

REPUBLIC OF KENYA
SIAYA COUNTY ASSEMBLY
THE HANSARD

Second Assembly – Fifth Session

Tuesday 7th December, 2021

The House met at the County Assembly Chambers, at 2.30 p.m.

[The Deputy Speaker (Hon. Andericus Odongo) in the Chair]

PRAYERS

PAPER

ANNUAL DEVELOPMENT PLAN FOR 2022/2023

Hon. Ochola: I wish to lay on the Table of this House Annual Development Plan for 2022/2023 for consideration by the appropriate committee.

(Hon. Ochola laid the Paper on the Table)

BILL

First Reading

FINANCE BILL 2021
(COUNTY ASSEMBLY BILL NO. 8 OF 2021)

Hon. Oduor: Thank you, Mr. Speaker, Sir. As the law requires we are supposed to have passed the Bill but it delayed a bit but my committee has collected views from participants. We did Public Participation but due to Covid -19 measures we did not manage to go down to the people so we asked for memorandum which were provided to us from different Wards so a summary of the Finance Bill 2021 reveals that:

Apart from the rates, levies and licenses it provides for a waiver of 2% for any rate paid on or before due date and an interest rate of 3% per month on any rate that remains unpaid after 31st March.

Moreover, the Bill also seeks to widen the county tax bracket vertically by introducing a host of new revenue streams. Some of the sectors with the new revenue streams include Public works (3 new streams), Enterprise and industrial development (10 streams), Health (2 streams).

In addition, the committee notes that the County Finance Bill 2021 provides for amendment to existing taxation rates, levies and license fees. It also introduces a new revenue stream with the various rates. This therefore horizontally and vertically expands the county taxation bracket.

Some of the key revenue streams introduced include loading and off loading at reserved parking areas, trade licenses for electrical shops, charges for carwash services, charges for lease of ablution blocks. So on page 14 if you go through it you will find a table of new rates in the Bill. I don't need to go through it.

The Bill also provides for an elaborate aspect of general offenses and associated penalties for various provisions of the Bill. This include

- a.) All passenger vehicles to and from Kisumu shall access the bus park using the Nyadorera Kisumu Highway.
- b.) Those to and from Ugunja to branch off at Kenya Medical Training College via Stadium Road.
- c.) All PSV's are prohibited from the Town Center and shall not be allowed to use the roads in front of the County Headquarters, County Assembly, Law Courts, Commercial Bank, Cooperative Bank and Huduma Center. Any person who contravenes this Bill commits an offence.
- d.) Any motor vehicle that fails to pay bus park entry fee prescribed in the bus park entry fees and charges shall have such vehicles impounded or clamped whichever is applicable. A fine of Kshs. 500 shall be levied or imprisonment for a term not exceeding 1 year or both.
- e.) Any vehicle /Motor Cycle parked, Motor Cycle riding or bicycle riding on Non-Motorized walkways shall be Clamped/impounded, and a fine of Five Thousand (Kshs 5,000) shall be Levied on Motor Vehicles, Motor Cycles and bicycles. One Thousands (Kshs 1,000) and such an offence, or to imprisonment for a term not exceeding Six months or both.
- f.) Any individual or institution that dumps refuse in an undesignated dumping of garbage place shall be liable to a fine of Fifty Thousand Shillings (50,000), or to imprisonment for a term not exceeding one year or both.
- g.) Any individual who shall be found to have damaged any property in the Bus Park, Governor's park, Ahindi Garden or any other County property for that matter, shall have committed an offence and shall pay a fine of at least Two Thousand Shillings (Kshs 2,000) for repair of such damages.
- h.) No individual, organization/group shall without the rightful authority of the County Director of Revenue block a public road for any sporting activity.

COMMITTEE ENGAGEMENT WITH THE COUNTY EXECUTIVE

Mr. Speaker Sir, The Committee invited in the CECM Finance and his team on Tuesday 26th October, 2021 in Kisumu to deliberate over the Siaya County Finance Bill, 2021. During the meeting, the CECM Finance and his technical team made the following submissions;

1. The CECM Finance reported that the Department encountered the following challenges in their own source revenue collection strategies during the previous Financial Year.
 - i) Inadequate revenue related infrastructural services
 - ii) Inadequate requisite legal framework
 - iii) Weak enforcement and compliance mechanisms
 - iv) Incomplete database of potential revenue streams
 - v) Administrative challenges as a result of inadequate resources
 - vi) Inadequate awareness on revenue obligations and responsibilities for both the public and Departments

2. The County Revenue department indicated that they had put the following strategies to redeem the aforementioned challenges and ensure enhancement of the collection of own source revenue pursuant to the provisions of the Finance Bill, 2021;
 - i) Prioritize projects that address infrastructural development in the budget e.g. market shades, pit latrines, storm water management, solid waste management
 - ii) Mapping and development of and/or domestication of all relevant revenue collection legislations. The Executive indicated that they had started implementing the Inspectorate, Enforcement and Compliance Act to enhance revenue collection. They further indicated that the Valuation and Rating Bill had been submitted to the Assembly for processing and adoption
 - iii) Strengthen enforcement and compliance- the committee learnt that the county had employed 60 enforcement officers who were attached to the governance Department. The officers work with revenue collectors upon request. Plans are underway to procure uniforms and train the officers on their duties.
 - iv) Update database of potential revenue streams – the Executive reported that they had developed a database on SBPs and registered plots and lands. A total of 11,271 businesses and 5,552 plots had been registered.
 - v) Provision of adequate resources to address administrative challenges – a cabinet paper had been developed to have casual revenue collectors employed on contract term basis
 - vi) Enhance sensitization for both the public and departments on revenue obligations and responsibilities]

7.0 PUBLIC PARTICIPATION FEEDBACK

The Covid-19 pandemic has ravaged the Country and the globe and its containment measures has had devastating effects on all government processes including but not limited to the legislative procedures and processes. Public Participation, being a key provision of the law and governance was equally substantially affected by the Covid-19 containment measures.

Disclaimer: The electronic version of the official Hansard report is for information purposes Only. A certified version of this report can be obtained from the Hansard Editor.

Tuesday 7th December, 2021 COUNTY ASSEMBLY OF SIAYA DEBATES

The committee therefore adapted to the prevailing environment and chose to avoid physical gatherings. The committee therefore requested for memorandum by putting up an advert in the Standard Newspaper of 23rd November, 2021 (refer to annex 3 for a copy of the advert), the advert was also uploaded in the Assembly website i.e www.Siayaassembly.go.ke.

Hon. Speaker, the committee went further and placed the advert on the call for memoranda in the 30 ward offices across the county and distributed copies of the Bill to enable the public interact with the document and submit their views to the committee for consideration.

Hon. Speaker, it is worth noting that the public responded by sending several memoranda on their views on the Finance bill, 2021. (*refer to annexures 4 - 7 for copies of the memoranda received*)

Some of the issues raised in the memoranda include;

- i. Cage fish farmers in west Yimbo Ward – the farmers felt that county government should develop proper regulations on fish caging and support fish farmers with subsidized feeds before they start taxing the farmers
- ii. Memoranda by Michael Kodero – Mr. Michael submitted a memorandum that the rate struck of 10% proposed to be levied on unimproved site value of the ratable property is not supported by a valid valuation roll and that there was a prohibition order from the Siaya court to lower the rate struck on rate payers to 5%
- iii. Nyalgunga business community- members of Nyalgunga shopping centre submitted a memorandum concerning fees, charges, licences, rent, and rate for services. Some of their proposals include; kiosks 10x10 to be reduced to 500/ from 1000, bars/restaurant/lodging to pay 3,000/ instead of the current 11.250/, single business permit for kiosks to be charged at 1,500/ from 3.800/, poshomill to pay 2,000/ from 3,800, cyber cafes to pay 1,000 from the current 3,800/, salons, milk bars, butcheries and barber shops to pay 1,000/ from 3,800,
- iv. Rarieda social watch futa magendo Chapter – the Rarieda chapter questioned the level of Public Participation conducted by the committee in collecting the views on the Finance Bill 2021, as envisaged in the constitution of Kenya 2010 Article 196 (a), (b),

KEY COMMITTEE OBSERVATIONS AND FINDINGS

1. The committee notes that in the FY 2021/2022 the Department of Finance has an allocation of Kshs. 7million to procure extra 100pos machines to minimise pilferages and enhance revenue collection awaiting a standardised automation system being developed by the Commission on revenue allocation for all the 47 counties.
2. The Committee notes that the County Executive has started the process of digitizing County revenue records and compiling revenue streams database for purposes of easing target setting, monitoring and evaluating performance of each revenue stream.
3. The Committee notes that the Executive has initiated the process of mapping out, developing and amending the revenue laws that facilitate revenue collection and administration, but the process is still slow. Some of the key revenue laws that are in process include; the Siaya county rating bill 2020, the Siaya county agriculture inputs,

Tuesday 7th December, 2021 COUNTY ASSEMBLY OF SIAYA DEBATES

grants and subsidies bill, 2021, the Siaya county revenue administration and management bill, 2021 etc.

4. The Committee notes that despite the ravages of Covid -19 pandemic, the County revenue performance for the fy2020/2021 increased by 14% from ksh.227million in fy 2019/2020 to ksh.329million in FY 2020/2021.

COMMITTEE RECOMMENDATIONS

Following the foregoing analysis and findings, the Committee makes the following recommendations;

1. THAT the CECM Finance to ensure that Kshs. 7,000,000 allocated to purchase extra 100pos machines for revenue enhancement measures is spent prudently. The CECM to provide implementation status report to the House within 60 days from the date of adoption of this report
 THAT the CECM Finance completes the digitization of the County businesses data base, valuation roll and revenue streams within 60days from the date of the adoption of this report.
2. THAT the CECM Finance coordinates and submits all the legislations that support own source revenue to the Assembly for processing and approval within 90 days from the date of the adoption of this report.

Hon. Oduor: Fellow Hon. Members, I think that what we have in page 21 are annexures and I will not go through them. Find your own time to go through it because tomorrow we will do amendments in the morning in this House. This time we did not have so many Bills introduced, they were few just as I have read.

At this point, allow me to call upon Hon. Olasi to second.

(Hon. Olasi seconded)

(Question proposed)

Hon. Deputy Speaker: Hon. Members the floor is now open for deliberations. Hon. Olasi.

Hon. Olasi: Thank you chair. I stand to add my voice in regards to some of the observations as well as findings of the Committee. As a members of the Committee I was attracted to recommendation No.4 and it is so encouraging to see that despite of Covid-19 pandemic all source revenue which has been a challenge in this particular County of ours since 2017.

This time round the collection realized has increased by 14%, which is so encouraging. How I wish the process of buying POS could commence. I think there was a plan to buy around 100 pieces so if that is done I believe with the current trend we won't be losing taxpayer's money any more on projects as it has been the trend.

As you are aware, the National Government is developing a procedure by which all the 47 Counties should be adopting new revenue collection. If those put together, without all those new gadgets and without this new system being developed by the National Government, then the County Government of Siaya can manage to get an increase in collection.

Tuesday 7th December, 2021 COUNTY ASSEMBLY OF SIAYA DEBATES

I would wish that going forward, such information is so much encouraging, and how I wish the Executive, particularly the CEC Finance was here to know from the House, even from me, that I feel enlightened and I am ready to be associated with a positive thing like this last finding and observation. Thank you.

Hon. Deputy Speaker: Thank you. Before we put the question, anybody with anything to add? Yes, Hon. Siguru.

Hon. Siguru: Thank you, Mr. Speaker. I just want to support the recommendations of the Report that has just been tabled in this House. For the first time in the period that we have been in this House, we are taking note that at least we have had an upsurge in the Revenue collection.

Noting that in the Finance Bill is when we will legalize and probably formalize the issues of revenue collection, with the positive recommendations that we are getting from the Executive ;that automation that we have always spoken about for the period of time that we have been in this House, that automation has always been a pipe dream, but it's good that with this report we are getting an indication that the POS machines are being bought, which should be able to advance and enhance revenue collection.

Seeing that probably it's an own sourced revenue, that probably determines what the Exchequer releases to the County, and with the upward trend that we have seen in this Financial Year, which is reflecting in the Finance Bill, then we can see an indication that in the next few years, we are going to see a reasonable stride.

A bit of news that I really want to echo to this House is that, it is for the first time that own source revenue collection is hitting Siaya in a positive trend.

It has come to our attention as a Committee that Siaya was ranked number 5 out of the 47 Counties in own source revenue, meaning that the effort that we made in pushing the Executive to put in mechanisms is yielding fruits slowly.

So in passing this Bill, is giving the Executive the necessary support to collect more in introducing new and giving it also cushion that our Members that we represent in this House were hit hard by the COVID pandemic and the ratings that are recommended in the Finance Bill are reasonable in both ways in that we are cushioning our people and at the same time looking at the bigger picture in terms of advancing the County. Otherwise thank you.

(Question put and agreed to)

Hon. Deputy Speaker: Hon. Members, there being no other Business, will you be upstanding for adjournment.

Hon. Members there being no other Business, the House stands adjourned until tomorrow 8th of December at 9.30 a.m. in the Chamber.

The House rose at 3.49 p.m.