

**COUNTY ASSEMBLY OF SAMBURU**



**THE HANSARD**

**Wednesday, 3rd November, 2021**

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

*Deputy Speaker, (Hon. Jonathan Lemoosa) in the Chair*

**PRAYER**

## **MOTION**

**Chairperson, Committee on Finance,** (Hon. Jerias Leshoomo): Hon. Speaker, I would like to give notice of the following motion, **THAT** this Assembly debates and approves the report of the Committee on Finance, Economic Planning and ICT on the consideration of Samburu County Finance Bill report, 2021. Thank you Hon. Speaker.

**The Deputy Speaker,** (Hon. Jonathan Lemoosa): Thank you Hon. Jerias Leshoomo. Hon. Members, I want to believe that every Member has a piece of the information that the Honourable wants the House to debate and approve. And, therefore, Hon. Members, it is time for the Hon. Members to ventilate on the motion. Thank you, please welcome.

I think the Chairman can go ahead and give some preview.

**Chairperson, Committee on Finance,** (Hon. Jerias Leshoomo): Thank you Hon. Speaker. Mr. Speaker, let me read the report on the consideration of Samburu County Finance Bill 2021, County Assembly Bill No.4.

Hon. Speaker, Chapter 12 of 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 the Constitution and the Public Finance Management Act, 2012.

Hon. Speaker, 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.

Hon. Speaker, the Mandate of the Committee; the Committee on Finance, Economic Planning and ICT is bestowed with the responsibility to examine money related Bills and in particular the

Finance Bill. 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 Committee On Finance, Economic Planning and ICT Committee in accordance with the provisions of the law, the Committee held various sittings, consultative meetings with the County Executive together 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 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, the Committee scrutinized and reviewed the proposed amendments and made the final proposals for amendments to be made to the various sections, schedules and parts of the Bill. All the proposed amendments are contained here in the Committee Report.

Hon. Speaker, On behalf of the Members of the On Finance, Economic Planning and ICT Committee, it is my pleasant duty to present to this County Assembly, the Committee's Report on the deliberations of the Samburu County Finance Bill, 2021 for Members' information.

Hon. Speaker, the Samburu County Finance Bill, 2021 was read the first time on 30<sup>th</sup> September, 2021 and consequently committed to the On Finance, Economic Planning and ICT 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 and clarifications on some contentious issues in Bill sought from the Executive Committee member for Finance, Economic Planning and Marketing.

On Committee stage, The Bill was subjected for public participation on 18th October to 26th October, 2021. Due to the fact that the Committee had sought clarifications on so many issues as contained in the Bill, and for the fact that deliberations on the issues would be very lengthy and involving, the Office of the Clerk and the Speaker facilitated the Committee together with the Co-opted Members from other House Committees a three days report writing retreat in Rumuruti in order to iron out the issues which were raised by the Committee and collected views from the Public Participation. All this was being done with the anticipation of passing the Bill before the end of the 2021 County Assembly Session to prevent the Bill from lapsing.

Hon. Speaker, Proposed Amendments to the Bill.

These are some of the proposals which were made by the public during public participation;

The Committee deliberations on the Bill, the consultative meetings with the other House Leadership Co-opted members as well as the public participation exercises yielded numerous proposals for amendments to the Bill. After analyzing all the proposed amendments, from the consultative meetings as well as from the public participation exercise, the Committee has proposed amendments to the Bill Second Schedule and the Third Schedule and Fourth Schedule. The Committee has proposed the following amendments to the various clauses and Schedules of the Bill.

First Schedule; No Amendments

Second Schedule; Fees for Licenses and Permits

To be amended as follows:-

- i. Reduction of light kiosk or temporary construction less than 5 meters cubic from 1500 to 1000. Mr. Speaker, the reduction of Small trader, shop or retail service up to 4 employees & or premises less than 5 meters' cubic faraway location from 2000 to 1500. All this charges were considered due to the current pandemic and drought economic environment coupled with school fees burden due to short terms have

stressed businesses in the county. Mr. Speaker, this were requests that were proposed by the public because of the pandemic and the current drought in our county.

- ii. Mr. Speaker, the public requested for taxes to be specific in areas outside municipality. For instance, Opiroi where we had public participation they rarely host customers due to the culture of people seeking to board in neighboring family homes but there are areas that receives high number of lodgers per night outside the municipality such as archers Post.

## **2) Lodgings**

The public requested for taxes to be specific in areas outside municipality. For instance, Opiroi where we they rarely host customers due to culture of people seeking to board in neighbouring family homes but there are that receive high number of lodgers per night outside the municipality such as Archers Post.

## **THIRD SCHEDULE.**

### **3) Land rates**

Reduction of site location/confirmation-survey per site from the current Kshs. 5,000 to Kshs. 4,000.

Survey of general boundary per Ha from the current Kshs. 5,000 to Kshs. 4,000.

The reason behind this is that several group ranches have been privatized so demarcation and subdivision of this land to several family members has strained families in the County.

## **FOURTH SCHEDULE.**

### **General charges and Market fees/Cess fees.**

Hawkers outside Maralal Urban to be reduced from Kshs. 200 to Kshs. 150.

Lorry carrying crates of milk/soda to be reduced from Kshs. 2,000 to Kshs. 1,500.

**COMPARATIVE ANALYSIS.**

Mr. Speaker, the Samburu County Finance Bill, 2021 as submitted is majorly a replica of the Samburu County Finance Act, 2019 and the Samburu County Finance Bill, 2020. Nevertheless, the Bill proposes inclusion of additional charges, fees and taxes to be levied by the County Government which were not in the aforementioned pieces of legislation. The newly introduced charges are meant to expand local revenue base and to cover new businesses resulting from diverse business activities.

**CONSIDERATION OF THE SAMBURU COUNTY FINANCE BILL, 2021.**

October, 2021 at the El Paraiso Hotel Rumuruti as from 27<sup>th</sup> to 29<sup>th</sup> the Committee and Co-opted Members had an ample time to keenly examine the Bill vis-à-vis the Committees' decision on the implementation of the Samburu County Finance Act, 2020 and the challenges thereof, this was necessary so as to establish a basis of reference in making recommendations to this report.

Mr. Speaker, the Committee and the co-opted Members of the County Assembly were guided by the following key factors:

- I. The prevailing economic environment within the County and economic zones classified in different groupings under the second schedule of the Bill.
- II. The effectiveness and success in implementation of the previous Finance Acts.
- III. The drive to increase the revenue envelop for the County through the different revenue streams proposed.
- IV. The need to create a conducive environment for investors within the County which would immensely contribute towards revenue generation and improve livelihoods of the citizenry through employment.
- V. The need to have a good revenue administration system through application of principles of optional taxation and the best practices in undertaking the same.

**OTHER CONCERNS.**

Wamba residents have not been paying land rates for the last two years due to the Department of lands request to check on the land ownership documentation hence a request to stop all payments of lands rates until all documents are confirmed, this process has taken over two years which has raised anxiety among plot owners.

The Committee recommends that the Department of lands expedite the process so as to pave way for the collection of land rates.

The Wamba residents also requested for a thorough town planning done at Wamba town so as to ensure faith to investors who would wish to develop various parcels of land and payment of land rates for the parcels.

Lolkuniyani market has no basic hygienic facilities such as toilets and hand washing stations especially during this pandemic period putting not only the residents who rely on this market for goods but also businessmen who sell their goods in this market in danger.

The Committee recommends that as a matter of urgency the Department of Finance to fast track the building of Lolkuniyani hygienic facilities so as to safe guard the users of these markets against diseases.

The Committee recommends the fencing of all markets in the County so as to provide security to the residents and business people and also contain all the animals that are to be sold to avoid revenue loss.

The residents of Opiroi requested for revenue clerks in the existing and newly established markets to avoid revenue loss.

The Committee recommends that all markets in the County be fenced and provided with basic hygienic facilities so as to curb revenue loss and safety of the residents who use these markets and pay revenue faithfully.

**GENERAL FINDINGS.**

Mr. Speaker, the main observation arrived at by the Committee following scrutiny of the Finance Bill, 2021 are as below:

**1. THE LEGAL FRAMEWORK IN THE IMPLEMENTATION OF THE FINANCE ACT, 2020.**

The Finance Bill, 2021 is a mechanism of the County Assembly of Samburu to provide for various taxation, imposition of fees and charges for services and other revenue raising measures of the County Government. The Bill should have enabling policies and legislations for the different revenue streams duly approved by this House to ensure proper implementation of the same and realization of the full Budgeted revenue of the Samburu County Government.

These are;

- The Revenue Administration Policy and Bill
- Trade (Licensing) and Markets Acts
- Liquor Licensing Act
- Property rates Act,
- Dividends sharing policy for the County corporations

**2. PUBLIC PARTICIPATION**

The Finance Bill is part and parcel of the budget cycle as per section 125(1) Of the PFM Act, 2012. Matters relating to public finance must undergo public scrutiny as envisaged in Article 201(a) of the Constitution of Kenya and Section 125(2) of the PFM Act, 2012. The County Treasury should provide evidence to indicate that public participation was carried out on this Finance Bill, 2021.

**3. WEAKNESSES IN COUNTY REVENUE COLLECTION.**

- a. Poor motivation of field staff i.e. delays in payment of allowances, inadequate



facilitation of transport, and poor working conditions e.g. lack of sheds and protective clothing for the collectors.

- b. Leakages in revenue collection which the County Treasury is addressing through;
  - Advancements to go cashless across all ministries. All payments to be done through MPESA.
  - Inspection teams going round the County to ensure compliance and optimal revenue collection.

#### **4. INCLUSION OF NEW CHARGES IN THE FINANCE BILL, 2021.**

**The committees observed that the Bill includes new charges;**

- a. Charges for Services being under the Samburu Referrals Hospital, Laboratory Department.
- b. Charges for Services being under the Samburu referrals Hospital, Plaster Department.
- c. Charges for Services being under the Samburu referral Hospital, Public Health.

#### **5. CONSISTENCY WITH THE APPROVED FISCAL FRAMEWORK.**

The County should initiate practical steps such as fully automated systems, strong enforcement and supervision teams, training and motivation of revenue collectors, sensitization of traders, improvement of market facilities and related amenities, proper collection, management and reporting on Appropriation in Aid (A.I.A) and ensure all collections are banked in the County Revenue Fund in order to attain the 2020/21 FY approved projected budget.

**6. NON-COMPLIANCE WITH THE FINANCE ACT, 2021 PROVISIONS.**

There are concerns that the charges being levied are in some cases not in sync with the Finance Act, 2021. This results into either undercharging or over charging of the traders. The collectors must be sensitized on the Finance Act Provisions to ensure compliance and avoid possible litigation in future.

**7. MARKET INFRASTRUCTURE IMPROVEMENT.**

The state of facilities in markets across the County is wanting especially on social amenities such as;

- Public toilets (Non-existent or few)
- Water supply (Non-existent or broken down)
- Poor or no fences at all around our markets and stock rings
- Inadequate market shades and stores for traders
- Poor market security: There are few market enforcement officers to ensure Law and Order.
- Poor or collapsed drainage systems and market surfaces.

This should be addressed forthwith to encourage revenue collection amongst traders.

**COMMITTEE RECOMMENDATIONS**

The Committee recommends the following:

- 1) That the County Government to roll-out a program to renovate the existing County houses which are in a dilapidated state and undervalued in order to advance them competitive market conditions and realize better rent rates.
- 2) That in order for the County to realize the projected revenue and safeguard the administration and collection of revenue, the enabling legislations and policies as detailed in the findings must be urgently drafted and dully approved.

- 3) That the Executive moves with speed to expand the tax brackets by streaming the digitalization process and revenue automation to ensure eligible players are accommodated.
- 4) That the concerned of trade and cooperatives must ensure immediate and consistent upgrade of market facilities across the County in order to address the shortcomings in revenue collection arising from the same.
- 5) That the County Government to conduct research in the County to ascertain the economic situation in each trading center so as to specify the revenue payable according to the economic environment of each trading center.
- 6) That basic hygienic facilities in each of the designated market places should be built so as to ensure adherence of proper hygienic conditions.
- 7) That civic education and public awareness campaigns on revenue collection should be rolled out to the stakeholders prior to preparation of Finance Bills to enable the public to familiarize themselves with targets, challenges, and strategies of enhancing revenue collection within the County.
- 8) That the County Assembly should enhance and conduct its oversight role with vigor to ensure utmost Budget compliance by the line executive Departments and to restrain any incidents of funds misappropriations.
- 9) That the revenue Department capture all revenue streams in the County especially property related revenues, land rates/plot rates.

## **CONCLUSION**

In the ultimate, on behalf of my colleagues with whom we spent 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 present 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 effective implementation of our recommendation requires that the Assembly and the Executive work hand in hand. Hence, I urge

my colleagues in this House to 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 it with its amendments. Thank you Hon. Speaker.

**The Deputy Speaker,** (Hon. Jonathan Lemoosa): Thank you very much Hon. Chair. Hon. Members, the Chairperson has really outlined and summarized the projections on how to improve, seal loopholes and wastages in our revenue thus increasing our revenue to the County.

It is high time for the Members to ventilate and indulge the matter before we put the question, please welcome, Mheshimiwa Dube.

**Specially Elected MCA,** (Hon. Osman Dube): Ahsante sana mheshimiwa Spika. Mimi kama mwanakamati wa Fedha, naunga mkono ripoti hii kama vile mwenyekiti alivyoelezea. Tumezunguka na kujua maoni ya wananchi, mheshimiwa Spika ni ukweli fedha za ushuru zinazo okotwa ni nyingi lakini zinapotea. Ahsante sana.

**The Deputy Speaker,** (Hon. Jonathan Lemoosa): Ahsante mheshimiwa Dube. Ni ukweli kama vile mheshimiwa alivyosema serikali ikona upungufu wa pesa kiwango cha billioni mia saba na wametoa orodha ya kaunti ambazo zitaadhirika iwapo hawataokota fedha za kutosha kujitegemea ama kujimudu bila msaada wa serikali kuu.

I think the Committee on Finance has done a good job. Hon. Joseph Leshimpiro.

**MCA Ang'ata Nanyekie,** (Hon. Joseph Leshimpiro): Thank you Hon. Speaker for the opportunity to contribute.

First, we as the County need to be self-reliant. Due to COVID 19 the revenue collection in our County has been low were it not for the exchequer, then some service could have not been provided.

It is important for the Department of revenue to collect revenue in timely manner, meeting the targets and perfectly because by doing so we attract bonus allocation from the Government. I know that we have set low revenue targets as a County but I know we can collect double the target set.

**The Deputy Speaker,** (hon. Jonathan Lemoosa): Asante sana Mheshimiwa Dube. Iwapo ulitazama runinga ya Citizen leo asubuhi, Mheshimiwa Dube amesema ukweli kwamba serikali lina upungufu wa bilioni 700 au bilioni 70 na waliangazia majimbo ambayo yanaweza kujisimamia bila msaada wa serikali kwa mfano Kisumu na Nakuru kati ya Kaunto 47. Wale ambao wabaya kabisa ni majirani wetu kama Marsabit ingawa Samburu hawako. Jambo hili halimaanishi kuwa sisi hatuwezi kujimudu bila ruzuku ya serikali, Mheshimiwa na Kamati wamesema ukweli kwamba tukiziba nafasi ambayo tunapoteza pesa tunaweza kujisimamia na kuingia katika nafasi ya saba kwani Samburu inajulikana sana licha ya janga kama ya Corona na wagaidi wa Alshabaab ambayo imeathiri utalii halimaanishi kuwa hatuna njia zingine ya kupata kodi. Let us ventilate, those of us who are in the House especially the Committee on Finance who have done a superb job, I was keenly following on the preview from the Chairman. What is your feeling on this hon. Leshimpiro?

**MCA Angata Nanyekie Ward,** (hon. Paul Leshimpiro): Thank you Mr. Speaker. We as a County need to be self-reliable since apart from the revenue that we are making there is also the column that we are supposed to fill in from our own local revenue collections and for the last few months as a problem of the Corona tall services would have been brought. The collection has been so low and if the Government ex-chequer had not been there I am sure that all services would have been brought down to zero. It is also important for us to collect revenue because in the process of collecting revenue and meeting the target we also attract some bonus from the National Government.

We are setting very low targets for our County that we are supposed to collect for example 200 million in a year and that can be easily achieved yet we are able to collect that double amount of money. We need to improve the target setting and how to collect revenue. We need to automate

the revenue collection mode of which an example is that of the County Medical Hospitable who have automated their services within the hospital and it is now easily possible to track whoever has embezzled the money. If we make our collections automated, then there is a likelihood that will seriously improve our target.

I have a concern on how much we charge institutions that are selling wines, I found out that a lot of debt has crept to our young people as a result of consumption of these wines which has a very high alcohol content up to 40% to 50% and we charge on the volume sold and the locality an example is a wines and spirits selling within Maralal has to pay a certain amount and a lower figure to a wines and spirits outside Maralal. In my opinion this figure needs to be highly increased. If we increase the fees charged to wines and spirits sellers, then we will be able to serve our young generation but if put a lower amount then we increase the consumption among our youth leading to death. The charges should be set based not only on the locality and volume but also on the level of alcohol content in the products. If you are selling wines and spirits on very high concentrations, then you are charged more.

Lastly our hotels in our Samburu National Reserves are paying very low. I am sure that the amount of money that is allocated to them per year is very low as compared to what they are collecting in high seasons in a day they can collect and pay us in a day and the rest of the 11 months and 29 days they are earning profits since the agreement is still there and we need to review those agreements set a long time ago and the targets were so low at that particular time. The report is very good and friendly to the local people and pastoralists based on the prices of cattle, goats and camels. There is even a decrease of sum because our people need to be considered during this dry season. I support the report.

**The Deputy Speaker,** (hon. Jonathan Lemoosa): Thank you hon. Leshimpiro. A concern is on the 3<sup>rd</sup> generation alcohol that is killing our people. This House, through the Chair of Finance and Health, needs to have a way forward on how to manage the third generation alcohol like the central province. The Implementation Committee should also ensure that what has been recommended by this Committee is exercised or put into practice or implementation. The

Committee has done a good job and worth implementing. It will give us a lot of relief on the revenue and also save life.

Reading from the mood of the House we need to conclude this matter and as such hon. Members, I now propose that this Assembly debates and approves the report of the Committee on Finance, Economic Planning and ICT on the Consideration of the Samburu Finance Bill Report, 2021.

I now put the question that this Assembly debates and approves the report of the Committee on Finance, Economic Planning and ICT on the Consideration of the Samburu Finance Bill Report, 2021.

*(Question proposed, put and passed)*

Hon. Members the time being 28 minutes to 11 o'clock and there being no other business this Assembly now adjourns until 3<sup>rd</sup> November, 2021 Wednesday afternoon at 2:30 pm, Thank you.