COUNTY GOVERNMENT OF BOMET

THE COUNTY ASSEMBLY

REPORT OF THE JOINT COMMITTEES OF BUDGET & APPROPRIATION AND FINANCE, ICT & PLANNING ON THE BOMET COUNTY FINANCE BILL, 2014

23RD DECEMBER 2014

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Committee Members

The following members of the Budget & Appropriation and Finance, ICT & Economic Planning Committee participated in reviewing the Finance Bill

BUDGET AND APPROPRIATION COMITTEE

No.	Name	Position
1.	Hon. Aurelia Rono	Chairperson
2.	Hon. Benard Ngeno	V. Chair
3.	Hon. Robert Metet	Member
4.	Hon. Cecilia Towett	Member
5.	Hon. Tablelei Rotich	Member
6.	Hon. Samwel Bor	Member
7.	Hon. Philip korir	Member
8.	Hon. Sammy Kirui	Member
9.	Hon. Wilson Keter	Member

FINANCE, ICT AND ECONOMIC PLANNING

No.	Name	Position
1.	Hon. Christopher Ngeno	Chairperson
2.	Hon. Eveline Chepkemoi	V. Chair
3.	Hon. Joyce Korir	Member
4.	Hon. Sammy Kirui	Member
5.	Hon. Beatrice Chebomui	Member
6.	Hon. Philip Siele	Member
7.	Hon. Reuben Langat	Member
8.	Hon. John Ngetich	Member
9.	Hon. Josphat Kirui	Member

A. INTRODUCTION

In reviewing the Bomet County Finance Bill 2014, the Budget and Appropriation Committee held joint sittings with Finance, ICT & Economic Planning and Trade, Tourism, Industry & Co-operative committees. During these meetings the Committee managed to get the views and clarifications of the County Revenue officers. The views were required to allow the Committee members to make an informed judgment on the on the bill.

B. ADHERENCE TO THE CONSTITUTION AND PUBLIC FINANCIAL MANAGEMENT (PFM) ACT 2012

Article 209 of the constitution states that;

(3) A county may impose,

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

(4) The National and County Governments may impose charges for the services they provide

(5) The taxation and 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 labour

The following provisions of the PFM Act 2012 relating to the finance bill must be taken into consideration;

Section 132. (1) Each financial year, the County Executive 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.

Further Section 161 of the PFM Act 2012 states that;

In imposing a tax or other revenue raising measure, a county government shall ensure that the tax or measure conforms to Article 209(5) of the Constitution and any other legislation, and before imposing any tax or revenue raising measures under this Article, shall seek views of the Cabinet Secretary and the Commission on Revenue Allocation.

C. COMMITTEE FINDINGS

The committee made the following observations;

i. The committee observed that the bill seeks to move more trading centres from category C to category B and from category B to Category A. The affected centres include Silibwet and Mulot

ii. The committee noted that the bill seeks to unjustifiably increase all the charges in the Health sector by 30%. The committee therefore consulted the C.E.C for Finance and the County Director of Health on the justification for the increase

iii. The committee noted that a number of items had erroneously been captured in the Office of the Governor and Legislature. The items captured in the Office of the Governor include preparation & extension of lease and transfer fees, Handcart and Boda boda, Tenant purchase agreement, consent to transfer, charge, sub-lease and search fees, sale of minute books and base transmitter station. The items under legislature include sale of minutes and sale of tender

iv. That there was need to correlate the proposed rates and charges touching on alcohol & beverages and weights & measures to Alcohol and Beverages Act, and Weights and Measures Act.

D. VIEWS AND OPINIONS OF THE PUBLIC

The committee carried out public participation in all the sub-county headquarters. The public made their views in the Bomet County Finance Bill as follows;

performance before such a proposal is implemented. The committee therefore recommends that parameters needs to be developed so as to guide in implementing such a proposal.

b. The committee having consulted the C.E.C for Finance and the Health Director on the basis that informed the increase in all the charges in health sectornoted that all the rates and charges had been unjustifiably increased by about 30%. The committee was concerned that such an initiative will limit people's access to health care, a core function that the County Government should strive to succeed in. The committee therefore recommends that the current rates being charged in the health sector should be maintained

c. The committee recommends that the items captured in the following be moved to their relevant sectors

   i. **Office of the Governor**

   Preparation & extension of lease and transfer fees be moved to lands, Handcart and Boda boda be moved to Transport, Tenant purchase agreement, consent to transfer, charge, sub-lease and search fees to lands, sale of minute books to finance and base transmitter station to energy

   ii. **Legislature**

   Sale of minute books should be removed as the county assembly do not sell minutes, and sale of tender be moved to finance sector

d. The committee recommends that the C.E.C for Finance should ensure that the Finance Bill strictly adheres to article 209 of the constitution, Section 161 and section 132 (2) of the PFM Act.

e. The C.E.C for Finance should issue a policy statement to clarify on the intended taxes, charges or rates

f. That Zoning(i.e Zone A, B &C) should be clearly defined

g. For clarity, the committee recommends that charges on impounded animals be restricted to loitering animals or those being grazed within town without any permit

Mr. Speaker Sir,

h. The committee further recommends that in order to achieve a balance between enhancing the revenue, growing the county economy and ensuring people's access to basic needs, the charges on the following items be reviewed as follows;

   1. **Alcoholic Licence Fees (Page 6).** The proposed charges on small premises situated outside market centres to be reduced from Ksh. 25,000 to Ksh. 20,000.
   2. **Animal keeping in peri-urban.** Proposed charges of Ksh. 390 of a chicken per year be reduced to Ksh. 100 per chicken
   3. **That charges for item** 110 Medium trader,shop or retail service be reviewed to Ksh. 10,000; 7,000 and 4,000 for Zone A, B and C respectively

4. **That charges for item** 210 Hawker with a hand cart / bicyclein zone Cbe reviewed to Ksh. 1,000
5. **That the current charges for item** 301 and 302 should be maintained
6. That a uniform charge of Ksh 10,000 for item 303 small transport company less than 6 vehicles and Ksh. 3,500 for item 304 Independent transport operator,pick up,tractorbe charged for all the three zones
7. That a uniform charge of Ksh 24,000 for item 331Medium communication ,courier servicesbe charged for all the three zones
8. That a uniform charge of Ksh 50,000 for item 340Electricity sub-stationbe charged for all the three zones
9. That a uniform charge of Ksh 30,000 for item 341Electricity marketing and retail offices e.g. KPLC.be charged for all the three zones
10. That a uniform charge of Ksh 80,000 for item 350Large mining or natural extraction with own heavy machines be charged for all the three zones
11. That a uniform charge of Ksh 25,000 for item 410Medium Agricultural Producer/Processor/ Dealer/Exporter: From 11 to 15 employees be charged for all the three zones
12. That the current charges on item 503 Lage-High Standard Lodging House: Over 70 rooms be maintained
13. That the charges on item 506 Medium-High Standard Lodging House: From 30 to 70 rooms be reviewed to Ksh. 35,000; 30,000 and 20,000 for zone A, B and C respectively
14. That the charges on item 509 Small-high Standard Lodging House: Below 30 rooms be reviewed to Ksh. 30,000; 20,000 and 15,000 for zone A, B and C respectively
15. That the charges on item 635 Large M-Pesa/Small Financial Services / ATM in isolation be reviewed to Ksh. 25,000; 22,000 and 15,000 for zone A, B and C respectively
16. That the charges on item 645 Small M-Pesa /Bank Agents be reviewed to Ksh. 4,000; 4,000 and 3,000 for zone A, B and C respectively
17. That the current charges on item 695 Other Professional & Technical Services be maintained
18. That the charges on item 703 Medium higher Education institutions: From 30 to 100 be reviewed to Ksh. 15,000; 15,000 and 10,000 for zone A, B and C respectively
19. That the charges on item 704 Small higher Education institution up to 30 studentsbe reviewed to Ksh. 8,000; 6,000 and 4,000 for zone A, B and C respectively
20. That the charges on item 705 large private primary/sec over 200 pupils/students be reviewed to Ksh. 45,000; 35,000 and 20,000 for zone A, B and C respectively
21. That the current charges on item 706 Medium private primary/sec 100-200 pupils/students be maintained

22. That the charges on item 707 Small private primary/sec less than100 pupils/students be reviewed to Ksh. 15,000; 7,000 and 7,000 for zone A, B and C respectively
23. That the current charges on item 750Large Entertainment Facility: Cinema- Theatre- maintained
24. That the charges on item Application fee for all single business permits be reviewed to a uniform fee of Ksh.300 for all the three zones
25. That the current charges on item 900 (Meat inspection fee) and 1000 (Slaughter fee) should be maintained
26. That the current charges on item 1802 Alcoholic drinks inspection for licensing)should be maintained
27. That the charges on item 1802 Health clearance certificate for export be reviewed from Ksh.2000 to 3000
28. That the current charges on item 1802 Food handlers medical certificate should be maintained
29. That the current charges on item 1815 Maize/potatoes/beans/Tea leaves per bag should be maintained
30. That a new item in 1825 be introduced known as Enforcement per bodaboda be introduced and charged Ksh. 500
31. That the current charges on item Environment known as Training fee for big organization and outsiders should be maintained
32. That the charges on item Environment known as Licence to operate plant nursery and supervision fee on plant nurseries be charged each Ksh. 1000
33. That new items on Environment known as Timber/posts less than 3 tonnes and Timber/posts over 3 tonnes be charged Ksh. 5000 and Ksh. 8000 respectively
34. That the current charges on all items under solid waste management section be maintained
35. That the current charges on.item Search fee in lands, housing and urban planning should be maintained at Ksh. 500
36. That the current charges on item Application form for any of the services in lands, housing and urban planning should be maintained at Ksh. 300
37. That the current charges on item application fee of land survey section should be maintained at Ksh. 300
38. **Health Sector.**That all current charges in the health sector be maintained

Mr. Speaker Sir,

I therefore urge the honourable members of this house to adopt the report