon. Grace Sundukwa. Proceed.

Hon. Grace Sundukwa: Thank you, Mr. Speaker. Do I start from where I stopped?

Mr. Deputy Speaker: From where you stopped.

Hon. Grace Sundukwa: A report on Bungoma County Revenue Enhancement Action Plan. We move to Chapter two.

Overview of Bungoma County Revenue Potential

The Committee undertook an in-depth examination of Bungoma County own source revenue potential as established through the 2022 National study Commission of Revenue Allocation. The Study applied the DFA methodology which benchmarks County revenue Performance against average of the best performing Counties within each revenue stream. The approach enabled the identification of both the revenue gap and revenue efforts.

The Committee observed that the estimate annual OSR potential of approximate 2.9 billion demonstrate that Bungoma County possesses a strong and diversified Economic base capable of supporting sustainable revenue growth if appropriately harnessed. However, actual collection has remained significantly below this pointing to Systemic weakness to administration compliance enforcement and data management rather than lack of taxable economic activity.

Overview of Bungoma County Revenue Potential

The Committee undertook an in-depth examination of Bungoma County's Own Source Revenue (OSR) potential as established through the 2022 National Study commissioned by the Commission on Revenue Allocation (CRA). The study applied the Deterministic Frontier Analysis (DFA) methodology, which benchmarks County revenue performance against the average of the best-performing counties within each revenue stream. This approach enabled the identification of both the revenue gap (difference between potential and actual collections) and the revenue effort (extent to which the County is exploiting its available base).

The Committee observed that the estimated annual OSR potential of approximately Kshs. 2.9 billion demonstrates that Bungoma County possesses a strong and diversified economic base capable of supporting sustainable revenue growth if appropriately harnessed. However, actual collections have remained significantly below this frontier, pointing to systemic weaknesses in administration, compliance, enforcement, and data management rather than a lack of taxable economic activity.

CRA Methodological Approach and its Relevance to Bungoma County

The Committee observed that CRA applied the Deterministic Frontier Analysis (DFA) methodology, which benchmarks each County's revenue performance against a calculated
—frontier‖ derived from the average performance of the five best-performing Counties in each revenue stream. This methodology allowed CRA to:

1. Estimate Bungoma County's theoretical maximum revenue potential under efficient administration;
2. Quantify the tax gap between potential and actual collections; and
3. Assess the County's revenue effort**,** independent of economic size or historical disadvantage.

The Committee is satisfied that the DFA approach ensures objectivity, comparability, and credibility of the findings, making the study a reliable basis for legislative and policy action at the County level.

CRA Findings on Bungoma County's Revenue Capacity

According to the CRA study, Bungoma County's annual OSR potential was estimated at approximately Kshs. 2.9 billion, indicating that the County's revenue underperformance is not attributable to lack of economic activity but rather to administrative, legal, and institutional gaps. KRA…

Mr. Deputy Speaker: It is CRA.

Hon. Grace Sundukwa: CRA disaggregated this potential into fifteen distinct revenue streams**,** allowing for targeted interventions rather than blanket reforms. The Committee noted that CRA identified particularly strong potential in:

a. Hospital and Public Health Services, reflecting demand for devolved health services;

b. Trading and market-related fees, linked to Bungoma's commercial growth; and

c. Agricultural transportation fees, consistent with the County's agrarian economic base.

The Committee emphasizes that CRA's findings provide an authoritative empirical foundation for revenue reforms, and that failure to act on such evidence would perpetuate inefficiencies, fiscal stress, and dependency on National transfers.

Key revenue streams with significant potentials include;

1. Hospital and Public Health Services fees – Kshs. 421.88 million;
2. Trading licensing fees- Kshs. 283.75 million
3. Agricultural transportation fees – Kshs. 255.12 million
4. Market trade center fee- Kshs. 155.13 million
5. Environment and conservancy administration fees- Kshs 129.29 million
6. Property rates –Kshs. 123.34 million;
7. Parking fees- Kshs 109.26 million
8. Administration fees and charges- Kshs 111.28 million
9. Technical services fees- Kshs 95.47 million

10. Natural resource transportation fees- Kshs. 74.33
11. Liquor licensing- Kshs. 49.39 million
12. Building plan approval fees-Kshs. 31.42 million
13. Advertising and sign board fees –Kshs 18.36 million
14. Fines, penalties and forfeitures- Kshs 16.27 million

Bungoma County Government Revenue Enhancement Action Plan

The Committee examined the proposed interventions under the Revenue Enhancement Action Plan and was satisfied that they are practical, evidence-based, and aligned**.** The Committee noted that following the 2022 study, CRA piloted the development of REAPs in selected Counties, refining a standardized but adaptable framework that could be extended to other Counties, including Bungoma.

Strategies to enhance Revenue across identified revenue streams

The committee noted and agreed with revenue enhancement strategies identified for nine revenue generations streams namely;

Strategies to enhance Hospital Fees

The County Government will adopt the under listed strategies aimed at leveraging digital health systems, standardizing reporting mechanisms, and building the capacity of health staff to ensure accurate billing and complete capture of hospital-generated revenue;

1. Digitize billing in all level 4 and 5 hospitals using the Hospital Management System (HMS) to ensure 100% electronic revenue capture. The responsible person is CEC Finance and Economic Planning as team leader supported by Chief Officer Health and Sanitation. This was to be in place by September 2025.

2. Develop and roll out standards weekly reporting templates for non HMS facilities to support consistent revenue monitoring.
3. Implement M—PESA pay bill accounts in hospitals not yet on HMS to increase cashless collection and reduce leakages.
4. Procure and install essential revenue- related equipment in level 3 and 5 hospitals to support accurate billing and service delivery.
5. Conduct ongoing training for health staff on revenue billing system, digital platforms, and compliance procedures
6. Deploy ICT support staff in each Sub- County hospital to maintain HMS functionality and ensure billing system uptime.
7. Conduct a comprehensive review of hospital service processes and implement SOP to improve efficiency and billing accuracy.

Strategies to enhance Public Health Licensing fees

The department will undertake the following activities to improve revenue collection from Public Health licensing;

8. Develop a digital register of all hotels and eateries in Bungoma County to enhance licensing, inspection, and billing processes.
9. Conduct compliance audits to confirm payment of food handler licenses and initiate follow ups where necessary.
10. Identify and provide all private health facilities in the County to ensure inclusion in the licensing and inspection database.
11. Clear all remaining manual miscellaneous receipt books and halt future procurement to support complete migration to digital revenue systems.
12. Convene consultative sessions to sensitize departments (Public Health, Livestock, Planning, etc.) on transitioning to cashless payments.
13. Procure County-specific Public Health certificate to support

enforcement of licensing requirements.

14. Develop legislation to support the collection of conservancy and noise pollution fees and enforce Public Health regulations.
15. Provide public health-related services such as litter bins and waste collection points in strategic areas to support service-based fee collection.
16. Conduct stakeholder engagements with target sectors (e.g. entertainment, hospitality) to promote compliance and awareness of Public Health fees.
17. Increase enforcement and collection from noise pollution sources such as road shows, crusades, and entertainment venues.

Strategies to enhance Trading Licensing fees

To strengthen revenue collection from trading licenses, the County Government will implement the following measures;

1. Update the business register periodically to ensure comprehensive coverage of active business and support accurate billing.
2. Pursue licensing defaulters using data from BARMS through issuance of reminders, penalties and compliance visits.
3. Establish a comprehensive data base of all traders across the county to support targeted billing and policy development.

Strategies to enhance Market Entry fees

The County Government will adopt the following strategies to enhance market entry fees;

1. Engage properly elected market committees to promote compliance, coordinate fee collection, and resolve trader issues locally.

2. Coordinate with the department of lands to integrate GIS data for all gazetted markets locations thereby improving tracking and billing.
3. Update the database for all market centers and register traders operating in those markets to enhance billing and revenue tracking.
4. Conduct regular sensitization forums for traders on their fee payments obligation to promote voluntary compliance.
5. Deliver structured sensitization sessions for market committees on their governance role, revenue responsibilities, and accountability.
6. Gazette all market centres to formalize their legal status and support revenue administration and enforcement.
7. Improve physical infrastructure in market centres, including toilets, auction rings, water supply, lighting, and waste collection, to boost trader satisfaction and compliance.

Strategies to enhance Agricultural Transportation fees

To improve the collection of agricultural produce transportation fees, the County Government will focus on the following measures aimed at ensuring that all liable entities are properly identified, collection points well managed and enforcement of the fees is consistently carried out across the County**.**

1. Register all corporate entities subject to agricultural produce transportation fees to expand the billing base and support compliance monitoring.
2. Gazette all designated agricultural produce transportation fee collection points to formalize operation and enhance transparency and enforcement.
3. Engage agricultural produce transportation fee committee to strengthen community oversight and cooperation in the collection

of transportation fees.

4. Review and revise the existing framework for agricultural produce transportation fees, clearly define the purpose of the fee, the entity subject to the fee, and the procedures for collection and enforcement.
5. Assign dedicated staff for the transportation fees, collection across key points to ensure consistent enforcement and reporting.
6. Provide transportation fee collection, infrastructure including spikes and transportation fee collection points, to support field operation and reduce leakages.
7. Install visible signage for agricultural produce transportation fees at all collection points to enhance compliance awareness.
8. Reconcile records and request payments from privatized sugar companies to recover outstanding agricultural transportation outstanding fee payments.

Revenue Administration

The department will employ the following actions to help improve coordination, enhance transparency in revenue processes and ensure that adequate staff and systems are in place to support revenue collection across different streams**;**

1. Develop and enact legislation to expand the County's abilities to collect fees and charges, close legal gaps, and strengthen revenue enforcement frameworks in compliance with National legal standards.
2. Introduce automated tax payer feedback messages upon successful payment to enhance transparency, taxpayer experience, and trust in County digital revenue system.
3. Map existing staff roles and distribution; assess workload and service needs across revenue streams.

4. Draft job description; determine deployment per stream; seek approval from CPSB and County Assembly.
5. Hire or re-assign staff to key functions such as Trade, Parking, and transport fee collection.
6. Develop Key Performance Indicators per staff role; link performance appraisals to revenue collection and service delivery targets.
7. Schedule training on BARMS, digital tools, enforcement protocols and customer service.

Property Rates

In order to maximize revenue from property rates and enhance efficiency in revenue administration, the County will engage in the following activities**;**

1. Pursue all rate defaulters recorded in BARMS through enforcement actions and demand notices to recover outstanding liabilities.
2. Expedite the approval of updated Valuation Rolls to accurately reflect current property values and ensure fair and accurate billing.
3. Align the County Rating Act and related property legislation with National laws and legal frameworks to improve enforceability.
4. Migrate data from LAIFORMS to BARMS to centralize and digitize billing, tracking, and enforcement.
5. Integrate rate payment with SBP (single business permit) systems to streamline billing and encourage compliance among commercial property users.
6. Conduct sensitization campaigns to educate rate payers on payment obligation, eligibility and available waivers

7. Develop a comprehensive data base of all ratable properties to ensure strengthened billing and ensure complete coverage of the tax base.

Parking fees

The County will enhance the management and collection of parking fees through the following actions;

1. Gazette and designate public and private parking areas to establish legal authority for billing and enforcement.
2. Install visible and standardize signage to indicate designated parking zones and applicable charges.
3. Integrate NTSA records on vehicles operating within Bungoma routes into the BARMS platform to improve vehicle tracking and billing.
4. Integrate BARMS with the integrated population registration system (IPRS) to enhance vehicle-owner identity verification and enforcement.
5. Introduce electronic clamping services to enforce payment compliance and reduce parking fee evasion.
6. Designate special parking areas for trucks to improve traffic management and collect differentiated fees from heavy vehicle operators

Advertising and Sign Boards fees

In order to maximize revenue from advertising and signage, the County will implement the following measures;

1. Conduct a comprehensive audit and registration of all advertising and signage companies to establish an up-to-date database and enhance billing and enforcement.
2. Inspect and verify all existing signposts for compliance with County regulation, and update records for enforcement and billing purposes.

Committee Observations and Recommendation

Observations

1) Bungoma County has an annual Own Source Revenue potential of approximately Kshs 2.9 billion.
2) The Commission on Revenue allocation applied the Deterministic Frontier Analysis (DFA) that benchmarked each County's revenue performance against a calculated―frontier‖ derived from the average performance of the best performing Counties in each revenue streams.
3) Fourteen key revenue streams with significant revenue potential in Bungoma County were identified in the report(See annexed page 5)
4) Revenue enhancement strategies for nine revenue streams were developed with strict timeline and responsible Officers for execution.

Recommendation

1. **THAT,** the committee approved the Bungoma County Government Revenue Enhancement Action Plan for implementation.

Conclusion

I beg this Honorable House to adopt this report on the Bungoma County Revenue Enhancement Action Plan by the Committee on Finance and Economic Planning in order to support Bungoma County achieve its revenue targets.

The report is adopted and signed by all members. I call upon Hon. Zeddy to second the report.

Mr. Deputy Speaker: Thank you, Hon. Grace Sundukwa for moving the report. Hon. Godfrey Mukhwana, Chair - Finance Committee.

Hon. Godfrey Mukhwana: Thank you, Hon. Speaker. First, I want to appreciate the mover of the report. Revenue is a key component in budget excursion. Therefore, I want to say that having enhanced revenue, the county will be able to finance its budget. The issue of pending bills has been a big issue in counties and it has been hindering the implementation of projects because of lack of resources. So once we enhance the revenue then we will be able to manage the issue of pending bills accumulation.

Finally, I want to appreciate all the members who participated in coming up with this report so that the County Government can realize its own source revenue. I beg to second.

Mr. Deputy Speaker: Thank you, Hon. Godfrey Mukhwana for seconding the report. Honourable members, allow me propose the same for debate.

(Question proposed)

Hon. Jack Kawa,

Hon. Jack Kawa: Thank you, Honourable members. I am a member of the committee and allow me applause the mover and the seconder of the motion. I have been saying it all through that as we bring our reports on this Honourable House, all eyes will be on the Implementation Committee. How is it going to be implemented because this is the biggest problem that we are having in this county. I don't know how we will go about it so that whatever we pass here must be implemented. That is our problem, as the representative of the people; we always wash our hands the moment we pass reports here.

As the seconder of the report has said, that the committee on finance there is a year I want to applause and appreciate because you are also a member of the Finance Committee. We went ahead to do our fact finding. We moved across the county looking at how revenue is being collected and we found out many loopholes. So, the action plan that has been brought in this Honorable House today will assist the implementers. We want to request the Executive that they must up their game. As we pass the reports, they must make sure it's being implemented.

I want to finish by saying this; the Own Source Revenue target the Executive always brings to us is always abnormal, so let them give us the achievable target than giving us a higher target that they cannot get.

I want to urge this Honorable House that we pass this report with or without amendments but the ball stops at the executives who are the implementers.

Otherwise, I also just want to appreciate the committee for coming up with such a wonderful report. I support.

Mr. Deputy Speaker: Thank you, Hon. Jack Kawa for your contributions. Hon. Chikati,

Hon. Timothy Chikati: Thank you, Honorable Speaker. Allow me to congratulate the mover and seconder of the report. Let me answer the Honorable member who has been on the floor.

I want to agree with the member for Bokoli that indeed as the chair of the Implementation Committee, we have a lot of work to do. Following up on the projects of this House but we are very much financially constrained and there is no way we can proceed with our work with the budget that we have right now. I urge this House to consider at least increasing the budget allocation for Implementation Committee, so that you can now give us a way of following up all this projects.

Mr. Deputy Speaker: Yes, Hon. Chitekei; he is defending the Committee there. Hon. Ipara Johnston Okasida, member for Tongaren/Kiminini Ward.

Hon. Johnston Ipara: Thank you, Honorable Speaker for the opportunity. Let me laud the mover and seconder of the report. Enhancement of revenue is a very critical area. Revenue is the lifeline for the County to deliver services to the people. And without correct and effective measures, we can't realize what we want and maybe people are wondering why the committee brought this report. The intention is to enhance and make sure that at least we operate within the rules of engagement that we have laid down and it will result to improvement of service delivery.

Secondly, it will also reduce reliance on donor funding or grants from partners but after going through that particular report, I don't see those comprehensive tying recommendations that will make this enhancement be achieved. It is not just general, the target that this Government has always been setting is of Ksh.1.2 billion but hardly for the last 3 years have we reached anywhere near where the set target is. The reason is we lack the correct measures to tie those officers who have been given those responsibilities of collecting the scarcity resources. Where we fail miserably is on Agriculture, the Act is there and it spells what is supposed to be done, but we fail just to implement a simple thing of just dividing that money according to the Act. Where 90% is taken to roads and the rest is divided into two departments, that has not happened why? I want to believe that there is no good will in this particular government.

Secondly, the intention of those officers signed this responsibilities is not to collect but to divert. The reason I said to divert, for the last three years they cannot account for money collected as Cess under Agriculture and they cannot even give the details of the projects undertaken using the same money. So as the talk of enhancement on paper but is not actionable. We are talking about licenses and one time I did say across this County, we have over 20,000 businesses being operated and for you to get a license, you must pay not less than Kshs 7,000 simple calculation gives you roughly about Kshs 700,000,000. That is just one single stream of revenue collection. It shows that those assigned these responsibilities either collect and this money is deposited in various accounts which are not less than four and thus why we get at the end, we don’t realize the target. The target you may find out is either Kshs 671 or 450 million.

It is called the Enhancement Action Plan for Bungoma County. Then I was wondering what does that Action Plan have? Which strategy is that? What action to have and are they actionable? Are they results oriented? If I was the committee member, I could go on further to give details of what is contained in the Action Plan. The money we collect is wasted and the people who waste this money we have never made an attempt to take a serious action against them, so that it can be a lesson to learn for others. It should not be business as usual. How we reduce reliance on donors is to enhance our available revenue. How do you improve services? We improve services by making sure that there is money for provision of those services that people require to have on the ground.

There is expenditure that we are supposed to pay and today you will see the pending bills ballooning, why? There is no money available. The reason we have not collected what we are supposed to collect. We have said that we want to address on how we collect revenue but we have not come out with correct measures to collect that revenue. We have also not made an attempt to identify new revenue collection streams. How do we now enhance this?

I want to challenge the committee to re-look into that particular report. See the best ways out on how we can address these issues that we are facing as a county without even referring to that report. But I want to give an assurance even though I will support because we have to begin from somewhere.

What lacks in this particular government is compliance to the acts that are supposed to use in their performance of their duties and also there is no efficiency. Efficiency is absent and nobody is serious about what they are doing. I support.

Mr. Deputy Speaker: Thank you, Hon. Johnston Ipara for your passionate contribution. Hon. Kennedy Wanyama,

Hon. Kennedy Wanyama: Thank you, Hon. Speaker. First, I want to applaud the mover and seconder of the motion. It is a good report because it has detailed steps that should be taken to enhance our revenue streams.

Section (15) and (37) of the PFM Act 2012 is very clear on how revenue projections should be done. The challenge we have been having is that the department that is in charge of doing this revenue projections has actually been giving unrealistic projections, and like Hon. Johnston Ipara had said, unless we set realistic projections then we will continue having budget deficit which actually affects execution of planned projects. The PFM Act says that projections must be realistic and achievable. They must be based on past revenue performance.

Secondly, you also need to look at the current economic activities. If we look at these three components critically as we do a projection then I don't think it should be a problem. The biggest issue has been implementation and I want to agree with the Hon. Ipara Okasida and like *Mheshimiwa* Jack Kawa said as a House we must then come up with strategies but unfortunately the Implementation Committee is only one and its dealing with all the departments. So we must come up with ways to ensure that such good reports actually see the light of the day. I support

Mr. Deputy Speaker: Thank you, Hon. John Wanyama for your contribution. Hon. Grace Sundukwa, you can reply

Hon. Sundukwa Grace: Thank you, Mr. Speaker. The report is all about how we can enhance revenue in our County. I want to quote what Hon. Johnson Okasida has just said that the strategies are not well explained. I think when I was going through the report maybe Hon. Ipara Okasida was not following up keenly. We have explained every strategy. When you go to the packing fee, we have outlined ways on how we can increase the collection packing fee, land rates, property rates among other streams, so next time when a member is presenting the report, let Honorable Members also concentrate.

On the issue of the potential or what we want from all these strategies, it is well outlined on page nine, like Hospitals and Public Health facilities we have a potential of collecting around 421 million, Trading licenses potential of collecting 283milion and all these will be achieved if these strategies are well implemented.

And once the House adopts this report, we as the Finance Committee shall make sure that these strategies are implemented. I request the Honorable House to adopt the report.

Mr. Deputy Speaker: Thank you, Hon. Sundukwa Grace for the reply. Honourable Members, allow me then put the question.

(Question put and agreed to)

The report is adopted together with its recommendations.

I call upon the table clerks to ensure that dissemination of the same is done to the relevant offices for action and implementation. Honourable Members apart from Implementation Committee even the Sectoral committees in charge of those areas mentioned are called upon to ensure implementation of such reports; it is not a reserve of the Implementation Committee alone. So, therefore as a House we have a responsibility to ensure that such reports are implemented accordingly.

Next item,

ADJOURNMENT

Honourable Members, that has been our last item on the Order Paper, we now adjournment and resume at 2:30 p.m. today afternoon

The House rose at 10:26 a.m.