

MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Wednesday, 8th July, 2015**

The House met at 10.15 a.m.

*[The Speaker (Mr. Bernard Mung'ata) in the Chair]***PRAYERS****PAPER LAID****REPORT ON SINGLE BUSINESS PERMITS**

Hon. Oliver Nzeki: Mr. Speaker, Sir, pursuant to Standing Order 190 (5), I beg to lay the following paper on the table of this assembly today, 8th July, 2015; the report of Finance and Revenue Collection Committee on single business permits. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Yes.

Hon. Joseph Itumo: Thank you, Mr. Speaker. I want to inform that the house has no quorum, Mr. Speaker.

Hon. Speaker: Yes, we can only entertain that point of order after we are through with the order paper. We do not disrupt the order paper, so Hon. Itumo, you are out of order. Let us proceed, Clerk.

NOTICE OF MOTION**REPORT ON SINGLE BUSINESS PERMITS**

Hon. Nzeki: Mr. Speaker, Sir, I wish to give a notice of the following motion; that pursuant to Standing Order 190 (5), Mr. Speaker, Sir, I wish to give notice of the following motion; that this hon. house discusses and approves the report of Finance and Revenue Collection Committee on single business permits. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Proceed.

MOTION**REPORT ON SINGLE BUSINESS PERMITS**

Hon. Nzeki: Thank you Mr. Speaker. Mr. Speaker, Sir, aware that the Public Finance Management Act section 133 gives the county Assembly powers to consider and approve

Finance Bill with or without amendments. Aware that Mavoko business Community petitioned the assembly praying for lowering of the rates they were paying to operate businesses; aware that many of our regions in the county have been requesting for the rates to be lowered, Mr. Speaker, Sir, I wish to move the motion that this hon. house discusses and approves the report of Finance and Revenue Collection Committee on single business permits. Thank you Mr. Speaker, Sir.

Hon. Speaker: Yes.

Hon. Nzeki: I wish to ask Hon. Benedetta Mueni to second the motion. Thank you Mr. Speaker, Sir.

Hon. Benedette Mueni: I stand to support the motion that the single business, they continue paying the old money they were paying before until we correct the situation. Thank you Mr. Speaker, Sir.

Hon. Speaker: Thank you. Motion properly laid.

(Applause)

Let us proceed and hear the report.

Hon. Nzeki:

Preface

Mr. Speaker, Sir, the Kenya Constitution Articles 183 (3), 185 and 201 and County Governments Act section 8 has placed significant responsibilities on the County Assembly over the management of public resources. The legislatures have in particular, enhanced responsibility with regard to mobilization, allocation, management and control of resources.

Article 185 (3) of the Constitution and the Public Finance Management (PFM) Act sections 104 (r), 132 and 133 contemplates the powers of the County Assembly to oversight county finance and revenue collection.

Mr. Speaker, Sir, in line with the above provisions of the Constitution, County Government Act and PFM Act, I hereby present to this hon. House the report on single business permit as deliberated by the budget and appropriation committee, Finance and revenue collection committee and the office of the County Treasury.

Mr. Speaker Sir, after an outcry from the business community on the Single Business Permits, the committee on Finance and Revenue Collection and that of Budget and

Appropriation met to deliberate on the concerns in order to promote good relations between the county government and the business community.

Mandate of the Committee

Mr. Speaker, Sir, Standing Order No. 190 (5) states the functions of a Sectoral Committee shall be; “(a) to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned department; (b) study the programme and policy objectives of departments and the effectiveness of the implementation; (c) study and review all county legislation referred to it; (d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives; (e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the Assembly; (f) to vet and report on all appointments where the constitution or any law requires the Assembly to approve, except those under Standing Order 184 (*Committee on Appointments*) and ; (g) make reports and recommendations to the assembly as often as possible, including recommendation of proposed legislation.’

Committee Membership

Mr. Speaker, Sir, the Finance and Revenue Collection Committee as currently constituted comprises of the following Honorable Members:-

1. Hon. Nzeki Munyaka - Chairperson
2. Hon. Hon. Bibianna Nduku - Vice Chairperson
3. Hon. Raphael Mutuku - Member
4. Hon. Nathaniel Nganga “
5. Hon. Edrick Ngunzi “
6. Hon. Alice Nzioka “
7. Hon. David Manyolo “
8. Hon. Philip Ndolo “
9. Hon. Benedette Mueni “
10. Hon. Peter Nzioki “
11. Hon. Michael Mutuku “
12. Hon. Margaret Ndalana “
13. Hon. Felix Ngui “

Petition By Mavoko Business Community

Mr. Speaker, Sir, Mavoko business community petitioned the County Assembly to consider reducing rates charged on their businesses by the County Government. The business community alleged that business had slowed down due to high fees on rates and cess charged on goods and services.

Mr. Speaker, Sir, the business community alleged that the County Government was not providing services such as repairing and tarmacking of roads in comparison to taxes collected. Dust from these dilapidated roads had affected the health of residents as well as increased insecurity in the area. The business community prayed for lowering of rates and fees and to be involved in public participation.

Mr. Speaker, Sir, before receiving the above allegations from Mavoko business community the committee had received oral complaints from other sub counties through Hon. Members of this Assembly.

Committee Observations

Mr. Speaker, Sir, the committee took a step forward and involved the Budget and Appropriation committee, the Executive Committee Member of Finance and Revenue Collection, the Chief Officer, the Finance Secretary and the Director of the Directorate of Revenue Collection on the matter and held a joint consultative meeting.

Mr. Speaker, Sir, during the meeting held jointly with the budget and appropriation committee and the Executive Committee Member - Finance, the Chief Officer - Finance and the Finance Secretary on January 16th, 2015, it was resolved that:-

- a) The classification of the towns was not properly done and should be reviewed.
- b) That business people continue paying the previous rates.
- c) Members of the business community who had paid the new rates would not be refunded.
- d) There was need for the committee on finance and revenue collection and the finance department to come up with new method of classifying businesses for the purpose of rates and fees.
- e) All Motorbikes (*Boda Boda*) to pay a flat rate of Ksh. 200 per month instead of Ksh. 300.
- f) That these recommendations be effected immediately.

Mr. Speaker, Sir, the committee further met the business community on April 9th, 2015 to discuss matters affecting them and observed that the traders were persistent on agitating that they pay the defunct municipal rates and needed to be prepared to embrace the new order of devolution.

Mr. Speaker, Sir, the committee observed that the business community did not take part in the public participation held by the County Assembly Budget and Appropriation Committee at the Sub - County headquarters on the Finance Bill 2014.

Mr. Speaker, Sir, the Machakos County Finance Act 2014 was passed by this honorable house according to the requirements of Public Finance Management Act 2012 and Article 174 (c) of the Constitution of Kenya which states that the objectives of the devolution of government

are 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.

Mr. Speaker, Sir, the towns and markets within the county were classified into three categories namely; urban, peri-urban and rural. This adversely affected the charges that increased considerably, deviating from the previous order of the defunct municipalities. Towns that were classified as urban within the county had sharp increment on single business permit fees. The affected towns include: Mavoko, Mlolongo, Kangundo, Tala, Matuu and Kyumbi Junction.

Mr. Speaker, Sir, one of the challenges facing devolution is implementation of the laws enacted by this Honorable Assembly. From 2013 financial year, it has been a great challenge for the County Government to implement the Finance Act.

Mr. Speaker, Sir, Standing Order No. 217 (2) (b) requires the committee, on consideration of the Finance Bill, to take into account the principles of equity, certainty and ease of collection and (2) (e) to consider the impact on development, investment, employment and economic growth.

Recommendations

Mr. Speaker, Sir, the committee makes the following recommendation to this Honourable House for approval:-

1. The business people of Mavoko to continue paying the rates they have been paying.
2. Public participation on Finance Bill 2015 to be conducted in all sub-counties and in particular the hotspot towns of Mavoko, Mlolongo, Kyumbi Junction, Matuu, Tala, Kangundo and Machakos.
3. Members of the business community who paid the new rates would not be refunded.
4. All motorbikes (*boda boda*) to pay a flat rate of Ksh. 200 per month instead of Ksh. 300.
5. The department of Finance and Revenue Management to re-look at the classifications of businesses and towns in the Finance Bill of 2015.

Acknowledgement

Mr. Speaker, Sir, the Finance and Revenue Collection committee is grateful to the office of the Speaker and that of the Clerk to the County Assembly for the support accorded during the committee sittings. I wish to express my appreciation to the Honorable Members of the Committee who sacrificed their time to participate in the activities of the Committee and in preparation of this report.

Mr. Speaker, Sir, allow me to sincerely thank members of the public who took time to participate in the consultations and whose views we have taken into account in this report. Mr. Speaker, Sir, it is therefore my privilege, on behalf of the Finance and Revenue collection

Committee, to table this report and recommend it to this Hon. House for adoption. Thank You Mr. Speaker, Sir.

Hon. Speaker: Hon. Members that is the report. Let us hear contributions now.

Hon. Benedette Mueni: Thank you Mr. Speaker, Sir, it is good for you to know why members are not coming to the Assembly or getting into the chamber. It is because they have not been paid their salaries and that is why they are not coming in. So Mr. Speaker, Sir, I think you have to be concerned and you call them and inform them what is happening. Thank you Mr. Speaker, Sir.

(Laughter)

Hon. Speaker: Hon. Mueni, you are out of order. That is not a contribution to the matter at hand and it is dismissed.

Hon. Mueni: Mr. Speaker, Sir, I know I am not in order but you know you have to understand your members. Thank you, Mr. Speaker, Sir.

(Laughter)

Hon. Speaker: Let us hear the next contribution. Yes.

Hon. Isaac Muinde: Thank you, Mr. Speaker---

Hon. Speaker: Maybe you can tell us the truth about the allegations that Hon. Mueni has raised. You are the Chairman of the budget committee. Let us understand, maybe you never budgeted for salaries.

Hon. Muinde: Mr. Speaker, first I am not in support that such a statement should have been done in the house, but Mr. Speaker, to hear members are not in the chamber just because they have not been paid; I want to say this is regrettable. They have a duty; they should be in the house. It is true the county government of Machakos has not paid its staff and this also includes members of the assembly and the reason is clear to everybody that we have not been able to receive our last disbursement of the county that is money meant for June.

All these members know and if the leaders of this county can behave like this, what about our own staff who are employed to do essential business? Mr. Speaker, the reasons are beyond the Governor, the reasons are beyond the CEC Finance, the reasons are beyond the Chairman, budget. It is a question of money getting released from the national government and the members know this and money will still come and members need to lead from the front, Mr. Speaker---

Hon. Speaker: Thank you. Back to the matter.

Hon. Muinde: Okay, Mr. Speaker. I want to confirm that in April, this year, there was a meeting between the budget committee and the Finance Committee of this assembly together with the CEC Finance. I don't remember whether it is April but I think it was actually in January. Mr. Speaker, it is important for the house to note that single business permits are paid in January. During that time, there was an outcry.

We received phone calls from business community from Tala, Mitaboni, Ekalakala and I quickly convened a meeting between the three parties; that is the two committees and the CEC Finance. We discussed and since the CEC is allowed to suspend part of the law through an executive order on charging of fees, we agreed that there was an error in the Finance bill because members of the business community needed to pay rates that they were comfortable with and does not affect the business.

However, Mr. Speaker, my committee, the budget committee did not receive any written petition from the Mavoko Sub county business Community in particular and I can see the chairman has indicated that we did receive. Other than the oral request or petitions, we never got any written petitions specifically for the Mavoko Sub County. Mr. Speaker, the two years that have passed since devolution and since this house came into being we have had a problem in business community in Mavoko sub county---

Hon. Speaker: Order, Hon. Chairman. The office of the Speaker received a petition and the petition was minuted to the Committee. I don't know whether you have a copy?

Hon. Muinde: I think it was marked the finance committee. My committee, the committee on budget, did not receive that and other than the meeting that we had at the CEC Finance's office, my committee never sat again and my members are here and we never sat again to look into this, but it is in order, Mr. Speaker, because previously, the last two years, my committee handled both the duties of the budget committee and the finance committee because the finance committee wasn't in place.

So it is also in order when it came, it was marked to the Finance Committee. We are not complaining as a budget committee, but however, Mr. Speaker, to give some background information. There have been a lot of politics in Mavoko Sub county, lot of incitement led by some members of this Assembly also the MP Mavoko and the Senator and the business community has been incited into refusing to pay rates to this County Government including the *bodabodas*.

I do not even know whether they have began paying while other sub counties the *boda bodas* are paying the Ksh. 200. Those in Mavoko flatly refused to pay and it was majorly

incitement. Mr. Speaker, having been the Chairman who has been conducting the public participation on Finance Bill for the last two years, we actually did conduct public participation at St. Jude Church in Athi River, a few business people came and contributed. Those perhaps who did not come are the ones now raising this matter and it has been a challenge every time we conduct public participation, those who do not participate come to complain later, Mr. Speaker.

What has happened Mr. Speaker, for the last two years we have been grappling with the issue of merging or harmonizing the rates that were charged by the sub counties or the defunct county councils. You remember we have had five councils that is Masaku County Council which was bigger in terms of area, Municipal Council of Machakos, Municipal Council of Mavoko, Tala/Kangundo Town Council and Matuu town Council. And each council was charging different rates to the business community under their own jurisdiction. But since we became a county, under one government, there was a challenge on the budget committee and the CEC Finance to harmonize the single business permits to reflect the fact that now, we only have one purse where all the monies are being collected.

In this process Mr. Speaker, it was in the wisdom of the committee to classify the towns under three categories; the urban, peri-urban and rural market centers. The Urban being Machakos Town, Athi River, Mlolongo, Kyumbi, Tala, Kangundo and Matuu, because in terms of economic activities, they are superior to other towns. Then we have had another 26 other market centers including Ekalakala, Kivaa, Kithyoko, Kaewa in Kivaa ward, Kithimani, Mwala, Masii, Wamunyu up to 26 that are lower than those classified as urban but at least with some vibrant business activity. Then those others within Machakos County, that are now not classified as urban and peri-urban and which are smaller in size, were all classified as rural market centers and this was a classification for purposes of taxation.

Mr. Speaker, it was found that it is not fair to charge a business permit, for example in a small market like Muvuti or Kangonde in Masinga which is so small, the same rate that we are charging a similar business in Machakos town. So we segmented. It was kind of discriminate in terms of taxation. Mr. Speaker, based on this, Mavoko Sub County, being the busiest town in terms of business activity, was classified as urban. It is only in this community that people are flatly refusing to pay taxes and Mr. Speaker, reading from this report, the same community is complaining that they are not getting services.

There is a lot of dust on the roads; they are saying they are not getting equivalent services from this Government equivalent to what they are paying. Mr. Speaker, I want to disagree with that. There is a lot of activity being done by the executive arm of this Government in those areas in terms of ploughing back although in taxation, you do not claim proportionate share in terms of devolvement proportionate to the amount that you pay. And in any case you get a lot of money from the national government more than our own collection, Mr. Speaker.

So my contribution and my recommendation on this report is that we pend this, allow the finance committee, because we are now in a new financial year and the law says immediately after they budget, we are given a period of not more than 90 days, actually a maximum of 90 days which lapses on September 30th to come up with a new, in fact an amendment to the original finance bill. Mr. Speaker, I would wish that the Finance Committee gets out, meets this business committee, do enough research and come up with 2015/16 amendment to the finance act that reflects the interest of the business community not only in Mavoko but the entire county.

That is now not dependent on what this the former defunct county councils, I mean civic authorities were charging instead of now giving a preferential treatment to the people of Mavoko, we extend it to the entire county that the finance committee gets out, be given all the resources that they require but some caution Mr. Speaker; payment of taxes has never been easy. People are always not willing to pay taxes. People are always coaxed to part with part of their income in form of taxes.

We should not be so much lenient into allowing people to pay what they feel they need to pay but we also have a duty to ensure that what the Government is charging is not so exorbitant to the point that of killing businesses, Mr. Speaker. So Mr. Speaker, I would wish that this report if it were to come, it should have come early in the year.

Now that it has come at this time, instead of giving us report now, we should now be discussing the Finance Bill 2015/16, which is due. The deadline is 30 September, Mr. Speaker, and it is within this 90 days or three months any time that we should be talking about the finance bill which gives the legal footing to the budget that we have just passed, especially the area on local collection, Mr. Speaker.

That way, we will have looked at the businesses in the entire county but not Mavoko but Mr. Speaker, the same people should be told public participation is always conducted. If they want to air their views, they should be encouraged to attend and when they do not attend, they should not come crying that there was no public participation and they cannot prove that we did not have, Mr. Speaker. With those few remarks Mr. Speaker, I beg that we defer discussion this report and substitute it with a proper finance bill 2015/16. Thank you, Mr. Speaker.

Hon. Speaker: Hon. Chairman, have you looked at the recommendations in this report? What happens to them if they have been deferred? My view is that we should conclude and determine this report. If you look at recommendations number 3, we should not have helped we defer this report. Let us hear.....yes Hon. Mutuku.

Hon. M. Mutuku: Mr. Speaker, Sir, I hereby wish to differ with Hon. Muinde sharply because, the issue of the devolution, when it came, the aim was not to really burden the electorates of the Mavoko or the electorates of Machakos County. The essence and the spirit of

devolution, when it came, was actually to make life, both for the business people and also for non-business people easier but when look the issue of the single business permit taxation, it is so exorbitant in Mavoko and by extension Machakos County.

Mr. Speaker, Sir, the classification which I tend to believe it was done by the budget and appropriation committee, was not in order. Why? This is because, when we say Mavoko is urban, I do agree but the rate for the single business permit which are being charged in Mavoko compared to Nairobi is extremely too high. If for somebody trading with Mpesa, Nairobi they charge Ksh. 5,500 and for Mavoko, by then the new rates they were asking it was Ksh.9,500. Initially it was Kshs. 5, 000.

Comparing that and say now Mavoko is an urban and there are some other peri-urban areas. Let us also try to check the cost of doing business in Mavoko. If you try to look at the house rent, the lease, the house you rent to do the business, it is extremely high compared to somebody renting a house or a business premises in Kangonde or a place like Katangi. So Mr. Speaker, Sir, I think a committee from this Hon. House had a meeting and I was there, we had a meeting with the executive and we discussed all the contentious issues and we had agreed the same be forwarded to this hon. house. Mr. Speaker, Sir, we have now they report with us and the people of Mavoko they are waiting for the verdict.

Why? Because up to now they are being actually exorbitantly taxed for those who are starting business, they are being told to pay the new rates which are extremely exorbitant. Mr. Speaker, Sir, as we talk right now, many business, small business, they have closed their business, others they cannot start because of actually the rates they are being charged and for that case, I would like to say the Public participation, the able chairman of budget committee is purporting to say it was conducted properly.

It was not conducted properly because personally, as MCA representing Athi River, actually I managed to attend and there were no people, it was not publicized, they just came late almost lunch time when the people who are there who had actually deserted and I think the Hon. Chairman, the people we met by then actually they were not even more than 10---

Hon. Speaker: Point of order.

POINT OF ORDER

Hon. Sammy Nduva: Mr. Speaker, I am a member of a committee on budget, and I want to disagree with Hon. Mutuku that the committee attended the meeting during lunch time because we were there on time, we waited for the public to attend and the number that attended, the number we served because we can't go round the town calling for persons and the

announcement for the meeting had been made. So Mr. Speaker, I disagree with Hon. Mutuku that we attended the meeting late. Thank you, Mr. Speaker.

Hon. Speaker: Thank you, point of order is sustained. Yes.

Hon. Muinde: Mr. Speaker, it is not fair for the Hon. Members to mislead the house without facts. I actually chaired the meeting. He did attend, and yes, the attendance was not as big as Machakos Town. But Mr. Speaker, my committee was there in time; we sat and waited for members of public for more than two hours. He alleges that we came to the meeting late at lunch hour, it is not fair for the Hon. Member to mislead the house and for more information Mr. Speaker, in my earlier contribution, I have said there is more of political activity in Mavoko than the truth and I did say that members of this assembly have been part of the inciters, the Senator and the MP, Mavoko and Mr. Speaker, it is the Hon. Member for Athi River, who has just talked, who incited the *bodabodas* not even to pay. We did not get anything from the *bodabodas* in Mavoko.

At one time they even threatened to lynch the Chief Officer, Finance Mr. Speaker. This is the truth while we are charging *bodabodas* in rural areas where they are faithfully paying the Kshs.200, those in Mavoko are saying, it is too much. This is less than Ksh.10 in day and they have refused to pay. Mr. Speaker, truth be told, we need money to run this county. I am not for overcharging people but the little that the Government needs should actually be paid. It is said in the Bible 'give to Caesar what belongs to Caesar and to God what belongs to God'. Mr. Speaker, the charges that are charged to Mavoko is the same charges being charged to the residents of Machakos Town here, to the residents of Tala, to the residents of Matuu, to the residents of Kangundo.

We have Hon. Members from those areas. It is only Mavoko that is complaining yet it is even more endowed with resources than Machakos Town, than Kangundo, than Tala. Mr. Speaker, it is more of politics than the truth. We are charging Schedule Seven of the Fees and Charges Mr. Speaker, there is a schedule. Those other peri-urban centers, we are charging Schedule Five. It is not true that it is cheaper to do business in Nairobi than Mavoko. Nairobi they are charging Schedule Eight. Mr. Speaker, I am talking from a point of information. I have facts, we can table this in this house Mr. Speaker, it is not true but I agree there was a disparity on the Mpesa shops.

It is only the Mpesa that we discovered these towns were charging Ksh. 9,000 and the CEC did rescind to Ksh. 5,000 only that, the rest Mr. Speaker is proper and we need this money. Mavoko, the *bodabodas* were charged Ksh. 300 and we put it down to Ksh.200 just like the same way a *boda boda* in a village market is being charged. So Mr. Speaker, I would wish that the Hon. Member goes about above board, legislates on behalf of the county government of

Machakos and not just to ensure that his people enjoy free services from the government without paying a percentage of their earnings to this Government. Thank you, Mr. Speaker.

Hon. Speaker: Okay. Let us hear Hon. Mutuku. Hon. Mutuku, the point of order that you are misleading the house, that participation was not done was sustained. So we proceed on your other areas.

Hon. M. Mutuku: Okay, Mr. Speaker, Sir, I wish to proceed and as I proceed the issue of *boda boda* declining to pay the charges, actually has been mentioned by the able Chairman, and I would like to say, Mr. Speaker, we are not in a banana county, we are actually in a democratic county Mr. Speaker, Sir and if you remember in our constitution Mr. Speaker, Sir, the spirit of the constitution, we must engage public participation in line with taxing wananchi.

Mr. Speaker, Sir, the reason why *boda bodas* declined was because during the public participation, they were not engaged, the rates were dictated to them, they requested an audience and actually they were not heard. However, Mr. Speaker, Sir, if you recall how Kenya entered in multi-party politics that change started in urban areas that change started in Nairobi. You cannot expect change to start from rural areas.

(Applause)

You expect change to start from urban areas and especially where it is highly populated people, where people can really agitate for their rights. Mr. Speaker, Sir, it is true, the law says 'give Caesar what belongs to Caesar' we agree with that, however we are saying it has become very expensive to do business in Mavoko, in comparison with the way it was. Mr. Speaker, Sir, as Hon. Member of Athi River I am wondering why we should charge our people so much when we are receiving so much amount of money from the National Government. During the era of actually the former regime, Machakos District never used to receive do much amount of the money like the way we are receiving to the National Government---

Hon. Speaker: Hon. Mutuku, I don't know, have you read this report Hon. Mutuku?

Hon. M. Mutuku: I have read the report Mr. Speaker.

Hon. Speaker: I would urge you to go through the recommendations. You are addressing the house like you are presenting your views in the committee.

Hon. M. Mutuku: Not really Mr. Speaker.

Hon. Speaker: Because those views must have been heard and recommendations have been made and I am seeing that rates on page 4 of the report, I am seeing rates of *bodabodas* have been reduced from Ksh. 300 to Ksh. 200. Have you properly interrogated the report?

Hon. M. Mutuku: Truly, you can.....protect me that I went out of---

Hon. Speaker: Let us hear the Majority Leader.

Majority Leader (Hon. Mwonga): Thank you Mr. Speaker, and with your permission Mr. Speaker, I want to start by applauding the members who are in this house for having defied the incitement which was there for them not to enter the chambers because they have not been paid, Mr. Speaker.

(Applause)

I want to congratulate them, for the maturity they have shown, Mr. Speaker. Back to the report Mr. Speaker, I want to start by informing the house and the Speaker that Hon. Mutuku came late that is why he doesn't know where we are, Mr. Speaker. Before this house, is a report of the Finance Committee and it is a report which is very good for this house to adopt. Mr. Speaker. I would urge Hon. Mutuku to go through the recommendations, as you have said and also Mr. Speaker say that Mavoko cannot live in isolation Mr. Speaker, as if it is not part of this county Mr. Speaker.

Sometimes last year or last year but one Mr. Speaker, some members from Coast Mr. Speaker, and I wasn't to quote it, they used to say 'Pwani Si Kenya', Mr. Speaker. We cannot have the people of Mavoko saying that 'Mavoko Si Machakos County' and Mr. Speaker, Sir, I want to agree with the Chairman of budget committee and Chairman of Finance committee and the Committee members, the problem we are having in Mavoko are politically-driven. Mr. Speaker, for the political leaders in Mavoko and particularly Athi River Ward, Mr. Speaker, you cannot rise to higher positions through incitement of your people not to pay taxes, Mr. Speaker.

(Applause)

Mr. Speaker, we are in this house to make laws for the County but not for particular wards. I want to sum up my contribution by saying, let us adopt this report as it is because it has very good recommendations and we also need to know whether the *boda boda* operators in Mavoko are paying the Ksh. 200. If *boda boda* operators in Kangonde, that is in Masinga ward are paying Ksh. 200, why not Mavoko? And Mr. Speaker, this house needs to be guided.

If we have a member here who is inciting the public not to pay taxes, I don't think that member should be earning his or her salary because I don't know whether there is one but if

there is one, this house should be guided and we should know whether that member should earn and he is saying the same Government should not be paid what is due to that Government, Mr. Speaker. I want to sum up by telling members, let us in one voice, adopt this report as it is. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. I think you have been a little bit harsh to the previous contributors. Let us hear Hon. Dominic.

Hon. Maitha: Mr. Speaker, I am in total disagreement with Hon. Mwonga who is the Majority Leader, with Hon. Muinde from Masinga, Ekalakala and I am in total support of my brother from Mavoko because in Mavoko we are facing similar problems. Mavoko is one area, Mr. Speaker, where if you are not true to yourself, you can never see the floor of any assembly. When we speak, we speak because we managed to convince those people to bring us to this house and I tend to throw a challenge to such Hon. Members like the Hon. Mwonga to go and test in 2017 then we can meet here so that he can know how that place is tough. Protect me Mr. Speaker. Why am I saying this Mr. Speaker---

Hon. Speaker: Order. Proceed Hon. Maitha.

Hon. Maitha: Why I am I saying this, Mr. Speaker? So Mr. Speaker when Hon. Mutuku is speaking, he is speaking for and on behalf of the people of Mavoko. When I stand here to speak, I speak for and on behalf of the people of Mavoko because I represent the people of Mavoko who voted us and brought us into this house.

Well Mr. Speaker, there might be what they are calling political effects to the revenue raising mechanisms of this country and this country is led by politicians. We must accept politicians are elected by their people to go and represent their wars, their problems and be able to bring out change through those political machinations that they think should not work, Mr. Speaker. All I want to say is this; they can only.....protect me Mr. Speaker---

Hon. Speaker: Order, order. Proceed and conclude.

Hon. Speaker: Thank you Mr. Speaker, Hon. Members, can you lower down your adrenaline levels... You are now getting out of order.

Hon. Maitha: Thank you Mr. Speaker. So what I want to say is this; the people of Mavoko, all they want is service delivery, nothing short of that. You can charge them as much as you can charge as far as it is reasonable, within the law, but you must give them the services they deserve. Mr. Speaker, I want to note like if you go to page 4, there is somewhere, where it is saying, not page 4 Mr. Speaker, it should be page 3. It is saying clearly 'the business community alleged that the county Government was not providing services such as repairing and tarmacking

of roads in comparison to the taxes collected. Mr. Speaker, the Hon. Members of the Finance Committee, I want to give a practical example, went to my area of representation, Katani.

All the quarries that are giving this county millions of money in a month almost 90 per cent, they come from Katani but the Government, I can stand before this floor and say for the last two financial years, the county Government of Machakos has done almost zero in Katani, apart from one bore hole which was constructed by the department of water and up to date, that bore hole has never been accomplished. The last time when they protested, last week, Mr. Speaker, about one month ago, that is when they were provided with a grader, but when the grader came it had no much to offer because the grader stayed their without---

Hon. Member: On a point of order.

Hon. Maitha: Protect me Mr. Speaker.

Hon. Speaker: You are now not protected. I think you are also out of order. Let us hear the budget committee chairman.

Hon. Muinde: Mr. Speaker, Hon. Members, are now giving political statements on the status---

Hon. Speaker: I agree. Let us concentrate on this report.

Hon. Muinde: We are discussing taxations and Mr. Speaker, is it also in order for the Hon. Member to address the house with his hand in the pocket? I find it not polite enough, Mr. Speaker.

Hon. Speaker: The Speaker did not see that. Conclude. Order, order. Let him conclude.

Hon. Muinde: Mr. Speaker, I am also wondering,. We do not have a tax regime for Mavoko Sub County separate from the rest of Machakos. When the Hon. Maitha talked of Mavoko Sub County, as if we have a tax regime for Mavoko and the rest of Machakos. We said in the last finance bill had segmented the urban, the peri-urban and the rural and the only areas in Mavoko Sub county that are classified as urban is Mlolongo represented by Hon. Rachel, Athi River represented by Hon. Mutuku and Kyumbi and Joska is part of the peri-urban. Joska is charged the same way we are charging Kithimani, Wamunyu, Masii and Ekalakala. In fact the Hon. for Muthwani does not have any area that is classified as urban Mr. Speaker and I am talking on a point---

Hon. Speaker: He is on point of order so there cannot be order, on a point of order.

Hon. Muinde: Mr. Speaker, this is factual because we passed this law in this house. So when the Hon. Maitha talks of Mavoko, we do not have a common tax rate for the entire Mavoko. In fact it can only be the people of Mlolongo, Kyumbi and Athi River town saying that by classifying them as urban that their rates are higher than the rest otherwise the rest are the same as other areas in Machakos. Mr. Speaker, I want to reiterate that it is more of politics than the truth on the ground. Thank you, Mr. Speaker.

Hon. Speaker: Thank you.

Hon. Maitha: Thank you Mr. Speaker. I wish to---

Hon. Speaker: Order, order Hon. Dominic. We need to be guided properly that, we need to discuss the report, it is not about the resources that come from where and if we have good resources doesn't mean they should pay less tax or more tax.

Hon. Maitha: Mr. Speaker, Sir, if I cannot stand in this floor of the house and discuss the issues that are affecting my people and then it is purported to be political Mr. Speaker, then there is no need for me to be in this house Mr. Speaker.

Hon. Speaker: Order, order, Hon. Dominic. Proceed.

Hon. Maitha: So Mr. Speaker, what I want to say is I can only talk about Mavoko and in particular Muthwani ward because I come from Muthwani Ward. I cannot discuss about Ekalakala. I want to inform the Hon. Chairman, Githunguri residence which borders Nairobi charges the same rates like Mlolongo. Joska charges the same rates like Mlolongo because it is classified.

So that is why I am saying this Mr. Speaker, the constitution is very clear under the spirit of devolution the amounts of monies that are being collected in every respective area should also match the services that the government is offering. That is why when the committee went for public participation, the residents were saying, according to whatever that is being collected it is not matching with the services that we are getting.

So that is why I am saying, let us not try to take these things political because I am a politician and I will argue things politically based on the constitution as far as my people get the services that they desire. So Mr. Speaker, what I want to say is this; well, you have guided and said the document, the Hon. Chairman for Budget said. Already what we are talking about is already past the sell-by-date if I may say.

We need to come up with a Finance Bill and we scrutinize that document properly because at the end of the day Mr. Speaker, when you are telling an Mpesa agent to pay Ksh. 10,000 Mr. Speaker, for example, and there are about 100 Mpesa outlets within that area, within a radius of about 100 meters and then you tell someone who is operating somewhere else to pay Ksh. 5,000 and there are only three or four Mpesa outlets offering the same services, Mr. Speaker---

Hon. Speaker: Hon. Dominic.

Hon. Maitha:will be misleading. So what is want to say Mr. Speaker---

Hon. Speaker: Order, order, Hon. Dominic. I think Hon. Members, a lot of us have not read this report---

Hon. Maitha: I have read it Mr. Speaker.

Hon. Speaker: Order, order, Honourable. I said, through the report, when we were guided by the Chairman of Finance committee, and you properly read this report, perhaps it will guide your debate better. Look at page 4 on recommendations and that is the matter before us. We agree on the recommendations of the report, we have them amended, we defer debate, so those are the issues that we need to understand or do we wait and have the Finance Bill done which is now due and if we wait to deal with the finance bill then, what happens with recommendations No. 3? We need to hold? No, those are the issues that we need to address.

Hon. Maitha: Thank you Mr. Speaker, Sir. I wish to terminate my speech by saying this Mr. Speaker---

Hon. Speaker: Yes.

Hon. Maitha: Before I also come to the recommendations, and you have many times guided this house Mr. Speaker, when this report comes to the floor of this house, apart from the recommendations that have been made by the committee, Mr. Speaker, we also need to go through the kind of recommendations that also emanated from the people who gave out this outcome.

Hon. Speaker: Correct.

Hon. Maitha: So that is what I am saying, so when I am saying the people of Mavoko are saying our services are not matching with what is being collected, is what is in this report. So now when, as I wind up and come to the recommendations, Mr. Speaker, I want to say this; the

recommendations are good, I have no problem with that but when we go ahead and do the finance bill that is coming, Mr. Speaker---

Hon. Speaker: Order, Order, there is a point of information. Let us hear Hon. Ngunzi.

POINT OF INFORMATION

Hon. Edrick Ngunzi: Mr. Speaker, I am a member of the Finance Committee and I thought we have done a lot of justice to the people of Mavoko by giving them recommendation No. 1; that the business community people of Mavoko continue paying the rates they have been paying. Then what do they expect if they want to pay the rates that were being paid during the defunct councils. That was way back. So they expect commercial rate services to the amounts that were being paid years ago. They don't expect to pay less and expect to get good roads. This is politics by the people of Mavoko.

(Applause)

We have given them the fairness that they deserve. Let them continue paying what they paid those years ago and receive services that are commensurate to low fees that they are paying. I think we are fair and let them not see that they are receiving services that are not good.

Hon. Speaker: Let us hear a point of order.

Minority Leader (Hon. Kasoa): Thank you Mr. Speaker, this is not a point of order but I am contributing Mr. Speaker---

Hon. Speaker: I will allow you later will allow you later to contribute. One minute.

Hon. Maitha: Mr. Speaker, it is good you are guiding these members. Hon---

Hon. Speaker: Order. Conclude, conclude one minute.

Hon. Maitha: Hon. Kasoa, you need to understand the proceedings of the house. When you are on a point of information, you proceed. So Mr. Speaker, what I want to say is this, the recommendations are good Mr. Speaker---

Hon. Speaker: It appears there is a point of information. Just bear with this.

Majority Leader (Hon. Mwonga): Mr. Speaker, I want to inform Hon. Dominic Maitha, services are not given according to what a particular ward gives in as revenue. Mr. Speaker, today this county government of Machakos and the other 46 counties are receiving monies which

even some counties don't contribute to the national kitty, Mr. Speaker. I want to inform the Hon. Member that we are getting a lot of revenue from Kenya Ports Authority which is in Coast. The Coastal people they don't say we should be given the biggest share because we are the major contributor to the national kitty, Mr. Speaker. Thank you, Sir.

Hon. Speaker: Hon. Dominic, one minute just conclude, you have taken a lot of time.

Hon. Maitha: Thank you Hon. Mwonga. It is good that you know that but I want to tell you Mavoko is the bread basket of Machakos County. To wind up Mr. Speaker, I am one person who agitates for revenue collection to enhance service delivery. Mr. Speaker very soon and I have no fear to say this. Very soon I will be tabling a motion to amend even the land rates that people are paying. Why I am I saying this Mr. Speaker? If for example, I want to give a practical example, Mr. Speaker, because revenue collection will enhance this---

Hon. Speaker: Hon. Dominic, now you are discussing your anticipating debate. You are now.....I will take it that you have concluded. Let us hear Hon. Kasoa.

Minority Leader (Hon. Kasoa): Thank you Mr. Speaker. I stand here to support this report and say any country to grow economically, Mr. Speaker, people have to pay taxes. Mr. Speaker, I was with you in the US and you saw how people in US pay huge taxes and that is why the US Government has stayed as a super power for many years .Mr. Speaker, a year ago, we passed in this house that we increase cess fees for the lorries that harvest sand and some people went to court so that they should not pay cess. Mr. Speaker, around five years ago, when we were serving as councilors in the previous regime, the payment of taxes was not the same as in the county.

It was different in urban and peri-urban. Machakos were paying a bit higher than the rural areas. For example, for *boda bodas* were paying Ksh. 300 here in Machakos and in the rural areas they were paying Ksh. 200. So, Mr. Speaker, I am just wondering why the MCA for Mavoko just complaining. Mr. Speaker, I am against reducing Ksh. 300 to Ksh. 200 because in Mavoko and Machakos, they get a lot of money than the rural areas. So Mr. Speaker, I support this report with amendments.

Hon. Speaker: Okay, let us here, yes, let us hear one.....alright let us hear Hon. Kathinzi who is now on his feet, alright?

Hon. Kathinzi: Thank you, thank you Mr. Speaker. I am sorry for that mix up. As I support this particular document Mr. Speaker, I would like to dwell on recommendation No. 2 which reads Public Participation on Finance Bill 2015 to be conducted in all Sub counties and in particular, kindly underline the word hotspot towns. That word is the word which is making

Mheshimiwa Dominic to be hot in this assembly which I would like to say any member who is elected Mr. Speaker, comes from a very hot zone because he went through election and it was really hot.

(Applause)

I would like to conquer with Mheshimiwa Chairman of Budget committee and the Leader of Majority that the services we are getting in each and every ward, is equal, it is calculated in this particular house, it is the services which we believe that has to be given to our people so we should not separate Mavoko Sub county from the rest of our county. Machakos County stands as one integral part.

(Applause)

We need to understand that the laws we are passing in this assembly, Mr. Speaker, it is for the benefit of our people. So therefore, we would like to have sub county participation on the finance bill to be discussed in this particular towns that have been mentioned request that we include Masinga, Kithyoko, Kivaa, Yatta and anywhere else where we have an elected member. We are facing the same scenario, Mr. Speaker.

I would also like to dwell on recommendation No. 4 that all motor bikes, *bodaboda* to pay a flat rate of Ksh. 200 a month instead of Ksh. 300 but Mr. Speaker, when you go to our areas of representation, you find that the CEC Finance has not yet released the receipt books for Ksh. 200. So there is a mix up when the *bodaboda* guys are paying, they are given receipts for Ksh. 300 but we have told them to pay Ksh. 200 so that is something that has to be looked at into so that a clear guideline should be put on that.

So I support this particular document and urge all members to say, that this is a well done job by this particular committee and when you check on recommendation No. 3, that members of the business community who paid the new rates would not be refunded. I think in January this year there is a motion I wanted to bring up that there should be a refund because some of the people had paid a lot of fee. For instance, there are some monies instead of paying Ksh. 2,500 in my shops in Kivaa, that they were charged Ksh.7,200. So those business people are still asking their representative, that is me, that when are we going to get the refund and if it's not possible to get the refund, why can't we issue an extra license for the next financial year, Mr. Speaker.

So that is my proposal that this people get their monies with a lot of struggle, so if there is any of the business community member who paid the fee when there was confusion in that particular case, let us address this issue with sober minds and have their receipts analyze them, have the scrutiny and maybe because I know, it is not possible for the county to refund that money, let us be fair and issue an extra license for the next financial year for those particular businesses. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Let us hear.....

Hon. Matheka: Mr. Speaker, Sir, I would like first, if you allow, to comment on something which was cited in this house about politics and I would like to say if it were not for politics, we wouldn't be here we would all be at home doing some other businesses.

(Applause)

In any democracy Mr. Speaker, Sir, and in a multi party democracy, opposition and the government are the same. The work of the opposition is to shape the Government and to sand paper it very well so that it can function properly. So Mr. Speaker, Sir, when some members are saying that, there is a lot of politics---

Hon. Speaker: I think you have finished your latitude. Proceed on the matter at hand.

Hon. Matheka: Okay, thank you Mr. Speaker, Sir. I think the point is well taken. Mr. Speaker, Sir, I totally agree with this report particularly No. 5. The department of Finance and Revenue Management ought to re look at the clarification of the businesses in terms of the finances 2015. Mr. Speaker, Sir, on this I will talk of my town which is Kangundo but it implies in Kangundo Central Ward.

Mr. Speaker, Sir, the business people of Kangundo, if you compare them with the business people of Mavoko and Machakos Town, they are far below. So I recommend when the finance committee is looking into those towns, to classify Kangundo in the peri-urban towns equivalent to Masii and Kithimani if I am not wrong Mr. Speaker, Sir.

Also on the refund, Mr. Speaker, Sir, I don't think it is possible. If a person cannot refund money which is given to him, I don't see how a Government will refund money. They should forfeit it or they should get licenses for the other year. Also No. 2 Mr. Speaker, Sir, on public participation, if I go back to the Public participation which was there for the budget, Mr. Speaker, Sir, it was sympathetic. The turnout was very low. Why Mr. Speaker, Sir?

The media, the mode of communication which was used was not the best not everybody reads the paper. There are people who come from the rural areas and they have no access to most of the modern newspapers. So Mr. Speaker, Sir, I would urge or I would request, in any public participation the Hon. Members should be facilitated and be given the mandate to mobilize the people so that we can have enough quorum for the participants in those forums.

With that Mr. Speaker, Sir, I also beg to say that Ksh. 200 for the *boda boda* members, I think it is adequate. We are talking of maybe Ksh. 7.50 per day and it is affordable. If the other

time it was Ksh. 10 per day but now it is Ksh. 7.50 and I think that is okay and affordable to every *boda boda* rider. So with that, I support the recommendation Mr. Speaker, Sir. Thank you.

Hon. Speaker: Okay. Let us hear the Deputy Speaker.

Hon. Nganga: Thank you Mr. Speaker for the opportunity. I rise to support the report. I am a member of this committee and I would say that the recommendations that we gave, were the most compromising ones that we could ever come around with but I would want to urge Hon. Members, because the committee, from the final recommendation, there is the committee finds the need to re-look at the classification or businesses in towns because I now know members feel the impact of the classifications.

Then I want to urge that during public participation, they must come out in droves and ensure that they support the whole matter and come to an agreement. Mr. Speaker, we are almost coming to a close of cycle of last year's finance bill and we are now starting off again, the 2015/16 finance bill and now most of the concerns that have been laid around can be addressed in the upcoming finance bill.

Mr. Speaker, the first recommendation takes the county back to the rates that were being charged 2012/13. Mr. Speaker, we are now in 2015, it is around three years later, Mr. Speaker. With the inflation rate that we are going through as a country and with the hard economic times that are coming to individuals, the same is being experienced in government and there will be need to tighten our belts so that we can increase the catch for the financial basket of this county. Mr. Speaker, as you understand, because of most of this gymnastics, out there politically, they have affected the revenue collection of our county. Mr. Speaker, as you understand the first financial year 2013/14, we had a financial deficit of around Ksh. 1.5 billion and the same recurred last financial year, Mr. Speaker.

Some of us members may not know the impact of this financial deficit and the same will happen in this financial year, Mr. Speaker. The impact of this deficit is the delayed projects that we come and budget for in our appropriation Bills, Mr. Speaker. So in as much as we may oppose paying of taxes, we must understand that it has a direct bearing on our ability to serve and deliver on our people. So as leaders, we should be responsible in telling our people reason why they should pay taxes to our government, Mr. Speaker.

I want to reiterate that the time when we had the former President, His Excellency President Kibaki coming into Government people were opposed to the new taxed regime that were set by that government but after some while when they got to see the impact of the money that they were contributing to the Government by seeing the CDF classrooms around their homesteads, by seeing the roads around their areas being made, then Kenyans were in support of paying taxes, Mr. Speaker.

I know, if us members we support this Government in catching more revenue in our financial basket, Mr. Speaker, we shall have a higher ability to deliver on our pledges and on our promises to our people. Mr. Speaker, members should understand this year we did a budget of Ksh. 6.5 billion of recurrent against a budget of Ksh. 5.4 billion on development, Mr. Speaker, and most of the time the recurrent budget is always utilized. The development budget is never exploited fully. What does that tell you? That most of the money if we have a financial deficit for that financial year, then it is the development program that will be delayed. This development program that has been delayed will have a very huge impact on your ability to deliver to your people as a person.

So Mr. Speaker, as I wind up I would want to urge we stop the many mental gymnastics that we have been undertaking in the house and Mr. Speaker, approve the report as it is and then prepare to make better recommendations in the upcoming finance bill because there is a window that this committee has left for members to make more recommendations on that. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Let us hear....

Hon. Nzoka: Yes. While still supporting this document, I do concur with some members who have spoken like Hon. Dominic and the Deputy Speaker. What we are lacking is one and what is provoking this thing is just one. We have a problem with our committee of implementation. We pass a budget here, we do everything here but there is nothing which is seen on the ground. People on the ground are crying. They are paying taxes and they cannot see anything and as the Deputy Speaker has said, when we budget the recurrent takes the day. It is now the time to reverse this. It is better we suffer and the common mwananchi on the ground sees what we are doing.

(Applause)

So what I can say is this; the community will keep on crying for the next two years which are coming if we continue that way. We have a problem with committee of implementation. When we pass anything here, it is not followed, it is not adhered to and that is why you can see some people writing some petitions here and there and you are also expecting other more petitions because.....yes we have and Hon. Dominic has said clearly, his people have no problem with paying taxes even if they are increased but go on the ground there is nothing. What can we talk of one borehole in three years? It is a shame. So I do request this committee of implementation to be restructured and see how we can deal with issues. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Thank you. I think those are very serious sentiments. Could the chairman of the committee be here? I can give the Chairman, a moment to.....The chairman is not here. Okay, let us hear.....and then we can hear Hon. Itumo.

Majority Leader (Hon. Mwonga): Mr. Speaker, with your permission, I want to respond on the issues which have been raised concerning the chairman of implementation committee, Mr. Speaker. It is not true the chairman of implementation committee is always absent, Mr. Speaker. From where I stand Mr. Speaker---

Hon. Speaker: Maybe you can guide us on his name.

Majority Leader (Hon. Mwonga): Mr. Speaker, the chairman is---

Hon. Speaker: He is the Honourable who?

Majority Leader (Hon. Mwonga): I don't think the Chair is serious that he doesn't know the Chairman of the Implementation committee but for the interest of the house, for the interest of the house, the Chairman is Hon. Alphonse Wambua, Member for Iveti/ Upper Kaewa ward Mr. Speaker---

Hon. Speaker: I know him.

Majority Leader (Hon. Mwonga): What I was saying is Mr. Speaker, is he called me this morning and he said that he is not feeling well and Mr. Speaker I have heard the sentiments which have been raised by the Hon. Members and I will take up the matter upon myself and see to it that the Government implements whatever is passed by this Hon. House. Thank you, Sir.

(Low consultations)

Hon. Speaker: Not on the matter that has been raised. Let us hear Hon. Itumo.

Hon. Itumo: Thank you Mr. Speaker, but first if you allow me Mr. Speaker I want to inform this Hon. House that we have lost one of the icons who happen to be a freedom fighter of this nation, one Bernard Muli brother to the late Attorney General Matthew Guy Muli. Back to the business, Mr. Speaker, I stand here to support this particular document maybe with amendments. Mr. Speaker, you realize that when you start narrating stories of death near a very old man, you will soon hear gnashing of his teeth. Mr. Speaker, the taxpayer always would not like to hear about the tax but for a nation to prosper, tax must be paid. Mr. Speaker you realize I was with you in Israel and being an advanced country, people there pay tax at high rates.

Mr. Speaker, I wonder that one of us is trying to say the electorates are being charged highly. Mr. Speaker, I thought some places would pay more tax than the others and I go by the recommendation No. 5 that says ‘the department of Finance and Revenue collection to re-look at the classification of business and towns in the finance bill of 2015/16. With recommendations No. 4, that says; ‘all motor bikes to pay a flat rate of Ksh. 200 per month instead of Ksh. 300 initially that was being paid. I think that is a fair rate, Mr. Speaker.

It goes to less than Ksh.10. I would also request the house to see to it that some amendments are done because you cannot compare some towns with others and you look at Machakos and Mavoko and this one I think it should be raised to Ksh. 350 Mr. Speaker and let the Ksh. 200 go to the areas like Kangundo, Masinga and elsewhere because we know Machakos and Mavoko are the backbones in terms of finance to this particular county. Mr. Speaker, I do not want to continue much but I know some words maybe a thorn in the flesh, Mr. Speaker. Thank you very much.

Hon. Speaker: Thank you. Condolences from the House to the bereaved. Let us hear Hon. Kyalo Kyuli.

Hon. Kyuli: I don’t have much to say but I am supporting this document Mr. Speaker, but I would wish, because there is one recommendation here that there is no way we can refund money as Government. There is no way but I am praying that Mr. Speaker, because this issue of taxation was nearly in every town. I am praying that Mr. Speaker, if it is possible we change this into next year’s, or this year’s taxes, if it can be carried forward, that is what if mean, Mr. Speaker.

If, members, we can allow the businessmen who paid Ksh. 9,000 instead of Ksh. 5,000, the difference, if possible, we carry it forward. But refunding money Mr. Speaker, I want to support this committee’s sentiments, it is impossible to refund money. As a matter of caution Mr. Speaker, when are going to get into this year or 2015 Finance bill Mr. Speaker, I will urge members to be as serious as they are now, Mr. Speaker because I can see every member is keen on every issue that is coming into the floor of the house. So Mr. Speaker, let us be keen, we scrutinize it and make the necessary inputs. So Mr. Speaker, my request is that, those businessmen who paid extra monies be allowed to be carried forward so that they just pay the difference.

And lastly Mr. Speaker, just to inform you Mr. Speaker, our businessmen are paying for this business permits and in most of our towns, most businessmen just remain with the receipts. I am saying this because, recently I met members from my community having been arrested because they do not have the permits but they had the receipts, Mr. Speaker. I met them at the law courts here, Mr. Speaker that is when I tried to sort out.

So Mr. Speaker, again to the Chairman of Finance committee, if it is possible they hasten the issuance of the certificates. Right now Mr. Speaker, I have some receipts from one of my businessmen who is looking for a financier to finance him but the financier is asking for the real permit yet the permits are never issued, Mr. Speaker.

Most of the permits are never issued. So my request is that to the Chairman of Finance committee, if they can also hasten the issuance of the permits rather than letting our business men staying with the receipts. So Mr. Speaker, those are my recommendations. Thank you, Mr. Speaker.

Hon. Speaker: Don't you think Hon. Kyalo Kyuli that is purely administrative? It is purely administrative. But let us hear Hon. Muthesya.

Hon. Nzioki: Mr. Speaker, I stand to support the adoption of this report. Mr. Speaker, I being a member of this committee, I think we did the best we could do for the people of Mavoko. But Mr. Speaker, I would want to say something like in item No. 4 in the recommendations, the *boda boda* rates went down to Ksh. 200. We know that people in Mavoko and people in Machakos and other towns are getting more money in this business than the people in the local areas.

(Applause)

I have not heard any member saying that we want to stick at Ksh. 300. We don't want them reduced. Now that there is re-alignment of categories, Mavoko has to stay in its own category.

(Applause)

It cannot be categorized where it was categorized before and be with the same category with Muthesya, for example. So Mr. Speaker, we need to know as legislators that people must pay taxes and that it's only through taxes that we can deliver to our people. Thank you, Mr. Speaker.

(Applause)

Hon. Speaker: Okay, I think Hon. Members we need to conclude on this. Let us hear Hon. Mueni lastly.....looks like it is a point of order. Your hand has been up for some time.

Hon. Mueni: Mine I think is information. Mine is to repeat to you again that our people there outside need civic education even the people here in the assembly, so that they can know their work and what they can do to their people their outside instead of coming here to argue what is not necessary because you know that the people there outside have to pay the licenses

and you know that is a must. If you came from your home to come and do business, you have to pay licences. Thank you, Mr. Speaker, Sir.

(Applause)

Hon. Speaker: Hon. Members, it cannot be better said. Finally, Hon. Manyolo and then we can hear.....I will give you one minute Hon. Mutuku and then we hear the Chairman.

Hon. Manyolo: Mr. Speaker, Sir, if am a member of this finance committee and we took time to go through the grievances of the petition from Mavoko and we said severally to come up with the recommendations. Mr. Speaker, Sir, we did this knowing that we won't stay here as members, tomorrow we will be doing business. As you make a chair, you have to think of other persons who will come to sit upon it. So Mr. Speaker, Sir, we went through it and we came up with the best recommendations and if you can see the chairman was so much serious about the issue because it was so burning band we needed it to be handled carefully. So Mr. Speaker, Sir, I am here to support the document and where Hon. Muthesya has talked, maybe he has read my mind, it is the issue of the *bodabodas*.

Let us try to see whether we can amend the rates of Ksh. 200 within the peri-urban and within urban centers we increase to Ksh. 350 because we know much business is done where we have business. If you go to Muthesya, you will find that a man can stay there for a whole day without getting any passenger or only has two passengers and the passenger is getting is only for Kshs.100 from Muthesya down to the streams or to the river or to the market. So at the end of the day, you find that the *bodaboda* man has handled Ksh. 200 so is going also to pay the Ksh. 200 so it is better to consider this. We amend the charges for *bodaboda*. Thank you Mr. Speaker, Sir.

Hon. Speaker: One minute Hon. Mutuku.

Hon. M. Mutuku: Mr. Speaker, Sir, as you recall my contribution was interfered by the point of information and the point of order and you are giving me only one minute. However, let me summarize by saying, I am in totality to the Historical Bible saying 'Give Caesar what belongs to Caesar'. Mr. Speaker, Sir, I am in support of this document.

Let us, actually, pass it as per the resolution of the committee because I am a member of the committee and Mr. Speaker, Sir, let me say, we can increase revenue other than increasing the taxes by making the cost of starting a business cheaper by lowering the rates a bit. That is actually the principles of economies of scale. When we bring clients to do the business, then we charge them the single business permit, we can increase the revenue using that system. With that Mr. Speaker, Sir, I support and we actually pass the document. Thank you.

Hon. Speaker: Thank you.

Hon. Muinde: Thank you Mr. Speaker, for giving me this opportunity again to contribute. Mr. Speaker, I want to remind members that payment of taxes is a statutory duty and getting services from the Government you don't demand to be given services equivalent to what you have paid to the Government. This Hon. Members pay per year more than a million in form of PAYE but perhaps they do not get equivalent service back from the Government and they cannot demand and this is all in tax law.

Mr. Speaker, I am against refund to businessmen. it will be chaotic. Let us adopt the resolution No. 3 as it is, that those had paid we don refund and that members of the Finance Committee take more time this year in trying to interrogate the Finance bill before they pass it and also challenge members of this assembly to also participate in the Public participation at their ward levels or at their sub county.

Mr. Speaker, for the last two years, members of the assembly do not attend the public participations in their own sub-counties yet some times and, I can say this without fear, sometimes they are facilitated to attend and those that attend sometimes choose to make it a political platform to begin bashing the same government they are also serving. Mr. Speaker, one of the challenges that the last two years the Government has faced on implementing on the finance bills were that, the amendments that we made, we make them in September or early in October and the contracts given to the printers of security documents, the receipts are usually given sometimes in January because tenders are given based on the calendar year but then the financial year does not follow the calendar year.

Like the *bodabodas*. We passed in this house that they Ksh. 200 and it was not implemented because by the time we passed that law, payment of Ksh. 200 per month, the receipts had been printed earlier in January or February showing Ksh. 300. It was expensive to discard all those receipts and now begin to print. So if ask the Committee on Finance to involve the CEC in advance and even try to ensure we don't have stocks a lot of inventories on this security documents and also challenge the committee on implementation as Hon. Nzoka has said. They need to do a lot. Let us also not spare them. They need to do a lot and push the executive arm to do what they are supposed to do.

Mr. Speaker, looking at the mood of this house on this debate, I can say this is a precursor to the finance bill 2015/16. I am happy that I will not be the Chairman leading in the Finance Bill. I want to ask my Hon. colleague, Hon. Nzeki, to get amass some muscles because it will not be easy, not only within the house but outside there because members of public don't want to pay taxes and even those of us who want to rise to higher seats, are using the *bodaboda* men to refuse to pay taxes as a way so showing them that they are fighting for them.

Mr. Speaker, we have a danger. As we speak now, someone or some people are challenging our sand harvesting law. Some of these laws are revenue laws, they are part of the finance bill. Like the sand harvesting law that we passed here, they will contribute to the finance bill. I can tell you some people who are not even members of this county, and are transacting sand in Machakos. Sand which is mostly gotten in Mwala and Yatta and Masinga they are in court. They are saying some of the provision in that law is not constitutional that we are overcharging them they want to pay less. Just the same way they have been paying to the county Government and we know sand is being taken to Nairobi at a very low cost. Now here we have a section of our community also wanting to pay less.

At this rate Mr. Speaker, the Ksh. 2.3 billion that we tend to raise as local revenue we will not achieve it. We should get united, ensure that our people pay comfortably what they ought to pay and these other businessmen outside our county who are also collecting sand from Machakos, do actually pay what is due to us so that we can get the Ksh. 2.3 billion that we intend to collect so that we are able to fully finance our development agenda, Mr. Speaker.

So Mr. Speaker, based on this, the five recommendations by this committee Mr. Speaker, I have changed my mind, we will need to support and challenge then to do more in the finance bill that is yet to come to this house. So in beg to support and congratulate the team for having done some good work and I hope they will do even better as September beckons. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Let us hear the Chairman. Yes let's hear the information.

POINT OF INFORMATION

Hon. Nzoka: I want to draw to attention to this house that public participation is not done well in our participation. One, the last participation, I wanted the committee to be here, it was only the person who was participating on behalf of Tala people as a public participation, because it is set in a way where for people to come there, they are paying more than Ksh. 400 and because they are not facilitated, they cannot come. They just stay. We were with the..... He was there, you had only one person. I told one person. Is that public participation? This house needs to look for that and I think before I had even claimed from the Clerk because---

Hon. Speaker: Order, Hon. Nzoka. That is not a matter within the report. Order. Let us hear the Chairman.

Hon. Nzeki: Thank you Mr. Speaker---

Hon. Speaker: Hon. Nzoka you can bring a substantive motion.

Hon. Nzeki: I really praise the members who have said that we adapt the report and one member that is Chairman of decentralized units committee was differing with the report but at last supported it. We got the report from budget Chairman we called the Finance Committee with the CEC Finance and we had a meeting whereby we resolved that what the recommendations be put in place. We got a letter from Mavoko businessmen through the Speaker of the Assembly, that is the petition and we went through and Hon. Mutuku was the one who supported that we don't refund the money they had paid.

So Mr. Speaker, Sir, I really appreciate what the members have said. Refunding cannot be something we talk of, the Finance cannot talk of that and we are not going to refund it. Again as the Chairman for budget committee has said, there are some people who have gone to court to challenge the finance bill of 2014 about sand cess. They are not even members of this county, they are from let's say Murang'a, Nairobi, Kiambu and we expect them to come and tell us what we are going to deal with our resources. So Members, as we continue, we will talk about that and it will be brought to the assembly, we discuss about it but we are not going to relent. The money they are going to pay even it is less, we will raise the fees.

So Mr. Speaker, Sir, as they have said about the public participation, next time I think we will organize it and that is the work of the committee for Finance. We will do it well and if member, let us say, for Ndithini is not organizing his people to come and participate, he will not come to blame us. People from Mavoko are saying that they are going to pay. They said that its only public participation which was not conducted well but this time if we conduct it well and they said they said they are going to pay even if it will be raised there will be no problem. So members, I pray that, Mr. Speaker, Sir, because members have said that we adopt the report and I will be happy with that. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Thank you. Then I will propose will proceed to put the question. There are two issues on recommendations that appear contentious in the debate; that is issue No. 3 in the recommendations on the matter that members of the business community will pay the new rates could be compensated, could be refunded.

(Question put and negatived)

With the results that members of the business community will pay the new rates will not be refunded.

Let us go to recommendation number 4. Debate resulted in that some members argued that the fee should be restored to Ksh. 300 per *bodaboda* rider, but then I will proceed to put the question.

(Question put and agreed to)

Those in support of the report as amended and presented by Hon. Oliver Nzeki, the Chair Finance and Revenue Collection, those in support of adoption of that report as amended.

(Question put and agreed to)

ADJOURNMENT

Hon. Speaker: Thank you. Any other matter? In the absence of any further business, the house will adjourn until later in the day.

The House rose at 12.00 p.m.