## REPUBLIC OF KENYA

## COUNTY ASSEMBLY OF SIAYA

#### THE HANSARD

**Third Assembly- Second Session** 

Wednesday 14<sup>th</sup> June, 2023

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

[The Temporary Speaker (Hon. Adala) in the Chair]

#### **PRAYER**

#### NOTICE OF MOTION

REPORT OF THE SELECTION COMMITTEE

**Hon. Achieng'**: Thank you, Mr. Speaker, Sir, I wish to give notice of motion: **THAT** this House adapts the Report of the Selection Committee on the review of Membership of Select Committee laid on the Table of the House on Tuesday 13<sup>th</sup> June, 2023 at 2:30 p.m.

#### **MOTION**

REPORT ON THE REVIEW OF MEMBERSHIP OF THE SELECT COMMITTEE

**Hon. Achieng'**: Thank you, Mr. Speaker, Sir, I wish to move the following motion: **THAT** this House adapts the Report of the Selection Committee on the Review of Membership of Select Committee laid on the Table of the House on Tuesday 13<sup>th</sup> June, 2023 at 2: 30p.m. The Selection Committee Report on the Review of Membership as Select Committee has been developed based on the provisions of the Standing Orders.

The nomination of the Members to Select Committees, criteria for nominations, approval of nomination, Review of Membership of Select Committees. Hon. Speaker the Selection Committee analyzed the final Membership of the Select Committees constituted on Wednesday 19<sup>th</sup> October, 2022.

The analysis revealed that majority of Members were allocated a minimal of four Committees and above excluding the Committee on General Oversight.

The allocation of Four Committees enabled majority of Members to achieve 16 Sittings payable per month recommended by Salaries and Remuneration Commission (C.R.C). Some

Members were allocated few standing and Sectoral Committees which required further enhancement.

**Committee Recommendation**; Guided by the revelation of the analysis and the provisions of the Standing Order on nomination of Members to Select Committees. The Selection Committee has reviewed the Membership of Select Committee and makes the following recommendations to the House for considerations and approval, that the following Members be added to the various Committees as follows:

Hon. Oliver Arika and Hon Simon Angule, the Committee of Finance and Trade, Hon. Rose Rabinya and Hon. Gordon Onguru - Committee on Health Services, Hon. Masidis Madawo and Hon. Wanzila Osoo -Committee on Education.

Consequently, Hon. Andrew Omwende- Committee on Lands, Hon. Odinga T. Osewe - Committee on Lands and the Committee on the Speaker's Panel, Hon. Brian Obiero- Committee on speaker's panel, Hon. Joseph Oduor-Committee on Water, Hon. Lorna A.O. Adida and Hon. Bismarck Olang'o - Committee on PIC and PAC.

Others are Hon. Dora Abonyo- Committee on Agriculture, Hon. Masidis Madowo-removed from Speaker's Panel, Hon. Gordon Onguuru and Hon. Odinga T. Osewe are removed from PIC and PAC committee

Thank you Mr. Speaker. I therefore ask for a person to second it.

(A Hon. Member Seconded)

(Question proposed)

Hon. Members your contributions are allowed.

**The Temporary Speaker**: Hon. Members your contributions are allowed. It seems it was a job well done I Can see Hon. Masidis

**Hon.** Masidis: Thank you so much, Hon: Speaker, I rise to support the Motion because it brings some equity on the Members and from the point of view from the Welfare Committee we are happy that the Members of the County Assembly are very happy with the distribution of the Committee Membership. Thank you.

**Hon. Rabinya**: Thank you, Mr. Speaker, Sir, just like my fellow colleague, I also applaud the Selection Committee, actually earlier on many of the Members have suffered being that we are also new comers who did not know what should be done so after going through these several Sessions we realized the need to re look into placement in Committees.

I appreciate them because our complaints have been considered and acted on. Thank you, Mr. Speaker.

**Hon.** Angule: Thank you, Mr. Speaker, I also stand to support because I had a complaint and as I look at the paper right now I feel quite okay so I really support the Motion, my only fear is that as I look around I find that 100% of the Members in the House are first comers so Mr. Speaker, I don't know what is happening today otherwise thank you.

**The Temporary Speaker**: Hon. Angule, this House does not have first Members or second or third. The oath that we took was as a Member of this House and I am ceased of the matter that we have reached the number requisite to undertake the business of the house, so don't worry we are ceased of the matter. Hon. Julie...

**Hon. Okello**: Thank you Mr. Speaker Sir, I stand to support the Motion because each and every one of us is now happy and they are well set. Thank you, Mr. Speaker, Sir.

The Temporary Speaker: The Mover, can you reply.

**Hon. Achieng'**: Thank you, Mr. Speaker, Sir, I stand to support the Motion and I know Members are now happy as the Honorable Member has confirmed. I stand to thank the Honorable Members for supporting the Motion, so thank you, Mr. Speaker.

**The Temporary Speaker**: Thank you, the Mover of the Motion, I now move to the question that this House adopts the Report of the Selection Committee on Review of Membership of Select Committees as laid on the table of the House on 13<sup>th</sup> June, 2023.

Will as many as of the opinion say Aye, may as many as of the contrary opinion say Nay, the Ayes have it.

(Questions put and agreed to)

#### **BILL**

SECOND READING, FINANCE BILL, 2022 (BILL NO.4 OF 2022)

**The Temporary Speaker**: I invite Chair for Finance Committee Hon. Mark Okeyo West Asembo

# THE COUNTY FINANCE BILL, 2022 (COUNTY ASSEMBLY BILL NO 4 2022)

**Hon. Okeyo:** Thank you, Mr. Speaker Sir. I rise to do the second reading of the Finance Bill 2022 – 2023.

- I. The main objective of the Finance Bill is to set out the revenue raising measures for the County government pursuant to Section 132 of the PFM Act 2012. The Finance Act in itself does not impose taxes, fees and charges but operates as an annual statute that amends the amount or rate of a tax or fee by amending clauses in the principal laws that sets out the rates.
- II. The total projected resource envelops for FY 20222/23 amounted to Kshs. 8,602,864,673 which was to be funded with revenues from the following sources;
- III. Equitable share at Kshs. 6,966,507,531
- IV. Own Source Revenue (OSR) at Kshs. 700,998,234 and
- V. Conditional grants at Kshs. 238,315,780 as illustrated in the subsequent table

- VI. Whereas equitable share and conditional grants projections are set by National legislations, revenue collections from local sources are premised on the approved budget and existing specific revenue administration laws supported by the finance act which is enacted annually
- VII. In FY 2022/23, collections from local sources were projected at Kshs. 700,998,234 or 8.87 % of the total projected revenue for the financial year.
- VIII. Key revenue streams in Siaya county include; SBP, Market fees, Bus Park/parking fees, Liquor licensing, Plan approval, Plot rents, Ground rents, Survey fees and Fish cess

Key Proposed Rates In The Finance Bill, 2022/2023

Below is a list of;

- Sampled new introduced revenue streams and their proposed rates/ levies
- Previous/ Existing revenue streams that have been earmarked for various changes in rates/ levies

## NEW/ AMMENDED REVENUE STREAMS FOR THE FINANCE BILL 2022 Department Of Lands, Physical Planning, Housing And Urban Development

Erection of temporary structures or containers for commercial purposes on private land, 3000.

Telecommunication mast or booster base stations on public land, 300,000.

Telecommunication mast or booster base stations on private land, 200,000

Undeveloped commercial plots that are maintained within municipalities and established market centers, 20,000.

#### **Department Of Public Works**

Seasonal Tickets for daily parking, bus parks and matatus.

Buses up to 10<sup>th</sup> of every month, 4700 monthly.

Buses after 10<sup>th</sup> of every month, 6500 monthly.

**TOWING FEE** 

Saloon cars, 3000.

Matatus, 5000.

Trucks, 20,000.

Buses, 20,000.

#### **Department Of Fisheries**

1-5 cages, previous 5000 and new 12,500.

6-10 cages, previous 7500 and new 17,500.

10-35 cages, previous 10,000 and new 35,000.

Above 35 cages, new to 1500 per extra cage.

Independent transport operators and contracted transporters.

Vehicles over 20 tones, 1,000.

Vehicles over 10-20 tones, 500.

Vehicles over 3-5 tones, 300.

Vehicles over 1-3 tones, 100. Motorbike and tuktuk, 50.

#### **Department Of Trade And Industrilization**

Mega Hyper wholesale /Supermarket with restaurant and distribution services, Occupying an entire complex with confectionary within, measuring over 10001>15,000 Square Meters, 108,000.

Hyper wholesale /Supermarket with restaurant and distribution services with restaurant and distribution services Occupying an entire complex with confectionary within, measuring over 8001>10,000 Square Meters, 96,000.

Mega -Wholesale: Over 15 employees / Occupying an entire building or Story Building of not less than two Floors with distribution services, 72,000.

### Transporter/Distributor Vehicles parking fees.

Transporter/Distributor (1-3) vehicles, 15,000

Transporter/Distributor (4-10) vehicles, 25,000.

Transporter/Distributor (11-20) vehicles, 60,000.

Transporter/Distributor (21-50) vehicles, 80,000.

### **Department Of Water And Environment**

Outdoor tent with sound/ sales promotion, 1,000.

Caravan mounted with sound system devices, 5,000.

Truck mounted with sound system/device, 10,000.

Truck mounted with sound system device, 20,000.

## **Department Of Governance And Administration**

Cow/pig/donkey/dog/goat/hens, 500.

Annual fire inspection (within the County), 5,000.

Penalty for presentation of unauthorized invoice/receipt by a client, 100,000.

#### **PUBLIC PARTICIPATION**

- a. The Siaya County Finance Bill 2022/2023 was submitted to the Assembly on 25<sup>th</sup> November 2022 and was read a First Time on 29<sup>th</sup> November 2022
- b. The Committee further conducted Public Participation in all the six sub-counties from Wednesday, 1st to Friday, 3rd March, 2023
- c. It is also important to note that, during the public participation exercises, the Committee received a raft of memoranda from members of the public. Notably, there were memoranda from; Citizen voice and action team karemo, Ndere trader's umbrella organization, Network of civil society organizations, ICPAK Nyanza branch, opinion leader Raphael Obongo Ogutu, (see annexures for copies of the memoranda received from various stakeholders).

#### **General Public Views On The Finance Bill 2022/2023**

- I. Members of the public were against the new charges on erection of temporary structures/containers on private and public land. They pointed out that besides being punitive, it amounted to double taxation. They proposed that the new charges should not be introduced.
- II. Members of the public were against the annual poultry keepers license fee introduced by the County Government. They pointed out that the license fee may act as a deterrent to poultry keepers. They proposed that this new charge be scrapped
- III. Members of the public were against the annual pigs/dog keepers license fee introduced by the County Government. They indicated that the license fee may discourage may discourage pig/dog keepers which are crucial domestic animals. They thus proposed that the license be removed
- IV. Majority of members of the public welcomed the new annual fee on undeveloped commercial plots in towns. They pointed out that this move shall encourage plot owners to develop their plots which ultimately shall develop the towns. However, they proposed that the fee/charge be amended downwards

## **Key Committee Findings**

- I. Lack of a comprehensive data base of all revenue streams, updated annually, for ease of local revenue target setting and monitoring of collection
- II. The overreliance on National Government legislations rather than the County Government enacted legislations in revenue administration and collection. Examples include; the use of; the Valuation for Rating Act Cap 266
- III. Lack of a taxation policy that shall create a predictable tax environment. Taxation policy shall aid the County Government in cushioning businesses from inconsistent increase in taxes and infrequent introduction of new revenue streams
- IV. During public participation, members of the public raised an outcry on the devastating effects of COVID-19 pandemic which negatively impacted on the economy. They indicated that introducing new revenue streams would lead to closure of businesses and lock out most investors. Thus, they requested the Committee not to effect new changes proposed in the Finance Bill, 2022/2023

### **Committee Recommendations**

- I. The CECM Finance should regularly update the data base for all revenue streams in order to inform accurate local revenue target setting
- II. The CECM Finance should map-out all missing principal revenue legislations for possible review and enactment. Each revenue stream should be based on a parent legislation upon which the revenue rates provided are annually amended by the Finance

Act depending on the prevailing economic situations. Such legislations include; Revenue administration and management, farm input and subsidy bill, public nuisance bill etc

- III. The CECM Lands should submit an updated valuation roll and valuation and rating bill to the Assembly for consideration and approval not only to govern in the process of transfer of property within the boundary of urban areas in Siaya but also to aid in the collection of revenue through property rates
- IV. The CECM Finance should fast- track the process of automating revenue collection streams in order to enhance the efficiency and effectiveness in revenue collection by sealing leakages and pilferages associated with manual revenue collection system
- V. The CECM Finance should respect and uphold the timelines specified in Section 133 of the PFM Act, 2012 pertaining to the submission of the Finance Bill to the Assembly for consideration and approval.

With those few remarks allow me to call upon Hon. Masidis to second.

(Hon. Masidis seconded)

(Question proposed)

The Temporary Speaker (Hon. Adala): Hon. Members contributions is now open. Yes, Hon. Justus, West Uyoma.

**Hon. Oguta:** Thank you. I am on my feet to support and I will only support if the Committee puts to effect all the alterations because they are very weighty when we reach the Ward levels.

Yesterday when I was touring my Ward some women group doing poultry keeping almost killed me asking how we want them to pay tax when they are struggling to keep the poultry! Unless we provide them with subsistence or provide feeds.

I support and I just want to confirm that we are on watch and you must make sure that you change what needs to be changed. Thank you.  $\,$ 

The Temporary Speaker (Hon. Adala): Yes, Hon. Angule MCA West Yimbo.

**Hon. Angule:** Thank you, Mr. Speaker. I don't know whether to support or not to support. There is a question that goes direct to the Chair Finance. I talk more as fisherman, as one who has fish cages. I heard you read that there was a Bill that we are supposed to be taxed on the cages, though I have not understood you very well.

I don't know whether it is there or not. Are you going to tax us on cages? If you are going to do so, then I am sorry, my people are not ready to be taxed on the fish cages, because they say that buying fingerlings is very expensive and secondly they lack feeds to give their fingerlings. They also lack market where they can sell their fish. So I ask the Chair Finance to elaborate on that.

**Hon.** Masidis: Thank you, Mr. Speaker. I rise as a Member of this Committee to stand with the recommendations made by this Committee, and I wish to reiterate the recommendations that we have done are not new.

When we read historical documents, we find that almost similar recommendations have previously been made, but then there is poor implementation. When the recommendations are done without implementations, there is no magic into it, we get the same poor results.

So as a Member of this Committee, I really want to emphasize to the Executive to make sure that those recommendations are followed and implemented so that this stops being a song. It has been sang for too long.

There is a belief in the Executive, that increasing taxes every year results in better Revenue collection. However, the reality just as the recommendations has said is fault with a lot of loop holes, so even with the current existing structures, we are able to collect much more, but the systems need to be tightened and controls put in place.

Otherwise if we bring back the same Finance Bill with the same story we will just send them back. I think that needs to be made clear and people need to take their jobs seriously. This is because of the frustration we went through in the field.

Why are you bringing the same issues that we talked of years before and you are coming here to tell us that you want to increase the revenue structures? So yes, as a Committee Member I support the recommendations, but just with a caveat that this should not be the case next year.

**Hon. Okello:** Thank you, Mr. Speaker, Sir. I also support this Motion, because it will help our small Business men and women to borrow money and repay. I support.

The Temporary Speaker (Hon. Adala): I now request the Mover to reply.

**Hon. CPA Okeyo:** Let me start by thanking Members. The Finance Bill is very important; we really need to pass it as a County and I thank Members for supporting. -However, there are a few things that I need to put straight: on the poultry keepers that was raised by Hon.Oguta, I want to submit to this Honorable House that this was removed from the current Finance Bill so the poultry keepers, I can confirm that if this Bill is passed in this House, they will not be charged anything.

On fish cages, that was raised by Hon. Angule, I want to submit to this Honorable House that the Committee in its own wisdom retained the previous charges, this is something that was not new it was there before and in the current Finance Bill there was a proposal to increase the charges.

What the Committee did is to revert the charges in the previous Finance Bill, so I want to confirm to you that the cages will be charged but using the previous rates, the proposed ones which were very high the Committee declined. Thank you Mr. Speaker Sir.

(Question put and agreed to)

#### **MOTION**

ADJOURNMENT

The Temporary Speaker (Hon. Adala): Hon. Members there being no other Business will you be up standing for adjournment

There being no other Business this House adjourns until Wednesday 14<sup>th</sup> June, 2023 at 2: 30 p.m. in the Chamber.

The House rose at 11:09 a.m.