

**COUNTY ASSEMBLY OF SAMBURU**



**THE HANSARD**

**Wednesday, 18<sup>th</sup> November, 2020**

**The Assembly met at the County Assembly chambers at 9:30 a.m.**

*Temporary Speaker, (Hon. Paul Leshimpiro) in the Chair*

**PRAYER**

## **MOTION**

### **The House debates and approves the Report of the Committee on Finance, Economic Planning and Marketing on the consideration of the Samburu Finance Bill, 2020.**

**Chairperson, Committee on Finance, Economic Planning and Marketing,** (Hon. Jerias Leshoomo): Thank you Hon. Speaker. Mr. Speaker, I stand to raise the following motion, THAT this House debate and approves the report of the Committee on Finance on the Samburu Finance Bill, 2020. I call upon *Mheshimiwa Zamzam* to second the motion. Thank you.

*(Hon. Zamzam Ismael bows in support of the motion)*

**Temporary Speaker,** (Hon. Paul Leshimpiro): Hon. Members, I now propose that this House debate and approves the report of the Committee on Finance on the Samburu Finance Bill, 2020. Hon. Jerias Leshoomo.

**Chairperson, Committee on Finance, Economic Planning and Marketing,** (Hon. Jerias Leshoomo): Mr. Speaker, the Samburu County Finance Bill, 2020 was tabled to the flow of this House early last month. We did the public participation in the three sub-counties Hon. Speaker and I want to read the report as made by the Committee.

Mr. Speaker Sir, the Constitution has placed significant responsibilities on the legislature over the management of public resources. The legislature has in particular received enhanced responsibility with regard to resource mobilization, allocation, monitoring and control. This is specifically anchored in Chapter 12 of the Constitution and the Public Finance Management Act, 2012

Mr. Speaker Sir, Article 175 (b) envisages that the county government should have reliable sources of revenue to enable them govern and deliver services effectively. The sources for county government include equitable share of at least 15% of the audited revenues raised

nationally, local revenues inform of taxes, charges and fees. That is why Mr. Speaker that the county should have a Finance Bill in every financial year.

Article 209 of the Constitution 2010 allows the Counties to impose property taxes, charges and imposition of other charges for services the county provides. To facilitate these local collections therefore, it is necessary to have in place the requisite County legislation and other necessary tools dully approved by the Assembly as provided under Section 133 of the Public Finance Management Act.

Mr. Speaker, the Committee has a mandate bestowed with the responsibility to examine money related Bills and in particular the Finance Bill. Hon. Speaker, the Committee comprises of the following Members:

1. Hon. Jerias Leshoomo - Chairman
2. Hon. Lanyasunya Stephanie - Vice Chairperson
3. Hon. Doris Lekirasi - Member
4. Hon. Christopher Lentukunye- Member
5. Hon. Zamzam Ismail- Member
6. Hon. Jeniffer Letuyia- Member
7. Hon. Osman Dube- Member

Hon. Speaker, following the submission of the Samburu County Finance Bill by the County Executive and its subsequent presentation in the County Assembly and consequent committal to the Finance, Economic Planning and ICT Committee in accordance with the provisions of the law, the Committee held various sittings with representatives of the various stakeholders as well as the public, during the public participation exercise.

Hon. Speaker, during the exercise, Members of the Committee took the members of the public through the bill while elaborating on all the charges, license fees and penalties as contained in the Bill to enable them fully understand the Bill. Afterwards, the members of the public were given a question answer session during which various proposed amendments to the Bill were floated and several amendments were proposed to be made to the various sections, schedules and

parts of the Finance Bill. Hon. Speaker Sir, the Committee scrutinized and reviewed the bill and recommended without amendments.

Hon. Speaker Sir, I take this opportunity to thank all Members of the Committee for their valuable contributions and input during the deliberations on the Bill, both at the Committee level and during the various meetings with the stakeholders as well as the public.

Hon. Speaker, may I also thank all the Members of the County Assembly for their dedication and hard work during the public participation exercise.

On behalf of the Committee, I also wish to thank the Offices of the Speaker and the Clerk of the County Assembly for the logistical support accorded to the Committee during the entire period of the deliberations on the Bill up to the report making period.

Hon. Speaker, on behalf of the Members of the Finance, and Marketing Committee, it is my pleasant duty to present to this County Assembly, the Committee's Report on the deliberations on the Samburu County Finance Bill, 2020 for Members' information.

Hon. Speaker, the Finance Bill, was read the First Time on 30 September, and consequently committed to the Finance, Economic Planning and Marketing Committee in accordance with the provisions of the law. The Committee held numerous sittings to consider discuss and review the Bill, during which numerous amendments to the Bill were proposed by the stakeholders and the public in view of the charges as proposed in the Bill.

Hon. Speaker, as we go through the schedules, we've got several schedules; we've got eight schedules in the Bill and we've got no any amendments. Mr. Speaker, let me go straight to the findings and outputs. This part of our report addresses the challenges and shortfalls that surfaced in the course of dealing with the task. The key Challenges encountered included Hon. Speaker:

- i. That, there was sufficient evidence that there was reasonable collectable revenue.

Mr. Speaker these are some of the challenges we encountered during our deliberations with the public that needs to be enhanced by the Executive so as to improve revenue collection;

- 1) That there was sufficient evidence that there was reasonable collectable revenue which had not been captured in the system in the last FY's 2019/2020.
- 2) That the revenue clerks had limited information on businesses eligible for licensing.
- 3) That the County Government to urgently establish formal markets in places where are informal markets to enable collection of revenue in this informal markets.
- 4) That there is an understaffing of the revenue collection officers in the County especially in livestock markets where majority of the revenue remains uncollected.
- 5) That the County Government improve revenue administration through;
  - a) Efficiency and effectiveness of human resources.
  - b) Improving revenue forecast and targets.
  - c) Enhance the role of ICT and automation that will improve revenue collection, administration and management
  - d) Determining an appropriate structure of revenue administration, governance, accountability and oversight.
- 6) That the County Government minimize and control expenditure of local revenue at source.

Upon exhaustive consideration of all evidence received, the Committee makes the following recommendations herein below;

- 1) That the Executive moves with speed to expand the tax brackets by streamlining the digitalization process and revenue automation to ensure eligible payers are accommodated.
- 2) That sufficient civic education on the responsibilities of the citizens in paying taxes and educating them on equal services rendered to harmonize the conflicts on market centers in regard to cess collection that will enhance revenue collection target.
- 3) That the County Government should establish an inspectorate and an enforcement Department to oversee the collection and safe custody of revenues.

- 4) That the County Government should develop principal revenue legislation and policy in which to anchor their taxes, fees and charges.
- 5) That the County Government ensures efficient and effective human resource through.
- 6) That the County Government ensures that all unfenced livestock markets are equipped with fences and public utilities.
- 7) That the revenue Department should maintain a proper database for existing businesses eligible for licensing.
- 8) That the revenue Department capture all revenue streams in the County especially property related revenue and land rates/plot rates.
- 9) That the County Government to come up with revenue collection policies and legislations to enhance revenue collection.

Mr. Speaker, in conclusion: in the ultimate, on behalf of my colleagues whom we spent a long and time consuming moments to execute the task that this August Assembly charged us to execute, I would like to assure you and the House that the recommendations we presented in this report will go a long way in ensuring that our County collects sufficient revenue to meet our requirements.

I hasten to urge that this would only be realized upon the full and efficient implementation of our recommendation. Further, effective and efficient implementation of our recommendations requires that the Assembly and the Executive work hand in hand. Hence, I urge my colleagues in this House to be vigilant in ensuring that their role of oversight and accountability are executed at utmost.

It is now my pleasant duty to present this report and its recommendations to the House; fully recommending and urging the House to adopt it. In the same breath, I urge the Executive to expeditiously implement the recommendations of the Committee. Thank you Hon. Speaker.

**Specially Elected MCA, (Hon. Osman Dube):** Asante sana Mheshimiwa

Spika.Mweheshimiwa Spika napongeza kamati kwa kazi nzuri. Mimi nilikuwa mgeni kwa

kamati ya Finance, Economic Planning and Marketing na tukatembea Kaunti nzima. Ni ukweli kutengeneza Finance Bill ya revenue ni kazi na tuliona changamoto nyingi sana kote tulikotembea, kwa mfano kwasababu hakuna fence mifugo zinapotea zinapoletwa sokoni ili kuuzwa.

Changamoto la pili ni kwamba ushuru ikiokotwa hasawa hapa Maralal haijulikani ni pesa ngapi. Tunafaa kujua ni pesa ngapi zimeokotwa na kufikishwa kwa serikali ya kaunti.

Changamoto la tatu ni ukosefu wa choo, mweheshimiwa spika si vyema kwamba watu wanaenda kujisaidia msituni wakati wa soko na watu wako wengi, mweheshimiwa spika hiyo ni aibu sana, tunaomba kwamba malalamishi ya wananchi ya tatuliwe na kutimizwa, asante sana mweheshimiwa spika.

**Specially Elected MCA, (Hon. Zamzam Ismail):** Thank you Hon Speaker sir. As a member of the Committee on Finance, Economic Planning and Marketing I wish to congratulate the Chairperson and the entire team.

Mr. Speaker sir we have been busy collecting information and ideas from the communities concerning the Finance Bill. Mr. Speaker we did carry out public participation as we are all aware that it is a mandatory process. We engaged the communities in several parts of the County to get the inputs which is important in report writing.

Mr. Speaker, when we talk about revenue collection this is the money that the government needs to run the operations of this County. If we collect enough resources from our counties, that is where we can get a fair share from the central government, that is the national government. Mr. Speaker, as we engage the community in several parts there were a lot of loopholes in revenue collection. I will give you an example. We were in a place called Nkuronit in Samburu North. As we engaged the community, there was a lot challenges there. There is no one particular clerk at the area who is able to collect the revenue from that part of the county.

This revenue is a resource that the County Government needs. It would be prudent that the County Government takes strict measures to see that all the revenue is collected and the money is utilized. Mr. Speaker, we had a very busy day and the information we got from the community is very useful and we have to put it into practice to see that we do not lose money. As we know, if we collect little money from our county then we will get very small share from the national government. I want to thank and commend the committee at large for the good job they have done. In working and coordinating with the community, that is when we can move our county forward. Thank you, Mr. Speaker.

**MCA Wamba West Ward**, (Hon. Leitore Benjamin): Thank you, Mr. Speaker. I wish to contribute on this. First and foremost, to register my support for this very important Bill and committee report. Mr. Speaker, I want to congratulate the whole committee led by the able Chair, Hon. Leshoomo for these good recommendations and input as forwarded to this house. We had been fighting a lot to improve on our revenue streams since the inception of this county government.

However, I want to say that very little has been done. Why do I say this? If you look at the findings and recommendations of the committee, this is the right way to go, Mr. Speaker. But I doubt the implementation of these recommendations. These are very good recommendations if at all the implementing arm of government will take into consideration and fully implement them. I happen to represent Samburu National Reserve, which is part of Wamba West Ward. The SNR serves as the main stream of our revenue as it contributes to almost 90% of our local revenue.

But you see the trend and mode of collection at the main gate and also in the lodges, it is still the same method that was used by defunct local government- no improvement at all. We seem to have concentrated so much on the money from the exchequer rather than our own source revenue. I want to appreciate on what the committee has done but doubtfully think on the implementation of this very good report, Mr. Speaker. These are very good recommendations as part of this report, Mr. Speaker.

If you see that the committee recommends that the executive moves with speed to expand the tax bracket by streamlining the digitalization process and revenue automation to ensure eligible pairs are accommodated. That is the best recommendation that this committee can put in place. But in specific cases, even the livestock markets we are not collecting as it should be. The revenue clerks at our livestock markets are not fully utilized. In the first they were not capacity-built. They were never taken to any training on how to concentrate, how to collect revenue and even how to relate with the traders so that they can collect as much as it should be. It was only employment and assigned to a specific livestock market, they do not know the kind of businesses to target and all that. To an extent that even them, a great number of these revenue clerks, have, because of idleness, have resorted to getting into taking alcohol and other drugs. These are young who were recruited just the other day. They did not have sources of income before. You employ a young man who wishes to contribute to the well-being of this County, give him money and no work.

Mr. Speaker, if I will be consulted I will give a number of these revenue clerks who have resorted to taking alcohol rather than concentrate on the work that they were given because they are not utilized. I think a lot needs to be done. I had also pointed out the aspect of digitalization of revenue sources. I will say without fear of contradiction that the current government is not committed in digitalizing revenue collection because it will close the loopholes. The shortcuts for them to benefit from will not be there anymore. The incident I am talking of and this is out of my experience as a leader, you can go to SNR gate and get a number of issues coming up where people collude to steal from our sources, Mr. Speaker.

If we speaking of fencing markets as recommended by the committee, most of our markets are not fenced. People volunteer to bring their livestock to these unfenced markets. So how do we make sure that we collect taxes from our people if the markets are not fenced? It is terrible. So Mr. Speaker I support the report but I doubt on the implementation of this very good recommendations. I want to applaud the committee for such good recommendations but I know it is just paper work and it will lack the implementation but still I fully support the report.

**MCA Waso Ward,** (hon. Paul Wonyan’g): Thank you Mr. Speaker. I support the report and I think it is the first time that I have seen a well written document. At a glance there are a few things that the Committee should look into when they are implementing this report in future; an example is the revenue that we get from the SNR, they have talked about the park entry fees, when you look at it we are missing money that we get from the agreements that we have with lodges. You will be surprised the County Government is receiving peanuts from lodges that are within Samburu National Reserve.

It is high time we review the agreement that the defunct County Council had with those lodges because right now we are getting a hundred shillings per person, imagine that. Some hotels are making from five thousand up to a hundred thousand shillings per person. We are getting very little money from these lodges. There is mining currently in a place called Nakwamor in my ward; and tonnage of manganese oxide is being transported to Nairobi for further export. This report doesn’t capture that. It only speaks of the company and the capacity of the employees that are inside the company. We want mining to be done in terms of the tonnage; how much is being extracted from the ground. We are losing a lot of money. We met with the leaders who are conversant with what is happening there and they are telling us that we can get revenue of up to 300 million per year if we get serious. No one from the County Government attached to know the number of lorries that leave Nakwamor quarry. The Committee Chair should take of that, thank you Mr. Speaker.

**MCA Lodojek Ward,** (hon. Jerias Leshoomo): Thank you Mr. Speaker. I thank the Members who have supported the report. As said by hon. Leitore, we have made many recommendations to the County Executive but there has been very little implementation. I urge this House on the deficits that we get are brought by the deficits on the development projects, this House should be serious on these recommendations. I say this because if we get deficits from the revenue from our own source then it will damage our revenue Budget. This House has a role to oversee the County Government on some of these implementations. I also concur with what hon. Wonyan’g

has said but some obligations as a House which deter us from implementing the errors made years ago.

Part four of the Bill on miscellaneous that says all directions, resolutions, orders and rotation on or relating to the financial management including the collection and administration of fees charges given or issued by the default town or County Council before the commencement of this Act shall be deemed to have been given issued or made by or under the authority of the County Assembly until the expiry or repeal of those directions, resolutions, orders and authorization and shall continue with the necessary modification apart the payment and registration of fees charges and other levies under this service. We were barred from increasing or reducing the charges imposed by the default Samburu County Council or town council because of the period which were given under those localities by the time. As said by hon. Wonyang that the County Government is irrigating peanuts from the Samburu National Reserve on the charges on beds and other services because of those obligations that were made previously, we know that we have agreements that were made for 30 years and we are yet to reach that period that this House can repeal or vary the charges here on, I thank the Members for the support towards this report.

**Temporary Speaker,** (hon. Paul Leshimpiro): Hon. Members, I now put the question that this House debates and approves the report of the of the Committee on Finance on the Samburu County Finance Bill 2020.

*(Question put and passed)*

Hon. Members the time being five minutes past five o'clock and there being no other business this Assembly now adjourns until today afternoon at 2:30 pm.