



For scheduling
D.B.K.

**COUNTY ASSEMBLY OF BUNGOMA
OFFICE OF THE CLERK**

Telephone: 055-2030854/020-2030309
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P.O. BOX 1886-50200,
BUNGOMA, Kenya.

REF: REPORT NO 7

INTERNAL MEMO

FROM: CHAIRMAN COMMITTEE ON FINANCE AND ECONOMIC PLANNING.

TO: CLERK OF ASSEMBLY.

DATE: 22ND JUNE, 2023

RE: REPORT BY THE COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON REVENUE ADMINISTRATION AND MANAGEMENT (AMENDMENT) BILL. 2023

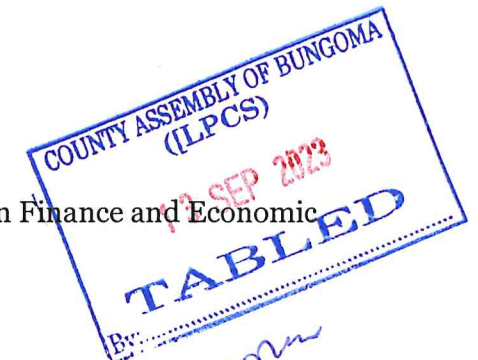
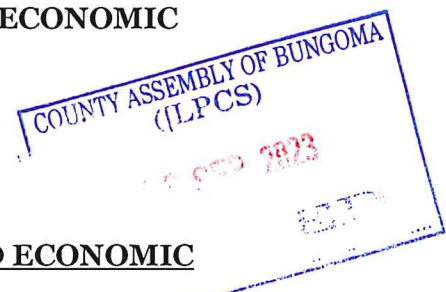
The above subject matter refers.

Forwarded herewith, please find the report by the committee on Finance and Economic Planning on consideration of above stated subject.

Kindly facilitate its approval for tabling.

HON. JAMES MUKHONGO

CHAIRMAN-COMMITTEE ON FINANCE AND ECONOMIC PLANNING.



laid - 2:39pm

COUNTY GOVERNMENT OF BUNGOMA



COUNTY ASSEMBLY OF BUNGOMA

THIRD ASSEMBLY – SECOND SESSION

REPORT OF THE COMMITTEE ON FINANCE AND ECONOMIC PLANNING

ON

**THE BUNGOMA COUNTY REVENUE ADMINISTRATION AND
MANAGEMENT (AMENDMENT) BILL, 2023.**

JUNE, 2023

**Clerk's Chambers
County Assembly of Bungoma**

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1.3 committee membership

Mr. Speaker Sir, the Committee on Finance and Economic Planning as currently constituted comprises of the following members: -

- | | |
|-----------------------------|------------------|
| 1. Hon. James Mukhongo | Chairperson |
| 2. Hon. Orize Kundu | Vice Chairperson |
| 3. Hon. Stephen Wamalwa | Member |
| 4. Hon. Everlyne Mutiambu | Member |
| 5. Hon. Violet Makhanu | Member |
| 6. Hon. Jack Kawa | Member |
| 7. Hon. Vitalis Wangila | Member |
| 8. Hon. Francis Chemion | Member |
| 9. Hon. Tony Barasa | Member |
| 10. Hon. George Makari | Member |
| 11. Hon. Aggrey Mulongo | Member |
| 12. Hon. Godfrey Wanyama | Member |
| 13. Hon. Everton Nganga | Member |
| 14. Hon. Christine Mukhongo | Member |
| 15. Hon. Catherine Kituyi | Member |

1.3 committee membership

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| 14. Hon. Christine Mukhongo | Member |
| 15. Hon. Catherine Kituyi | Member |

1.4 acknowledgment

Mr. Speaker Sir, let me take this opportunity to express my gratitude and sincere thanks to the members of the committee for dedicating their time to sit and examine the Revenue Administration and Management (Amendment) Bill, 2023. The committee would also like to register appreciation to the members of secretariat who worked with us for their unwavering commitment.

Lastly, the committee is grateful to the offices of Honorable Speaker and Clerk of the County Assembly of Bungoma for the support received as it discharged its mandate of reviewing the Bill.

Mr. Speaker Sir, it is therefore my singular duty, on behalf of the Committee of Finance and Economic Planning, to table this report and recommend it to the County Assembly for consideration and adoption.

Signed  Date... 17/06/2023

**Hon. James Barasa Mukhongo, MCA Chwele/Kabuchai Ward
Chairperson, Committee on Finance and Economic Planning**

CHAPTER TWO

2.1 Background

The first reading of Bungoma County Revenue Administration and Management (Amendment) Bill, 2023, number 1 was sponsored by Hon James Mukhongo. On 25th of April 2023 pursuant to Standing Order 139 of the County Assembly of Bungoma. The Bill was committed to the Committee on Finance and Economic Planning for consideration and facilitation of public participation in compliance with Standing Order 140 of the County Assembly Standing Orders.

2.2 General overview of the Bill and objective of the Bill

The principal objective of this Bill is to amend the Bungoma County Revenue Administration and Management Act, 2019 by introducing a schedule for providing for fee and charges. The Bill comply with the following fundamental principles of enacting a Bill: -

1. The Bill does not infringe on the fundamental rights and freedom enshrined in the constitution, but the parent Act delegates the legislative authority to County Executive committee member to make Regulations for the better carrying into effect the provisions of this Act.
2. The Bill conforms to the Constitution and the relevant applicable laws.
3. The implementation of the Bill shall occasion additional expenditure on public funds which shall be provided for in the annual estimates.
4. Article 209(4) & (5) of the Constitution provides that the national and County Government may impose charges for the services they provide. The taxation of other revenue-raising powers of a county shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or the national mobility of goods, services capital or labor. In addition, Article 210(1) of the constitution on imposition of tax provides that no tax or licensing fee may be imposed, waived or varied except as provided by

legislation. Based on the aforementioned the Bill concerns the County Government.

5. The Bill conforms to the style, form and structure of drafting of a Bill.

2.3 legal framework

(a) Constitution

Article 185 of the Constitution makes provision for legislative authority of county assemblies.

(1) The legislative authority of a county is vested in, and exercised by, its county assembly.

(2) A county assembly may make any laws that are necessary for, or incidental to, the effective performance of the functions and exercise of the powers of the county government under the fourth schedule.

Power to collect local revenue.

Article 209(3) of the constitution of Kenya 2010 provides that:

a County may impose tax –

- a) Property rates;
- b) Entertainment taxes; and
- c) Any other tax that it is authorized to impose by an Act of parliament.

Article 210 of the Constitution of Kenya on imposition of tax state that:

- 1) No tax or licensing fee may be imposed, waived or varied except as provided by legislation;
- 2) If legislation permits the waiver of any tax or licensing fee-
 - a) A public record of each waiver shall be maintained together with the reasons for the waiver; and
 - b) Each waiver and the reasons for it shall be reported to the Auditor General
- 3) No law may exclude or authorize the exclusion of state officer from the payment of tax by reason of-

- a) Office held by the state officer
- b) The nature of the work of the state officer.

(b) County Governments Act

Procedure on legislation

Section 21 of the County Governments Act makes provision for procedure for the exercise of legislative powers:

(1) A County Assembly shall exercise its legislative power through Bills passed by the county assembly and assented to by the governor.

(2) A Bill may be introduced by any member or committee of the County assembly but a money Bill may be introduced only in accordance with subsection (4).

(3) In the case of a money Bill, the County Assembly may proceed only in accordance with the recommendation of the relevant county assembly after taking into account the views of the county executive committee member responsible for finance.

The provisions of section 21 of the County Governments Act on procedure for the exercise of legislative powers are replicated in Part XX of the County Assembly of Bungoma Standing Orders.

(c) Public Finance Management Act 2012

Power of the County Executive Committee Member for Finance to develop measures to raise Local revenue.

Section 132 of the public Finance Management Act provides that:

(1) each financial year, the County Executive Committee Member for Finance shall, with the approval of the County Executive Committee, make a pronouncement of the revenue raising measures for the county government.

(2) The County Executive Committee Member for Finance shall, on the same date that the revenue raising measures are pronounced, submit to the County Assembly the

County Finance Bill, setting out the revenue raising measures for the county government, together with a policy statement expounding on those measures

(3) Any recommendations made by the relevant committee or adopted by the County Assembly on revenue matters shall –

(a) ensure that the total amount of revenue raised is consistent with the approved fiscal framework and the County Allocation of Revenue Act;

(b) take into account the principles of equity, certainty and ease of collection;

(c) consider the impact of the proposed changes on the composition of tax revenue with reference to direct and indirect taxes;

(d) consider domestic, regional and international tax trends;

(e) consider the impact on development, investment, employment and economic growth; and

(f) take into account the taxation and other tariff agreements and obligations that Kenya has ratified, including taxation and tariff agreements under the East African Community Treaty.

(4) The recommendation of the County Executive Committee member for finance shall be included in a report and tabled in the county assembly

CHAPTER THREE.

3.1 Public participation

Mr. Speaker Sir,

Public participation is considered as a crucial pillar in the Kenyan Constitution. It promotes democracy by providing the public an opportunity in decision making in government hence promoting national values and principles of governance. Further Article 174 (c) provides that the object of devolution of governance is to; “give powers of self-governance to the people and enhance the participation of the people in the exercise of the powers of the State and in making decisions affecting them. Further, Article 118 (1) (b) requires parliament to facilitate public participation and involvement in legislative and other business of the Assembly and its committees. It provides that parliament conduct its businesses in an open manner and that the committees be open to the public.

The Standing orders provides that Sectoral Committee to which a Bill is Committed shall facilitate public participation on the Bill through an Appropriate mechanism, including-

- (a) Inviting submission of memoranda
- (b) holding public hearings
- (c) Consulting relevant stakeholders in the Sector and;
- (d) consulting experts on technical subjects

(3) The Sectoral Committee shall take into account the views and recommendations of the public under paragraph (3) in its report to the House.

Mr. Speaker Sir, it's on this basis that when this Bill was introduced to the House by the Sponsor Hon. James Barasa Mukhongo, it was committed by the Hon. Speaker to the Committee on Finance and Economic Planning on 25th April, 2023 for processing and reporting back to the House.

The clerk of the County Assembly of Bungoma placed an advert on the daily nation of 9th May, 2023, seeking views from the public on the Bill pursuant to Article 196(1)(b) of the constitution of Kenya 2010 as read together with section 87 of the County Governments Act 2012 and Standing Order 140 of the County Assembly Standing Orders. The Members of the Public were asked to submit their written views in hard copy to the office of the Clerk or soft copy to the County Assembly official email Article 196 (1) (b) of the Constitution of Kenya and section 87 of the County Governments Act, provides for public participation and involvement in the legislative and other business of the Assembly and its committees. In regard to this, the committee sought and received views from the public by 17th May,2023 as per the advert the advert.

3.2 Public Views

By closure of Business on 17th April 2023, only the Bungoma Hoteliers Association had forwarded their views to the office of the Clerk concerning the Bill under consideration.

CHAPTER FOUR

4.1 Consideration of the Bill.

Mr. Speaker Sir,

The committee retreated for report writing at Devine Homes Hotel in Kisumu from Sunday 17th to 19th June, 2023. In finalization of the report, the committee took into consideration views from members of the public and the civil organizations operating within the County. The proposed amendments on specific clauses together with their justifications are given in the table below;

CLAUSE	PROPOSED AMENDMENT	Committee Comments
Long title		Agreed to
1-Short title and commencement		agreed to
Clause – Schedules	That the schedules be amended by: a) Deleting second last column of the schedule. b) Deleting the words appearing at the top of the last column “proposed 2022/23’	To provide for the charges under the Act.

CHAPTER FIVE

5.0 COMMITTEE OBSERVATION AND RECOMMENDATION

CHAPTER FIVE

5.1 Committee Observation and Recommendation

5.2 observation

1. The Bill is long overdue as revenue administration and management is a key component of revenue enhancement measures.
2. The Revenue Administration and Management Act requires County Executive Committee member for Finance and Economic Planning to prepare Regulations for better carrying into effect of the Act.
3. Other guidelines ought to follow to address the non-substantive issues not captured in the Bill.

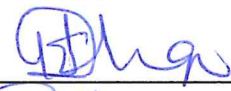


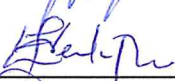








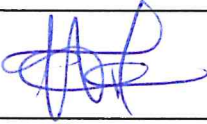

5.3 committee recommendation

The committee made the following recommendations:

1. That the House passes the Bungoma County Revenue Administration and Management (Amendment) Bill, 2023 with amendments thereto.
2. That the Clause-schedule of the Bill be amended by:
 - (a) Deleting the second last column of the schedule
 - (b) Deleting the words “proposed” and “2022/23” appearing at the top of the last column to read “Charges”
3. That the Committee proposes that the Bill moves to the next stage with amendments thereto.

ADOPTION SCHEDULE

We the undersigned Members affix our signatures adopting this report with the contents therein.

	MEMBERS NAME	DESIGNATION	SIGN
1	Hon. James Mukhongo	Chairman	
2	Hon. Orize Kundu	Vice Chairman	
3	Hon. Stephen Wamalwa	Member	
4	Hon. Everlyne Mutiembu	Member	
5	Hon. Vitalis Wangila	Member	
6	Hon. George Makari	Member	
7	Hon. Francis Chemion	Member	
8	Hon. Everton Nganga	Member	
9	Hon. Aggrey Mulongo	Member	
10	Hon. Tonny Barasa	Member	
11	Hon. Violet Makhanu	Member	
12	Hon. Jack Kawa	Member	
13	Hon. Godfrey Wanyama	Member	
14	Hon. Christine Mukhongo	Member	
15	Hon. Catherine Kituyi	Member	

Annexures

1. Committee minutes on the consideration and adoption the County Revenue Administration and Management (Amendment) Bill, 2023 and the amendments thereto.
2. A copy of the County Revenue Administration and Management (Amendment) Bill, 2023
3. A copy of the daily Nation Advert, inviting the public to present written memorandum

MINUTES OF THE FINANCE AND ECONOMIC PLANNING COMMITTEE
MEETING HELD ON TUESDAY 18TH JUNE, 2023 AT 11.00 A.M IN THE
COMMITTEE ROOM 1

MEMBERS PRESENT

NAME	DESIGNATION
1. HON. JAMES MUKHONGO	CHAIRPERSON
2. HON. ORIZE KUNDU	VICE CHAIR
3. HON. STEVEN WAMALWA	MEMBER
4. HON. AGGREY MULONGO	MEMBER
5. HON.EVERLYNE MUTIEMBU	MEMBER
6. HON. VITALIS WANGILA	MEMBER
7. HON. CATHERINE KITUYI	MEMBER
8. HON. CHRISTINE MUKHONGO	MEMBER
9. HON. TONY BARASA	MEMBER
10. HON.EVERTON NGANGA	MEMBER
11. HON. VIOLET MAKHANU	MEMBER
12. HON. JACK KAWA	MEMBER
13. HON. GEORGE MAKARI	MEMBER
14. HON. FRANCIS CHEMION	MEMBER
15. HON. GODFREY WANYAMA	MEMBER

SECRETARIAT

1. JOCKTAN KABEYI	COMMITTEE CLERK
2. JOHN MUCHUNGI	HANSARD OFFICER
3. LUCY IMENJE	SERJEANT AT ARMS
4. EVANS MANGARA	LEGAL OFFICER
5. OSCAR SIFUMA	FCA
6. RUTH WANAMI	SCA

AGENDA

1. Prayer
2. Determination of quorum
3. Adoption of agenda
4. Communication from Chair
5. Adoption of the Report on Revenue Administration and Management(amendment)Bill.2023

MIN. 1/18/6/23: PRAYER

The meeting was called to order at 11.07 a.m. with a word of prayer said by Hon. Orize Kundu.



COUNTY ASSEMBLY OF BUNGOMA

P.O BOX 1886-50200, BUNGOMA, Kenya. Telephone: 055-2030854/020-2030309,
Email: bungomacountyassembly@gmail.com

INVITATION FOR SUBMISSION OF MEMORANDA ON BILLS UNDER CONSIDERATION.

The under-listed Bills have been tabled in the County Assembly and committed to various committees.

1. **The Bungoma County Inspectorate ,Compliance and Enforcement Bill,2023**
2. **The Bungoma County Public Markets (Amendment) Bill,2023**
3. **The Bungoma County Weights and Measures Bill,2023**
4. **The Bungoma County Cooperative Societies Bill, 2023**
5. **The Bungoma County Public Entertainment and Amenities Bill,2023**
6. **The Bungoma County Outdoor Advertising and Signage Control and Regulation Bill,2023**
7. **The Bungoma County Revenue Administration and Management (Amendment) Bill, 2023**

Article 196(1) (b) of the Constitution of Kenya, and Section 87 of the County Governments Act, provides for Public participation and involvement in the legislative and other business of the Assembly and its Committees.

In compliance with the above laws, the Committee invites members of the Public to submit written representations they may have on the aforementioned document. The Bills can be accessed from the County Assembly website at <http://www.bungomaassembly.go.ke>. Hard copies of the Bills are available at the Member of County Assembly Offices in the various wards.

The representations may be forwarded to Clerk of the County Assembly, P.O Box 1886-50200 Bungoma; hand-delivered to the office of the Clerk, Main County Assembly building or emailed to info@bungomaassembly.go.ke to be received on or before 17th May 2023.

CHARLES W. WAFULA,
CLERK OF THE COUNTY ASSEMBLY,
COUNTY GOVERNMENT OF BUNGOMA.