

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF MACHAKOS

OFFICIAL REPORT

Wednesday, 3rd March, 2021

The House met at 2.39 p.m.

[The Deputy Speaker (Hon. Museku) in the Chair]

PRAYERS

PAPER LAID

APPROVAL OF REPORT ON CONSIDERATION OF
THE ANNUAL DEVELOPMENT PLAN 2021/2022

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business to be transacted by Hon. Cosmas Kieti, Chairperson Trade, Economic Planning and Industrialization Committee.

Hon. Kieti: Hon. Speaker, I beg to lay the following Paper on the Table of the House today, Wednesday, the 3rd day of March, 2021; the Report of the Trade, Economic Planning and Industrialization Committee on the Machakos County Annual Development Plan for the FY 2021/2022. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you very much, Hon. Kieti.

NOTICE OF MOTION

APPROVAL OF REPORT ON CONSIDERATION OF
THE ANNUAL DEVELOPMENT PLAN 2021/2022

Hon. Deputy Speaker: Again under this Order, we have one notice of motion to be moved by Hon. Cosmas Kieti.

Hon. Kieti: Thank you, Hon. Speaker, for this chance.

Hon. Speaker, that aware that Section 104(1) of the County Governments Act, 2012 provides that a County Government shall plan for the County and no public funds shall be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly;

Aware that Section 106(2) of the same Act stipulates that County plans shall be based on the functions of the County Governments as specified in the Fourth Schedule of the Constitution and on relevant National policies;

Aware that Section 107(2) of the County Governments Act further stipulates that the County plans shall be the basis for all budgeting and spending in a County;

Further aware that Section 126(3) of the PFM Act requires the County Executive Committee member responsible for planning to submit the development plan to the County Assembly for its approval and send a copy to the Commission on Revenue Allocation and the National Treasury;

Cognizant that the Annual Development Plan ADP 2020/2021 was submitted to the County Assembly by the Department of Trade, Economic Planning and Industrialization on 1st September, 2020 after which it was committed to the Committee on Trade, Economic Planning, Investment and Industrialization for scrutiny and eventual approval by the House;

Hon. Speaker, I wish to give notice of motion that this House discusses and approves the report of the Trade, Economic Planning and Industrialization Committee, on the Annual Development Plan, 2021/22.

Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Cosmas Kieti.

BILL

Second Reading

MACHAKOS COUNTY FINANCE BILL, 2020

(MACHAKOS COUNTY BILL NO. 4)

(Hon. Mwanthi on 03.03.2021 [AM])

(Resumption of Debate on the Bill tabled on 03.03.2021 [AM])

Hon. Deputy Speaker: Hon. Members, during the morning session Hon. Stephen Mwanthi read a report on the Machakos County Finance Bill, 2020 and I proposed the question and as was agreed with you in the morning, we were to continue with the debate, we give the Members time to go and look at the report so that we can debate this afternoon. Therefore, I welcome Hon. Members to air their views as far as this Bill is concerned. Hon. Justus Katumo.

Hon. Katumo: Thank you, Mr. Speaker, for this opportunity given. I want to begin by thanking the Committee and the Chair for really presenting this report in a well-elaborated manner. Going through the report there are things that I have note that I have seen been faced with that difficult time of Covid-19 and businesses not doing very well.

I have the report generally has been very specific in trying to empower and encourage our small-scale sector to pick from where they lost and most of these charges and fees have been reduced marginally to make sure that they pick from where they lost and be able to stand on their feet.

I want to thank the committee for giving that consideration and taking to account that most of the businesses are not doing very well and I think going forward with this Finance Bill, the amendments and changes that have been made considering what we did the last financial year, they have an opportunity to pick and stand up.

Secondly, I have seen most of the recommendations made from various areas of public participation where Members of the public wanted to be given an opportunity to express themselves and request the County government to be considerate. I think the committee, in its final report, has given a lot of consideration.

My question is whether with such reductions we will be able to get to the target of our own revenue collection and it is important because we budget for the same with targets in mind. But it is impressive, well-thought of and bottom-up approach through public participation and I support. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you very much. Hon. Justus Kitengu.

Hon. Kiteng'u: Thank you, Hon. Speaker. Although I belong to the Committee, I would like to applaud the committee for the good job of this report. It took time for us to come up with this document and I must say that we tried to cater for the real *Mwananchi*.

Hon. Speaker, as you understand 2020 was a hectic year and we all witnessed a lot of businesses closed down; the time for doing business was also limited because of the Covid 19 and as we have gone through the report, we must attest that we have catered for *Mwananchi* and what we lost in the last year.

What I would like to say generally is it seems like 2021 we are back to our normal businesses but the County Government, the department of finance and the inspectorate have started serving our people with notices of payments so that they can be able to pay permits for last year. What I would like to urge the House and the committee is that we need to alert the revenue department that what the report states is that we start the payments of this year. The payments of last year, we must accommodate ourselves with the situations of last year and begin this financial year trying to attain and follow this report.

So as we paste Finance Bill, let us talk to our people that they do not go ahead and make payments for the licenses of last year because last year we came across a lot of difficulties because of the Covid-19 which struck our country and the entire world, Hon. Speaker. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Kiteng'u. Hon. Moses Mitaa.

Hon. Mitaa: Thank you, Hon. Speaker. I want to applaud the committee under the chairmanship of Hon. Stephen Mwanthi for coming up with the Finance Bill 2020 which will guide our business community in the coming financial year.

Hon. Speaker, being in agreement with my colleagues that last year being the Covid year, most businesses were affected, jobs were lost and I think one thing which this committee has noticed is that it has come up with a short term solution at least to cushion our business people on the effects of Covid-19 pandemic.

Hon. Speaker, I happen to have been invited to this committee once and what I noticed is that considerations of our business people was taken care of during the time I was there and it was as result of the public participation which had already been done.

So, Hon. Speaker, mine is to request the County Executive, the implementing arm, to take into consideration our recommendations so that they do not pass the burden to our business people because Hon. Speaker, we have been receiving reports from our people who have been affected and one thing I would request the committee, through the chairmanship of Hon. Mwanthi, is to publicize actually when our business people need to face arrests and being taken to courts because I believe there is a deadline when they are supposed to be given so that they pay for the permits.

But you find our county *askaris* just ambush our business people, even without notice, they arrest them and to make matters worse, like my people of Kangundo, they are arrested this minute in the next 30 minutes they are somewhere in Machakos in a court. In fact, Hon. Speaker, I would request we devolve the courts so that if business people from Kangundo have been arrested, they are charged within their jurisdiction of where they have been arrested at.

Taking that person from Kangundo to Machakos and once he is in the cells, you have to get someone else from Kangundo to come and pay for the fine for the person to be released. Hon. Speaker, that is punishment and I believe the Committee and the department can come in to agreement on how to handle such cases.

Hon. Speaker, again there is something I wanted the chairman to highlight; there is the issue of quarrying. Hon. Speaker, I would want him to expound because the committee has stated that, based on the public proposals, committee observations and submissions of the CECM, the committee recommends deletion of this section.

Hon. Speaker, I think we need to get more information because quarrying, our county, quarrying is one of the leading revenue sources so I would want to understand what they meant when they recommend that we need to have deletion of this section. So, Hon. Speaker, I congratulate the committee and I hope that the Executive will work as per the recommendations of the committee. Thank you, Sir.

Hon. Deputy Speaker: May be before we go to Hon. Maitha, you would like to comment on that issue of quarrying.

Hon. Mwanthi: Yes. Hon. Speaker, we had a court case over the 2019/2020 Finance Act and I believe it was clause 17 that was requested by the Courts to be deleted. So we had had to do so Hon. Speaker.

Hon. Deputy Speaker: What does it contain? What Charges are in that one because you remember, in quarrying we have various Charges related to quarrying. For example, you charge for each truck which goes in there to carry if it is up to 7 tonnes they are charged Ksh. 1,500 above that they are charged Ksh. 2,400; is that what we are scrapping? Or what are we scrapping because when we say it is scrapping it could be interpreted that we are no longer going to be collecting revenue from quarries?

Hon. Mwanthi: Not really, Hon. Speaker. You see it was removed from those clauses to SBP, so will be issuing SBPs per trip as the report is indicating, Hon. Speaker.

Hon. Deputy Speaker: Okay. I think the thing which you might need to find out is that we have Single Business Permits which are given to the quarry owners. If this clauses concerning Single Business Permits for quarry owners, then that is something different, but what i am understanding from the Hon. Member is that when we say delete a clause, I hope we are still charging the trucks which are going in there, we will still continue charging them, continue collecting revenue from them, so you may need to be specific and say what is being deleted is this specific item in the Finance Bill.

That way now people do not say under quarrying and they hear delete the clause, i think that is what the Member is saying, it could mean that we are no longer collecting revenue from the quarries which is the biggest revenue earner so I think that is why he is worried.

Hon. Mwanthi: Hon. Speaker, when you go page 21 down there, the last two sentences, you will find that issue addressed and page 22. All that part talks about that. So it has not been wholly deleted and so the issue or the concern of the Hon. Member is addressed there. It will be SBP per truck not the quarry owner, Hon. Speaker.

Hon. Deputy Speaker: Thank you. I get it now. That is a good clarification because I think because it could be construed.....tomorrow you might find those guys of SBPs being moved out of there and say everything is free and then we do not get any revenue from that and I think that was the issue. On the outside chamber, can I have Hon. Moffat Maitha.

Hon. Maitha: Thank you, Hon. Speaker. Mr. Speaker, I want to congratulate the committee through the able chairmanship of Hon. Steve Mwanthi for work well done. Hon. Speaker, during some of trips to check on what the county government is doing about the collection of rents, we went to Mlolongo and Muthwani Wards; unfortunately, many buildings in those two wards and many other wards do not remit a penny as revenue collection because buildings which have been erected in those areas have no title deeds and there is no Valuation Roll done to make sure that they collect rents for our County.

Hon. Speaker, also when we visited the quarries, we found out that they have not maximized the revenue collection because possibly there are underhand dealings through the county revenue officers. Mr. Speaker, I want to request the county to make sure that bogus revenue collection officers are done away with in some of our wards including Matungulu West Ward. Mr. Speaker, when we go to Kyeleni and areas where we have quarries, when you look at the revenue collected, it does not match with the number of lorries we see passing our roads almost throughout the day and night. Therefore, Hon. Speaker, something should be done to check on those areas where the County is missing on revenue collections.

On pounding of goods by Revenue Tax collectors, we want to discourage this one because when some of *Mama Mboga* and other small business people whose goods have been confiscated by the county officials, it does not augur well with our county which the county Governor says is county number one in Kenya. We want this peaceful co-existence between the revenue collection officers and the traders in our markets. I support, Hon. Speaker. Thank you.

Hon. Deputy Speaker: Thank you. Next we have Hon. Kisini on the outside chamber.

Hon. Kisini: Thank you, Mr. Speaker. Mr. Speaker, I want first of all to thank the committee the entire committee and more specially the chairman for coming up with a very good report and the recommendations in it which some of it have really helped our people and more specially in my ward Athi River. Mr. Speaker, the chairman and his entire committee one time visited my ward because of the cry which was there because of the hike in the business permits. They considered and they spoke with the people of my ward and that time they were given a temporary reduction.

Then again the permits went up but now as I can see in the recommendations the chairman has taken the plea of the people of Athi River while also considering the entire people of the county. I want to thank him for more specially looking at the reduction of the Single Business Permits which our people are low income earners and now they are going to enjoy the benefit of this Bill.

The other thing, Mr. Speaker, I want also to thank the committee because of looking into consideration the effects of Coronavirus because we are also all of us are aware that Coronavirus affected most of the businesses. So, Mr. Speaker, it was good thought, a good decision and I really want to thank the committee for taking care and coming into the rescue of the people of Machakos and more especially on the side of Single Business Permits. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank very much. Hon. Masesi.

Hon. Masesi: Thank you, Hon. Speaker. Mr. Speaker, I would like to appreciate the leadership of our able chairman Hon. Mwanthi and I would like to go in record that this is the only Finance Bill whereby we have made so many reductions and we took care of the effects caused around by Covid-19. You know the economy and our people have no money and so I want to assure the house that we did more than enough consultations with all stakeholders to make sure that we do not have court issues trying to see if there may be any reductions.

Mr. Speaker, again, I want to believe we had enough public participation whereby members came up with all their proposals and they take care of. Mr. Speaker I want to echo the sentiments of Hon. Moffat whereby we have so many revenue clerks who are impersonating to be workers of the county government. Mr. Speaker, Matungulu sub-county is a good example and it worries us when the executive comes around Matungulu and these impersonators keep like they are the bodyguards of our Governor.

It will be hard for the residents having seen these impersonators acting like security guards for our Governor not to agree that they are county workers. Mr. Speaker, I want to assure the House that we have enough streams of revenue. The only challenge, Mr. Speaker, is the amount of how our monies move from the hands of our residents to our bank accounts. As we know and as per the law we are cashless but things on the ground are different.

A lot of people argue that or rather our revenue clerks argue that most of the residents do not have money in their Mpesa and so they have to take cash whereby by the end of the day they will have to deposit the same and send them to the bank account and there we are losing a lot of money. So, Mr. Speaker, I would like to urge the Executive and more so the Finance department to make sure that we go cashless and by so doing am sure that we shall be able to meet our target in terms of local revenue. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Masesi. Hon. Abdirahman.

Hon. Abdirahman: Thank you, Mr. Speaker. I agree with the committee that gambling machines should have penalties increased because it has negative effects to the community. So, in this one, I totally agree and if possible also we might have another motion to disband this kind of machines.

The other one is I agree with Hon. Masesi saying that we have no cash. Especially last year when Covid-19 affected the whole world and so many businesses close and reducing discharges will also help the business to revive or resurface.

Finally, a government should always help its people also create a conducive environment for the business people. When we increase the charges we collect the revenue it should go back to the people and bring service to the community. However, we seen many places like quarries like the Hon. Member from Matungulu West I think has said when they visited Mlolongo, there

were no roads done and those people even refused to pay the revenue back to the government because they even petitioned the same government that was collecting the revenue.

The only way is to help the business people, listen to them, hear their cry and by reducing these Fes and Charges, the committee's recommendation will help also revive and resurface these businesses and also bring cash to the people of Machakos County. I support and applaud the committee for a job well done. Thank you.

Hon. Deputy Speaker: Thank you Abdi. Any other member who needs to contribute before I call the mover of the motion to respond? Hon. Member for Mwala.

Hon. Kisini: I was your classmate!

Hon. Deputy Speaker: I was about to say Hon. Classmate; continue Hon. Kisila.

Hon. Kisila: Thank you, *Bw. Spika*. Thank you very much. I have sat in this committee since we joined this Assembly and I would like to say that this is one of the best Bills we have come up with as a committee because of only one thing. We have listened to our chairman, we have put our emotions aside and we have listened to the public. We have had the highest public participation and the highest public information coming to our committee and I think this bill is among the best bills we are passing.

It is *mwananchi*-friendly and we are not going to have the issues we had last year of people going to court. So I would like to commend our chairman and all the Members for a job well done and what we want now is for the executive to ensure that they implement this Bill and what *Mheshimiwa* Maitha said is cutting across all the wards. Let the money come to the County.

Let no money go to people's pockets because that is the only way we can grow our revenue and we have done a lot as finance committee. We have recommended for vehicles, computers for our staff and we do not see the reason why the department which is charged with this revenue collection cannot hit or grow the target even when we have reduced the amounts charged to *wananchi* so I stand to support and thank our chairman for a good job well done and all the Members of the committee for a fantastic job. Thank you, *Bw. Chairman*.

Hon. Deputy Speaker: Thank you, Hon. Thomas Mutinda.

Hon. Mutinda: Thank you, Mr. Speaker. I start by congratulating the committee and its chairman for a good job done and let me say I think we have a duty to do. In this Finance Bill, it is where we look for local sources of revenue so that we get taxes from our people and give services back to the people. So there must be a balance at a certain point where as we do this Finance Bill and pass these taxes, the people pay and the services go back to the people, Mr. Speaker.

I think during the 2010 Constitution, there was the need to have the own source raising day by day or year by year so far we have been stagnating on the same but I think there must be a way of moving up now to where we are getting the Fees and Charges and more a notch higher to start getting taxes, Mr. Speaker. I think there is need to have industrialists, other heavy investors

to pay more taxes and relieve the farmers down there so that there is a balance as we get services.

Remember, Mr. Speaker, we have the donations which come and they are most invested in urban areas so we also need to have more taxes gotten from there so that we have pour people get taxes which they can afford. Mr. Speaker, we represent the people taxes here and it is important that much as we pass the Finance Bill then again we see that we strike a balance and see that the services get back to our people. Thank you, Mr. Speaker; I think it is a good Bill. I support and hope everyone in this House supports it. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you very much, Hon. Thomas. Hon. Annastaciah.

Hon. (Ms.) Mutuku: Hon. Speaker, I want first to appreciate the chairman of Finance Committee. He is a very strong chairman and his committee they have done a very good job and as I see this Bill is very comprehensive. Hon. Speaker, I want just to say that I want to support the recommendation of the committee because this is the time the County Government needs to take care of our people through budget and the collection of revenue because I think there is a lot of challenges to our people and I would like to request, if there is anything the County Government can do is to reduce the rates of revenue collection so that the economy as it is now recovering our people through their businesses can also recover.

We know and we understand the business is very difficult nowadays because of the last year Covid-19 so Hon. Speaker, I stand to support the Bill. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Annastaciah. May the mover of the motion kindly; respond when we do the Third Reading so let me just say that you respond when we do the Third Reading.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

(Applause)

Thank you. Hon. Members, now that we have already finalized with the debate on this Bill and now that next week we shall be able to do the Third Reading and finalization of the Bill. I just want to make one comment before we proceed. Again, personally and from a personal point of view also, this is one of the best Bills I have seen in the House as far as finance is concerned.

It is taking care of the interests of our people especially post Covid-19; we are still in Covid-19 or post Covid-19. Sometimes, Hon. Members, you must go back one step so that you can be able to move forward. Those of us who drive know that sometimes when you are stuck you must go on reverse gear first then you put first gear and you can be able to proceed. Covid-19 has made us stuck and we have to go back so that we can be able to give our people the opportunity to revitalize their businesses and to be able to move forward in view of these very hard challenges which we are facing.

Hon. Thomas Mutinda has made a very important observation that even as we do this there must be a balance between what we are charging our people, the revenue they are paying and service delivery. If somebody is taxed or pays a charge they expect to see the service. We have for example, been collecting water, sewer charges, firefighting charges and the people do not see those services at the end of the day then you are bound to get push back from the people when that one comes.

Own revenue targets which had been set in I believe when we do the supplementary budget they will have to be revised in tandem with these revisions which have been made in revenue collection and also when it comes to projects, we will be recommending that we concentrate more on projects and try and slow down on the huge projects because the revenue has been affected. When revenue is affected and you have got little revenue coming in then you try to stop the big projects and concentrate on small projects that can be finished with the funds which are available; that would be important.

The other point I have heard is on the Valuation Roll; it is unfortunate now we are saying Mlolongo people are not paying anything because they do not have title deeds and there are no rates which are being charged and you can imagine how many houses are in Mlolongo and Athi river and if they are not paying simply because of lack of a Valuation Roll, I would request the Chair of Finance Committee to work with the Chair Budget committee and at least ensure a Valuation Roll before we leave this Assembly.

We only have one more budget to do and if there is anything that budget should do should be to do a Valuation Roll so that the County can start earning revenue of what it deserves. If all those people who are staying in those areas 90 percent are foreigners; they come from Nairobi and everywhere else and because there are no title deeds they are not paying anything that is a little bit discouraging.

We have talked about the *mboga* and I have learned something today. What Hon. Cosmus Masesi said was interesting that when now our Governor H.E. the Governor goes to Kangundo and those areas, those guys pretend to be the bodyguards; they come and pretend to be the ones who are controlling the crowd as H.E. the Governor passes so once he goes they put on the jackets and become revenue collectors.

That is important information that needs to pass back to H.E. the Governor and his team to be able to get rid of such people who are really; I think that is a little bit ingenious that you are there then when you put...everybody will associate you with the leadership and that is not good.

Then we have talked about automation. I saw something in one of the hotels in Nairobi and they have written a big poster outside there 'this is a cashless institution.' Right at the door as you enter that hotel, this is a cashless institution so we need to ensure in our quarries, everywhere we make them cash less and we actually advertise that this is a cashless area.

You either go there and pay by card or you pay by M-pesa. They do not take cash in that hotel. Automation means going that way and ensuring all services are being paid for in a way which can be able to give accountability.

Hon. Kisila said every single penny needs to go to the government so that we can be able to provide services which are required by our people. Thank you, Hon. Members.

ADJOURNMENT

Hon. Deputy Speaker: The House adjourns to resume again on Tuesday the 9th day of March, 2021 at 10.00 a.m. Thank you very much.

The House rose at 3.24 a.m.