

COUNTY ASSEMBLY OF KISUMU



THIRD ASSEMBLY – FORTH SESSION

JOINT COMMITTEE ON FINANCE & ICT AND AGRICULTURE, FISHERIES,
LIVESTOCK DEVELOPMENT AND IRRIGATION

REPORT ON:

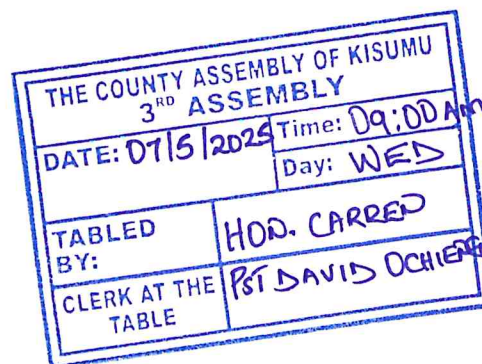
THE KISUMU COUNTY CESS BILL, 2024 (*KISUMU COUNTY ASSEMBLY BILLS
NO. 4*)

BY

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CHAIRPERSONS

*Clerk's Chambers
Directorate of Committee Services
The County Assembly
Kisumu*



MAY, 2025

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LIST OF ABBREVIATIONS AND ACRONYMS

S.O	Standing Orders
AFLIC	Agriculture, Fisheries, Livestock Development and Irrigation Committee
TOR	Terms of Reference
CECM	County Executive Committee Member
C.O	Chief Officer

CHAIRPERSONS' FOREWORD

Mr. Speaker Sir and Hon. Members,

This report presents the proceedings of the Joint Sectoral Committee on Agriculture, Fisheries, Livestock Development and Irrigation (AFLIC) and Finance and ICT regarding the consideration of the Kisumu County Agricultural Cess Bill, 2024 (Kisumu County Assembly Bill No. 4 of 2024). The Bill was published on **27th November, 2024** and underwent First Reading on **28th November, 2024**, in line with the provisions of Standing Order No. 123 of the Kisumu County Assembly. Consequently, the Bill was referred to the Joint Committee for consideration and subsequent reporting to this Honorable House.

Mr. Speaker Sir and Hon. Members, the Bill comprises 21 clauses and seeks to give effect to Section 161 of the Public Finance Management (PFM) Act, 2012. Its primary objective is to provide a framework for the imposition of cess on agricultural produce and establish procedures for the management, administration and utilization of cess collection. By establishing a dedicated Cess management framework, the Act seeks to promote the development and maintenance of infrastructure in the crop-growing areas within Kisumu County.

In compliance with the constitutional and legal provisions, a robust public participation was conducted to gather stakeholder input on the Bill. Advertisements were placed in the print media on **Tuesday, 26th November, 2024**, notifying the public that the exercise would be conducted across the eight (8) Sub-Counties of Kisumu County from **2nd to 5th December, 2024** (See Annex I). This process ensured adherence to Article 185(2) and 196 of the Constitution of Kenya, 2010, Section 87 of the County Governments Act, 2012, and Standing Order No. 123(3) of the Kisumu County Assembly Standing Orders.

Hon. Speaker, public input reflected strong support for the Bill across all regions. Stakeholders voiced concerns over deteriorated infrastructure, poor access roads in agricultural zones, high poverty levels, low incomes, post-harvest losses, and the absence of reliable markets for perishable commodities. Additionally, dissatisfaction was expressed regarding the current management of cess revenues, with claims of misappropriation hindering infrastructural development in crop-growing areas.

On behalf of the Joint Committee, I extend our heartfelt gratitude to the Office of the Speaker and the Clerk of the Assembly for the logistical support provided throughout the public participation exercise. Special thanks are due to members of the public, key stakeholders such as Kibos Sugar Company & Chemelil Sugar Company for graciously and generously giving their inputs on the Bill. My sincere appreciation also goes to the CECMs for Finance and ICT & Agriculture, Fisheries, Livestock Development and Irrigation for giving deeper insights on Bill. My sincere thanks go to the members of the Joint Committee for their dedication and meaningful contributions and to the Secretariat for their meticulous planning and preparation of this report.

Mr. Speaker Sir and Honorable Members, within this report, we have outlined our findings and observations that we believe should be considered by this Hon. House while approving this Bill.

Hon. Speaker, it is now my humble pleasure to report that the Joint Committee has considered the Kisumu County Cess Bill, 2024 and has the honor to report back to the Kisumu County Assembly with recommendations that the Bill be approved with amendments.


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HON. EUNICE ALANDOH
CHAIRPERSON, AFLIC


.....

HON. CARREN ODHIAMBO
CHAIRPERSON, FINANCE & ICT COMMITTEE

CHAPTER ONE

1. PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEES

The Joint Departmental Committee on Agriculture, Fisheries, Livestock Development & Irrigation and Finance and ICT is established under County Assembly Standing Order No. 193 and is required to;

- I. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operation and estimates of the assigned departments;
- II. Study the Program and policy objectives of departments and policy objectives of departments and the effectiveness of the implementation;
- III. Study and review all the County legislation referred to it;
- IV. Study, access and analyze the relative success of the departments as measures by the results obtained as compared with their stated objectives;
- V. 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 County Assembly;
- VI. To vet and report all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order No. 187 (Committee on Appointments).
- VII. Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

1.2 MANDATE OF THE COMMITTEES

In accordance with the second schedule of the Kisumu County Assembly Standing Orders, the Joint Committee is mandated as follows;

a. Agriculture, Fisheries, Livestock Development & Irrigation

All matters relating to agriculture, including crop and animal husbandry, livestock sale yards, County abattoirs, plant and animal disease control, veterinary services (excluding regulation of the profession) and fisheries; animal control and welfare, including licensing of dogs and facilities for their accommodation, care and burial of animals.

In executing its mandate, the Committee oversees the Department of Agriculture, Fisheries, Livestock Development, Irrigation and Blue Economy.

b. Finance and ICT Committee

All matters relating to finance, financial statements, all matters of Tax estimates; monitor the spread and enhanced use of ICT in the County Government to increase transparency and accountability

In executing its mandate, the Committee oversees the Department of Finance, Economic Planning and ICT.

1.3 JOINT COMMITTEE MEMBERSHIP

1. Hon. Eunice Alando	-	Chairperson (AFLIC)
2. Hon. Carren Odhiambo	-	Chairperson (Finance)
3. Hon. Lumumba Owade	-	Vice Chairperson (Finance)
4. Hon. Bill Oliver	-	Vice Chairperson (Agriculture)
5. Hon. Samuel Dede	-	Member (AFLIC)
6. Hon. Joachim Oketch	-	Member (Finance)
7. Hon. Pete Oiko	-	Member (Finance)
8. Hon. Benson Adega	-	Member (Finance)
9. Hon. Ratib Boitone	-	Member (Finance)
10. Hon. Mildred Ajumbo	-	Member (Finance)
11. Hon. George Abaja	-	Member (Finance)
12. Hon. Pamela Oyoo	-	Member (AFLIC)
13. Hon. Vincent Jagongo	-	Member (AFLIC)
14. Hon. Maurice Ngeta	-	Member (AFLIC)
15. Hon. Gard Olima	-	Member (AFLIC & AFLIC)
16. Hon. Jennifer Obonyo	-	Member (AFLIC)
17. Hon. Tom Onditi	-	Member (AFLIC)

1.4 COMMITTEE SECRETARIAT

The Joint Committee was facilitated by the following secretariat:

1. Mr. Omollo Isaac	-	Committee Clerk
2. Mr. Zablon Otiende	-	Hansard/Secretariat
3. CPA. Kephers Onoka	-	Fiscal Analyst
4. CPA. Mollen Achayo	-	Fiscal Analyst
5. Mr. Kennedy Okise	-	Sergeant-at-Arms
6. Mr. Abraham Odegi	-	Sergeant-at-Arms
7. Mr. Wycliffe Owade	-	Researcher

1.5 COMMITTEE MEETINGS

Mr. Speaker Sir and Hon. Members,

The Joint Committee dedicated significant time and effort towards processing this matter. It held eight (8) meetings where members adopted the program for processing the bill, discussed and interrogated the bill, coordinated & conducted public participation and held joint consultative meeting with the Department of Agriculture, Fisheries, Livestock Development, Irrigation and Blue Economy & the Department of Finance, Economic Planning and ICT to seek technical views on the bill prior to approval.

1.6 TERMS OF REFERENCE BY THE COMMITTEE

Mr. Speaker Sir and Hon. Members,

To effectively carry out this assignment, the Joint Committee derived the following terms of references;

1. Review the provisions of the Cess Bill to ensure compliance with the Constitution of Kenya, 2010, and other relevant national and county laws.
2. Engage stakeholders to gather views, concerns, and recommendations regarding the proposed legislation.
3. Ensure the Bill provides clear procedures for efficient management and administration of Cess collection, transparent utilization of funds.
4. Propose amendments, where necessary, to improve the Bill before submission to the County Assembly for debate and approval.

CHAPTER TWO

2. BACKGROUND

In Kisumu County, Collection of cess is primarily governed by the Agricultural Act (CAP. 318), the County Governments Act (2012), the Public Finance Management Act (2012) and the Kisumu County Finance Act, 2024. These legislations empower devolved governments to levy cess on agricultural produce as a mechanism for generating revenue to support development projects at the County level.

However, the existing legal framework lacks clear guidelines on the management and utilization of cess revenues. Currently, all funds collected as Cess are remitted into the Consolidated County Revenue Fund (CRF), where they are subject to general County appropriations. This structure allows the resources to be allocated to any project within the County, often resulting in cess revenues being redirected away from their intended purpose of facilitating agricultural development and improving infrastructure in crop-growing areas.

To address these gaps, the proposed Cess Bill seeks to establish a comprehensive legislative framework for the collection, management, and utilization of cess revenues within Kisumu County. The Bill aims to:

- i. Enhance revenue generation by imposing cess charges on agricultural produce and streamline cess collection.
- ii. Establish a dedicated Cess fund account for payment of Cess Levies to be strictly utilized by the County Government to meet expenditures for improving, developing, and maintaining infrastructure in crop growing areas.
- iii. Establish a management committee to oversee proper administration and utilization of cess revenues.

The Joint Finance & Agriculture Committee has been tasked with processing the proposed Bill to ensure its alignment with constitutional provisions, stakeholder interests, and best practices.

3. LEGISLATIVE FRAMEWORK UNDERPINNING THE PREPARATION OF THE BILL

Mr. Speaker sir and Hon. Members,

The Kisumu County Cess Bill, 2024 has been prepared pursuant to the following legislative frameworks;

a. Article 209 (4&5) which stipulates as follow;

(4) The national and county governments may impose charges for the services they provide.

(5) The taxation and other revenue-raising powers of a county shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or the national mobility of goods, services, capital or labour.

b. Section 161 of the PFM Act, 2012

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

c. Section 17 (2) (a) of the Crop Act, 2013

(2) A county government may, pursuant to the Fourth schedule of the Constitution, impose fees for— (a) development of agricultural crops within the county;

d. Section 21 of the County Government Act, 2012

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

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

4. OVERVIEW OF THE BILL

Mr. Speaker Sir and Hon. Members,

The Kisumu County Agricultural Cess Bill, 2024 comprises of Five (5) Parts and total of 21 clauses.

Highlighted below are the various parts of the Bill;

A. PART I

(Clause 1-2)

Contains preliminary matters and sets out various definitions, including short title and interpretation for the Act.

B. PART II

(Clauses 3-8)

Outlines the procedures for the administration and management of cess, including the power of the County Executive Committee (CEC) Member for Finance to impose cess on specified agricultural produce and ensure its collection through processing plants. This part provides for the timely remittance of cess and includes penalties for non-compliance to encourage responsible management.

1. Payment of Cess

Clause 5

(1) stipulates that, the cess imposed under this Act shall be payable by the agricultural producer to the county government through the processing plant at the time when the plant takes delivery of the produce or product of the produce.

(2) Any person whether within or outside the county who buys or markets on behalf of an agricultural producer, agricultural produce on which cess is payable and on which no cess has been paid shall deduct from the money payable to the agricultural producer an amount equal to the cess payable on the produce and remit the amount to the county government.

(3) The processing plant shall ensure that all the amounts deducted as cess are remitted to the County Government by the 20th day of the next month.

2. Utilization of Cess

Clause 7 (1)

provides that, any moneys received by the County Revenue Board for the purposes of this Act, shall, after due appropriation made by the County Assembly by law, be utilized by the County Government to meet the expenditure incurred in connection with measures which are necessary or expedient to promote the improvement, development and maintenance of infrastructure in crop growing areas.

3. Establishment of Cess Management Committee

Clause 8

Provides that, the Kisumu County Agricultural Sector Consultation and Cooperation Mechanism Committee (KCASCOM) established pursuant to Section 5 of the Kisumu County Agricultural Sector Coordination Act, 2024 shall be the cess management Committee.

Composition of KCASCOM

(a) the CEC Member for Agriculture who shall be the Chairperson for the Committee and Kisumu County Representative at the Joint Agricultural Sector Consultation and Coordination Mechanism;

(b) the CEC Member for Finance and Economic Planning;

(c) the Chief officer for Agriculture, Livestock, Fisheries and Irrigation who shall be the Secretary to the Committee and head of KCASCOM Secretariat established in Section of this Act;

(d) one Representative from the Kenya National Chambers of Commerce;

(e) one Representative from Persons Living with Disabilities;

(f) one Representative from Joint Agricultural Sector Consultation and Coordination Mechanism who shall be an *ex-officio* member;

- (g) one Representative from Civil Society Organizations within the Agricultural Sector and;
- (h) one Representative from Agricultural Associations within the County.

C. PART III

(Clauses 9-10)

Provides for establishment of the Kisumu County Cess Fund, managed by the CEC Member for Finance and Economic Planning. This Fund will consist of cess collections, donor funds, and other approved sources, ensuring sufficient resources are available for reinvestment in agricultural infrastructure and services.

D. PART IV

(Clauses 11-13)

Contains miscellaneous provisions, such as offenses related to interference with cess administration, indemnity from personal liability for officials acting in good faith, and the delegation of powers to the CEC Member to create regulations supporting the Act.

E. PART V

(Clauses 14)

It addresses transitional provisions to ensure smooth implementation process

5. OBJECTS OF THE BILL

Mr. Speaker Sir and Hon. Members, the principal objective and purpose of the Bill is to;

- (a) levy and collect as a Cess for purposes of this Act, on every agricultural produce specified in the First Schedule of this Act provided that such Cess shall be collected in accordance with the Public Finance Management Act; and
- (b) provide procedures for the management and administration of Cess collection for the development and maintenance of infrastructure in crop growing areas.

CHAPTER THREE

6. PUBLIC PARTICIPATION AND STAKEHOLDERS ENGAGEMENT

Mr. Speaker Sir and Hon. Members,

The provisions of Article 196 (a) and (b) of the Constitution of Kenya 2010 and Section 87 of the County Government Act, 2012, has placed the public at the center of decision making on legislative processing and other businesses of the County Assembly.

Moreover, Kisumu County Assembly Standing Order No. 123 (3) mandates the Sectoral Committee to which a Bill is committed, to facilitate public participation and take into account the views and recommendations of the public when the Committee makes its report to the County Assembly.

In this regard, the County Assembly through the Joint Finance and ICT & Agriculture, Fisheries, Livestock Development and Irrigation Committee undertook public hearings on the Cess Bill across all the Thirty-Five (35) wards of Kisumu County from **2nd to 5th December, 2024** and additionally requested for submission of memoranda following an advertisement placed in local dailies (**See Annex I**). In these hearings the Joint Committee interacted with residents of Kisumu County who submitted their views on the bill which the Committee has presented in this report as (**See Annex II**).

Additionally, the Committee organized and held robust consultative engagements with the local Sugar Factories including Kibos Sugar Factory and Chemelil Sugar Factory. These extensive deliberations brought fourth pertinent issues which has largely informed the legislative direction and proposed amendments contained in this report.

The Clerk of the Assembly, through formal communication (**See Annex III**) notified the management of this local sugar factories namely Muhoroni, Chemelil and Kibos Sugar Factory of the Committee's arrangement to visit each factory to deliberate and gather their views on the Cess Bill. Consequently, the Committee proceeded and convened consultative engagements with Chemelil and Kibos Sugar Factory on **7th & 10th March, 2025** respectively at their respective Boardrooms. However, the meeting with Muhoroni Sugar Factory did not materialize due to management response that they were facing audit review which demanded their full attention and active involvement.

To harmonize and build consensus on all the submissions made by various stakeholders, the Committee scheduled and organized a joint consultative stakeholder engagement on **22nd April, 2025** at Bondo Pride Hotel which was attended by Kibos Sugar representatives.

Lastly, the Committee received a total of four memoranda which we have presented as (**See Annex IV**) of this report.

COMMITTEE OBSERVATION FROM PUBLIC PARTICIPATION

1. The Bill was supported by members of the public across all wards in the County except in Masogo/Nyangoma ward. Participant in Masogo/Nyangoma objected the bill citing previous mismanagement of cess funds and dilapidated infrastructural status in most cess collection zones.
2. Members of the Public expressed deep anticipation that this legislation by providing structured procedures for cess collection, management, accountability and efficient utilization, will significantly improve infrastructure in the crop growing areas, thereby supporting agricultural productivity and rural development.
3. Stakeholders voiced concerns over deteriorated infrastructure, poor access roads in agricultural zones, high poverty levels, low incomes, post-harvest losses, and the absence of reliable markets for perishable commodities.
4. Dissatisfaction was expressed regarding the current management of cess revenues, with claims of misappropriation hindering infrastructural development in crop-growing areas.
5. The Sugar Factories recommended an amendment to the Bill to a standalone Sugar Cess Act, noting that Sugar Cess is major source of agricultural cess in the County. A distinct legislation would ensure focused and effective utilization of Sugar Cess revenue for the improvement of infrastructure in the cess collection regions.

7. SUBMISSION BY CECM. FINANCE ECONOMIC PLANNING & ICT ON THE BILL Mr. Speaker sir and Hon. Members,

Through a letter referenced **Ref. No. CAK/CGK/VOL.III/11/24**, the Clerk of the Assembly notified the CECM for Finance, Economic Planning, and ICT that the County Assembly was in the process of legislating the **Kisumu County Cess Bill, 2024**. The CECM was invited to review the provisions of the Bill and submit his views for consideration.

In response, the CECM for Finance, Economic Planning, and ICT, via a letter referenced **KC/FIN/C.ASSEMBLY VOL.IV/202** dated **30th November, 2024** (See Annex V), formally submitted his comments and recommendations on the Member's Private Bill.

Outlined below are the CECM's submissions regarding the Bill.

1. Scope and Expansion

- Current focus on Agriculture is too narrow
- Need to include roads infrastructure
- Consider Mining Sector Potential
- Broader scope would create more sustainable revenue streams

2. Inter-Departmental Consultation

- Essential to consult Department of Roads for Infrastructure Planning

- Agriculture Department Input needed for feasible implementation
- Current Proposals may overstretch County Resources, if we go by the current Cess collection.
- Need for realistic alignment with actual collection capacity
 - a. Implementation Recommendations
 - Conduct thorough stakeholder consultations
 - Develop phased implementation approach
 - Create realistic collection targets
 - Establish clear coordination mechanism between Departments
 - Regular review of rates based on Economic Indicators
 - b. Sustainability Considerations
 - Balance between revenue trends and local economic capacity
 - Need for evidence-based rate setting
 - Protection of small traders and farmers
 - Consideration of seasonal variations in trade volumes

3. Establishment of the Director's Office for Cess Management

1. Directorate Establishment

- Creation of Director's Office upon enactment
- Formal appointment process through CECM Finance
- Office to be physically located within designated department
- Clear reporting structure and Hierarchy

2. Departmental Integration

- CECM. Finance to determine appropriate Department for Office placement
- Decision based on operational efficiency and existing structures
- Integration with related Departmental Functions
- Clear Communication Channels with other Departments

3. Director's Authority

- Defined scope of authority and responsibilities
- Direct reporting line to CECM. Finance
- Oversight of Cess collection and Management
- Coordination with Cess Management Committee

4 Administrative Framework

- Establishment of supporting administrative structures

- Resource allocation for office operations
- Development of Operational Procedures
- Integration with Existing County Systems

5 Implementation Requirements

- Clear transition timeline
- Resource allocation for office set up
- Staff recruitment and training needs
- System and Infrastructure requirements

8. RATIONALE OF THE PROPOSED AMENDMENTS TO THE KISUMU COUNTY CESS BILL, 2024

Mr. Speaker and Hon. Members,

This section presents a detailed rationale for the proposed amendments to the *Kisumu County Cess Bill, 2024*. The amendments are the result of extensive legislative scrutiny and a robust public participation process conducted in accordance with Articles 10, 118, and 201 of the Constitution of Kenya.

The proposed amendments therefore seek to:

- Address legal and definitional gaps,
- Enhance transparency and fairness in cess enforcement,
- Ensure targeted and accountable utilization of cess proceeds,
- Professionalize the revenue inspectorate system,
- Strengthen financial oversight and public participation in cess-related decisions.

The following table provides a summary of the rationale for the proposed amendments at Committee:

Clause Affected	Actual Amendment	Rationale
Clause 2 – Interpretation	Insertion of definitions for: Cess Fund, Cess Management Committee, Designated Point, Inspector, Offloading Fees, Processing Plant, Transit Goods	Provides clarity and legal precision for core operational terms; closes gaps in administrative enforcement

Clauses 5–8 – Inspectorate Provisions	Insertion of Clauses 6, 7, and 8: Appointment, Powers, Code of Conduct for Inspectors	Professionalizes inspector role; establishes qualifications and ethics; enhances accountability and transparency
Clause 6 – Designated Points	Amendment to sub-clauses (5), (6); new sub-clause (7) for audits, signage, and digital systems	Aligns cess collection with Article 209(5); requires public consultation and transparency at collection points
Clause 7 – Utilization of Cess	Subclause (1) replaced; Subclause (2) amended to introduce 70% and 20% spending thresholds; new subclauses (3) and (4) added	Ensures revenue prioritization, M&E, public validation, and infrastructure focus for sugar growing zones
Clause 8 – Establishment of Committee	Expanded membership to include civil society and private sector; Gazette notification for appointments	Improves inclusivity, legitimacy, and checks in cess oversight
Clause 9 – Functions of Committee	Expanded to include project approvals, M&E, and stakeholder forums; quorum and decision-making structure defined	Enhances Committee's oversight and planning role; institutionalizes participatory budgeting
Clause 10 – Cess Fund Management	Insertion of subclauses (2), (3), and (4): prohibits transfers, appoints Fund Administrator, mandates reporting	Aligns with PFMA; introduces financial discipline and safeguards
Clause 11 – Regulations for the Fund	Replaces general provision with specific scope and six-month deadline	Clarifies regulatory obligations and ensures timely operationalization
Clause 12 – General Regulations	Amended to require public consultation, County Assembly approval, and detailed regulation scope	Enhances legal certainty, public participation, and accountability
Clause 13 – Waiver of Cess	Replaced with detailed criteria for waivers, limitation (10%), Assembly oversight, appeal mechanism	Prevents abuse, promotes fairness and financial integrity in waiver decisions
Clause 17 – Offences	New offences: impersonating inspector, extortion or bribery by inspectors	Protects revenue integrity and deters misconduct

New Clause – Right of Appeal	Appeal process through County Revenue Board and CEC Finance	Protects right to fair administrative action and offers remedy to aggrieved parties
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9. COMMITTEE RECOMMENDATIONS

Mr. Speaker and Hon. Members,

Following a robust review of the Kisumu County Cess Bill by the Joint Committee and taking into account various submissions received from a diverse array of member of the public and stakeholders. The Joint Committee proposes adoption of the bill with the following critical amendments;

LIST OF AMENDMENTS

The Kisumu County Cess Bill, 2024 is proposed for amendments as follows:

i. Amendment to Clause 2 by Inserting New Definitions as Follows:

“Agricultural produce” means any product of agriculture specified in the Schedule to this Act or as may be prescribed by the CEC Member in Regulations;

“Cess Fund” means the Kisumu County Cess Fund established under section 13 of this Act for the collection, management, and disbursement of cess revenues.

“Cess Management Committee” means the Committee established under section 11 of this Act responsible for the oversight and prioritization of Cess-funded projects.

“Designated point” means a location officially published by the County Executive Committee Member as a Cess collection or monitoring site under this Act.

“Inspector” means a person appointed or designated by the County Executive Committee Member or County Revenue Board and duly authorized in writing to monitor compliance with this Act at designated Cess collection points, processing plants, or transit barriers, and includes an authorized officer assigned such duties.

“Offloading fees” means charges levied by the County Government for the delivery of goods to designated market points within the county, whether or not Cess applies.

“Processing plant” means any facility, factory, or premises where agricultural produce is handled, processed, or prepared for the market.

“Transit goods” means agricultural goods passing through Kisumu County to a different destination outside the County, without being offloaded or marketed within the County.

ii. Amendment to Clause 5 by Adding New Sections Immediately after Sub-Clause (8) as Follows:

“6. Appointment and Qualification of Inspectors

(1) The County Public Service Board may in consultation with the County Executive Committee Member responsible for Finance, appoint inspectors to enforce the provisions of this Act.

(2) A person shall be eligible for appointment as an inspector if the person—

- a) holds at least a diploma in agriculture, law or finance;
- b) has undergone training in revenue enforcement or regulatory compliance; and
- c) is of good character and integrity, with no prior conviction of a tax-related or integrity offence.

(3) The appointment of an inspector shall be *gazetted*, and their identification and credentials shall be made publicly accessible.

7. Powers and Duties of Inspectors

(1) An inspector appointed under this Act shall have powers to—

- a) inspect agricultural produce at designated points for compliance with cess payment;
- b) require the production of relevant receipts, books, and documentation;
- c) issue compliance notices and demand payment or explanations for outstanding cess; and
- d) enter any processing plant or cess collection point during working hours for inspection;

(2) An inspector shall—

- a) maintain an official log of inspections and findings;
- b) submit monthly reports to the Cess Management Committee; and
- c) wear official identification during duty and act within legal bounds prescribed by this Act.

8. Code of Conduct for Inspectors

(1) The County Executive Committee Member shall develop a Code of Conduct for inspectors, which shall—

- (a) define professional behavior and anti-corruption standards;
- (b) prohibit arbitrary detention, harassment, or extortion of producers and traders;
- (c) set out disciplinary procedures and penalties for breach of conduct.

(2) The County Executive Committee Member shall establish a complaints mechanism to receive grievances from producers, processors, and the public on misconduct by inspectors and shall initiate disciplinary proceedings against an inspector within 14 days of receipt of any substantiated complaint.

iii. Clause 6(5) of the Bill is Amended by Deleting the Entire Provision and Replacing therefore with the Following:

(5) Any agricultural produce destined for final sale within Kisumu County but not produced within the County shall not be subject to cess but may be subjected to a separate offloading fee as prescribed by the Finance Act, provided that such fee shall not duplicate or substitute cess payable elsewhere under Article 209(5) of the Constitution.

iv. Clause 6(6) of the Bill is amended by deleting the entire provision and replacing therefore with the following:

(6) The County Executive Committee Member shall, in consultation with stakeholders and the Cess Management Committee, determine and gazette designated points for the collection of cess within the County. The notice shall include the location, operational hours, and responsible officer at each point.

v. Clause 6 is further amended by introducing new sub-clause immediately after Clause 6 as follows:

(7) The County Government shall ensure that all designated points are equipped with appropriate signage, digital receipts, record systems, and are subject to quarterly audit by the County Internal Audit Unit.

(8) Any person aggrieved by a decision or action taken by an authorized officer at a designated point may lodge a complaint with the Cess Management Committee or appeal to the County Revenue Boa, whose decision shall be communicated within seven days.

vi. Amendment in Clause 7 – Utilization of Cess.

Clause 7(1) is amended by deleting sub-clause (1) and replacing therefore with the following:

7(1) The proceeds of cess shall, subject to appropriation by the County Assembly, be applied to programs and projects identified in the County Integrated Development Plan, Annual

Development Plan, and County Programme-Based Budget relating to the development of road infrastructure in crop-growing areas."

Clause 7(2) is amended by introducing the words, **"....at least 70 percent of cess proceeds shall be allocated to rural access road maintenance and infrastructure within the sugar growing areas, and not more than twenty percent shall be applied to agricultural extension and research services."** Immediately after the words; without prejudice to the generality of the provisions of subsection (1).

Clause 7(2) is amended by deleting sub-clauses (a), (b) (c), (d), (e), (f), (g), (h), (i), (k), (m) and (n).

Clause 7 is further amended by introducing a new Sub-clause (3) and (4) as follows:

- (3) The CEC Member shall publish and disseminate a report of proposed cess-funded projects and convene annual stakeholder forums for validation before budget appropriation.
- (4) The County Executive Member shall establish a monitoring and evaluation framework for all projects funded under this Act and submit quarterly impact report to the County Assembly and the Cess Management Committee.

vii. Amendment to Clause 8 – Establishment of the Cess Management Committee

Delete Clause 8 and substitute therefore as follows—

8. Establishment of the Cess Management Committee

- 1) There shall be established a Committee to be known as the Kisumu County Cess Management Committee.
- 2) The Committee shall be composed of the following members—
 - a) the County Executive Committee Member responsible for Agriculture, who shall be the Chairperson;
 - b) the Chief Officer responsible for Finance;
 - c) the Chief Officer responsible for infrastructure;
 - d) two representatives from an association of Sugar Millers within the County;
 - e) two representatives from an association of Sugarcane Farmers within the County;
 - f) the Chief Officer responsible for Agriculture, who shall be the Secretary to the Committee and an ex-officio member.
 - g) one representative from the Kenya Sugar Board, appointed by the Board, who shall be a non-voting technical advisor on sugar-related matters.

- 3) The members referred to under subsection (2),(d), and (e) shall be appointed by the County Executive Committee Member and shall serve for a term of three years, renewable once.
- 4) The appointment of members under subsection (2),(d) and (e) shall be by notice in the *Gazette*.

viii. Amendment to Clause 9 – Functions and Operations of the Committee

Delete Clause 9 and substitute therefor the following clause—

9. Functions and Operations of the Committee

(1) The Committee shall—

- a) advise the County Executive Committee Member on matters relating to the imposition, collection, management, and utilization of cess;
- b) receive, evaluate, and prioritize proposals for funding under the Cess Fund;
- c) consider development projects to be financed from the cess proceeds in accordance with this Act and any applicable regulations and shall forward such considerations to the County Executive Committee and the County Assembly for approval;
- d) oversee the implementation of approved projects and monitor financial utilization of cess funds;
- e) commission and review annual performance assessments on cess-funded activities;
- f) facilitate and conduct annual stakeholder forums for public participation; and
- g) submit an annual report to the County Assembly on cess collection, disbursement, and impact at least 42 days upon the end of a fiscal year.

(2) The Committee shall meet at least once every three months and may convene special meetings as may be necessary.

(3) The quorum for a meeting of the Committee shall be five members, at least one of whom shall be from among the representatives specified under subsection (2)(c), (d), or (e) of section 8.

(4) The decisions of the Committee shall be by consensus or, where necessary, by a majority of the members present and voting, and the Chairperson shall have a casting vote in the event of a tie.

(5) The Committee shall establish and maintain a grievance redress mechanism to address complaints or petitions from stakeholders concerning decisions or omissions relating to the utilization of cess.

ix. Clause 10 of the Bill is Amended by adding a new sub-clause immediately after Clause 1 as follows:

(2) The Fund shall be used exclusively for the purposes outlined in this Act, and no transfers shall be made to other accounts or programs without the approval of the County Assembly through a supplementary appropriation.

(3) The County Executive Committee Member for Finance and Economic Planning shall designate a Fund Administrator from among public officers in the County Treasury who shall be responsible for the day-to-day operations of the Fund in accordance with the requirements of the Public Finance Management Act, 2012.

(4) The Fund Administrator shall prepare and submit to the County Executive Committee Member for Finance and Economic Planning an annual financial statement and report on the performance of the Fund and tabled before the County Assembly within three months after the end of the financial year.

x. Clause 11 (Regulations for the Fund) is amended by deleting the provision and replacing therefore with the following provision:

11. The County Executive Committee Member for Finance and Economic Planning shall, within six months of the commencement of this Act, publish Regulations for the proper management and administration of the Fund including—

- (a) the role and appointment of the Fund Administrator;
- (b) the manner and forms for cess declaration and payment;
- (c) procedures and forms for cess waiver applications and approvals;
- (d) disbursement criteria and ceilings of the Fund;
- (e) fund accounting procedures and reporting templates;
- (f) procedures for public access to Fund performance data.

xi. Clause 12 is amended by deleting the entire provision and replacing therefore with the following:

General Regulations

12. (1) The County Executive Committee Member shall, within six months of the commencement of this Act, make Regulations for the effective implementation of this Act.

(2) Without prejudice to the generality of subsection (1), the Regulations shall provide for—

- a) record-keeping and reporting formats by processing plants and inspectors;

- b) the format for publication and validation of cess-funded projects;
- c) procedure appointment of the representatives of association of Sugar Millers and Farmers contemplated in Section 8(2) (d) and (e)
- d) inspection procedures, enforcement protocols, and penalties for non-compliance; and
- e) public participation, stakeholder engagement, and grievance redress mechanisms.

(3) The Regulations made under this section shall be subjected to public consultation and shall be submitted to the County Assembly for approval in accordance with the County Governments Act, 2012.

xii. Clause 13 is amended by deleting the entire provision and replacing therefore with the following:

Waiver of Cess

(1) The County Executive Committee Member may, upon the recommendation of the Cess Management Committee, and subject to the approval of the County Executive Committee, waive cess payable under this Act, in whole or in part, for a specific class of persons, products, or producers where—

- (a) the persons or producers have suffered loss or damage due to natural disasters, pest or disease outbreaks, or climatic shocks;
- (b) the agricultural produce in question is subject to sudden market failure or depressed prices that would significantly disadvantage smallholder farmers;
- (c) the waiver promotes recovery and resilience in a declared emergency or disaster-affected area;
- (d) the waiver supports the realization of public interest objectives, such as food security, poverty alleviation, or disease control; or
- (e) the cess due is uneconomical to collect relative to its administrative cost.

(2) A waiver under this section shall—

- (a) be for a period not exceeding one year;
- (b) apply only to the category of cess or produce specified in the Gazette notice; and
- (c) not be granted retrospectively unless approved by the County Assembly.

(3) The CEC Member shall, upon granting a waiver—

- (a) prepare a justification report, including supporting evidence, estimated revenue forgone, and impact assessment;

- (b) publish the waiver notice in the *Gazette* and on the County Government website; and
- (c) table the justification report before the County Assembly within 14 days.
- (4) The County Assembly may, within thirty days of tabling, resolve to annul the waiver if it finds that sufficient justification has not been provided, and the waiver shall stand revoked upon such resolution.
- (5) The total annual value of cess waived under this section shall not exceed ten percent of the total cess collected in the previous financial year, unless a supplementary budget authorizing a higher threshold is approved by the County Assembly.
- (6) Any person aggrieved by exclusion from a waiver granted under this section may apply to the Cess Management Committee for administrative review within fourteen days of the publication of the waiver list.

xiii. Clause 17 (offences) is amended by introducing new paragraphs immediately after paragraph (e) as follows:

- (f) impersonates an inspector or authorized officer for purposes of extorting cess or other unlawful benefit;
 - (g) being an inspector, demands or receives any unauthorized fee or bribe in the course of duty;
- shall be liable on conviction to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or both.”

xiv. Amend bill by introducing a new Clause immediately after Clause 18 as follows:

Right of Appeal against a decision of an Inspector

19. (1) A person aggrieved by the conduct or decision of an inspector may appeal to the Cess Management Committee within 14 days of the act or omission.

(2) The appeal shall be heard and determined within 21 days.

(3) A person dissatisfied with the decision of the Cess Management Committee may appeal to the County Revenue Board for review.

xv. Amendment on the Schedule as follows:

Delete all the agricultural crops provided for in the schedule except Sugarcane/*Sacharum* spp.

10. CONCLUSION

The proposed amendments presented in this report represent a refined and strengthened version of the Kisumu County Cess Bill, 2024, shaped by legitimate public concerns and expert stakeholder engagement.

I would like to implore this House to deliberate and consider adopting this report and ensure that the recommendations contained herein are made part of the Bill for enactment.

Mr. Speaker Sir and Hon. Members, I therefore move the motion and call upon Hon. to second.

Thank you.



HON. EUNICE ALANDOH
CHAIRPERSON, AFLIC



HON. CARREN ODHIAMBO
CHAIRPERSON, FINANCE & ICT COMMITTEE

ANNEX (I) - Advert for Public Participation on the Kisumu County Cess Bill, 2024

ANNEX (II) - Consolidated Public Participation Report

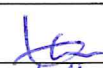
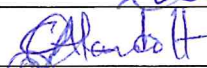
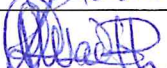
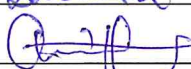
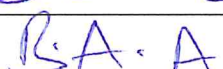
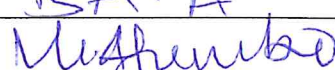
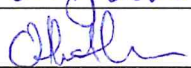
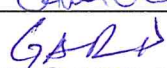
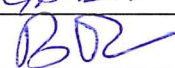
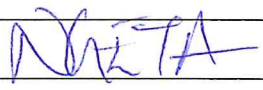
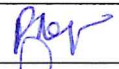
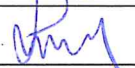
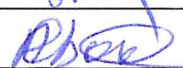
ANNEX (III) – Notification Letters to the Sugar Factories

ANNEX (IV) - Memoranda

ANNEX (V) - CECM. Finance responses

ADOPTION SCHEDULE

We the Honorable member of a joint Committee on Agriculture, fisheries, Livestock Development, Irrigation and Finance & ICT do hereby append our signatures to this report to confirm its accuracy, validity and authenticity

S/NO.	NAME	POSITION	SIGNATURE
1.	Hon. Carren Ajwang'	Chairperson Finance	
2.	Hon. Eunice Alando	Chairperson AFLIC	
3.	Hon. Lumumba Owade	V. Chairperson Finance	
4.	Hon. Bill Oliver	V. Chairperson AFLIC	
5.	Hon. Joachim Oketch	Member	
6.	Hon. Pete Oiko	Member	
7.	Hon. Benson Adegga	Member	
8.	Hon. Mildred Ajumbo	Member	
9.	Hon. George Abaja	Member	
10.	Hon. Gard Olima	Member	
11.	Hon. Boitone Ratib	Member	
12.	Hon. Samuel Dede	Member	
13.	Hon. Maurice Ngeta	Member	
14.	Hon. Tom Onditi	Member	
15.	Hon. Pamela Oyoo	Member	
16.	Hon. Vincent Jagongo	Member	
17.	Hon. Jennipher Obonyo	Member	

ANNEX 1

KISUMU COUNTY ASSEMBLY



THIRD ASSEMBLY- THIRD SESSION

SUBMISSION OF MEMORANDA AND INVITATION TO PUBLIC PARTICIPATION

Pursuant to the Provisions of Articles 196 and Article 201 of the Constitution, 2010 read together with Section 87(1)(a) (b) of the County Governments Act, 2012 we wish to notify the General Public that the following proposed legislations are coming up before the County Assembly for consideration and enactment

1. THE KISUMU COUNTY CESS BILL, 2024
2. THE KISUMU COUNTY QUARRYING CONTROL BILL, 2024
3. THE KISUMU COUNTY CHILD PROTECTION POLICY, 2024

The County Assembly of Kisumu therefore invites the General Public and interested groups to submit Memoranda and/ or views on the above listed Legislations and to attend Public Participation exercise scheduled as follows:

S/N	SUB-COUNTY	WARD	LEGISLATION/DATE			VENUE	TIME
			Kisumu County Cess Bill, 2024	Kisumu County Quarrying Bill, 2024	Kisumu County Child Protection Policy, 2024		
1.	SEME	North Seme	2 nd December, 2024	6 th December, 2024	13 th December, 2024	Harambee Chief's Camp	9.00AM - 12.00PM
		Central Seme				Kombewa Chief's Camp	9.00AM - 12.00PM
		East Seme				Kit- Mikayi Social Hall	9.00AM - 12.00PM
		West Seme				Manyuanda Chief's Camp	9.00AM - 12.00PM
2.	KISUMU WEST	West Kisumu	2 nd December, 2024	6 th December, 2024	13 th December, 2024	Yambo Resource Centre	9.00AM - 12.00PM
		South West Kisumu				Obambo Chief's Camp	9.00AM - 12.00PM
		Central Kisumu				Brightlight Community Hall	9.00AM - 12.00PM
		North- West Kisumu				Lela - Resource Centre	9.00AM - 12.00PM
		North Ward				Nyahera Chief's Camp	9.00AM - 12.00PM
6.	KISUMU EAST	Kolwa East	4 th December, 2024	9 th December, 2024	16 th December, 2024	Angola Community Hall	9.00AM - 12.00PM
		Kolwa Central				Ragumo Community Hall	9.00AM - 12.00PM
		Manyatta B				Kasawino Hall	9.00AM - 12.00PM
		Nyalenda A				Kowino Market	9.00AM - 12.00PM
		Kajulu				Gita Chief's Camp	9.00AM - 12.00PM
3.	NYANDO	East Kano Wawidhi	5 th December, 2024	10 th December, 2024	16 th December, 2024	Ayweyo Canteen Ward Office	9.00AM - 12.00PM
		Ahero				Ahero Disability Empowerment Centre	9.00AM - 12.00PM
		Kabonyo Kanyagwal				Nyang'ande Market	9.00AM - 12.00PM
		Kobura				Rabuur Chief's Camp	9.00AM - 12.00PM
		Awasi Onjiko				Othoo Market	9.00AM - 12.00PM
4.	MUHORONI	Ombeyi	4 th December, 2024	9 th December, 2024	17 th December, 2024	Ombeyi Catholic Church	9.00AM - 12.00PM
		Miwani				Nyakoko Primary School	9.00AM - 12.00PM
		Masogo Nyang'oma				Nyang'oma Chief Camp	9.00AM - 12.00PM
		Chemelil Tamu				Chemelil Round-about	9.00AM - 12.00PM
		Muhoroni -Koru				Menara SDA Ground	9.00AM - 12.00PM
5.	NYAKACH	North Nyakach	5 th December, 2024	10 th December, 2024	17 th December, 2024	Kowire Parish Ground	9.00AM - 12.00PM
		Central Nyakach				Pap- Onditi Hall	9.00AM - 12.00PM
		South East Nyakach				Nyamaroka Resource Centre	9.00AM - 12.00PM
		South West Nyakach				Oboch Chief's Camp	9.00AM - 12.00PM
		West Nyakach				Kodingo Hall	9.00AM - 12.00PM
7.	KISUMU CENTRAL	Kondele	3 rd December, 2024	9 th December, 2024	30 th December, 2024	Kosawo Hall	9.00AM - 12.00PM
		Kaloleni Shauri Moyo				Arina Socila Hall	9.00AM - 12.00PM
		Railways				Kisumu Municipal Works yard	9.00AM - 12.00PM
		Market Milimani				Grace Onyango Social Hall	9.00AM - 12.00PM
		Nyalenda B				Joel Omino Hall	9.00AM - 12.00PM
		Migosi				Ezra Gumbe Hall	9.00AM - 12.00PM

The general public is invited to submit any Memoranda on the Bill and submission may be sent or hand delivered to the following address/email so as to be received by 14th January, 2025 at 4.00pm. The Public should visit <https://kisumuassembly.go.ke/> for a copy of the Bills and Policy.

Clerk
County Assembly of Kisumu
P.O Box 86-40100
Kisumu
Email:kisumuassembly@gmail.com

ANNEX II

COUNTY ASSEMBLY OF KISUMU



THIRD ASSEMBLY – FORTH SESSION

JOINT FINANCE, ICT AND AGRICULTURE, FISHERIES, LIVESTOCK DEVELOPMENT AND IRRIGATION COMMITTEE

PUBLIC PARTICIPATION REPORT ON:
THE KISUMU COUNTY AGRICULTURAL CESS BILL, 2024 (*KISUMU COUNTY
ASSEMBLY BILLS NO. 4*)

BY

HON. EUNICE ALANDOH & HON. CARREN AJWANG'

CHAIRPERSONS

*Clerk's Chambers
Directorate of Committee Services
The County Assembly
Kisumu*

MAY, 2025

INTRODUCTION

Mr. Speaker Sir and Hon. Members,

The provisions of Article 196 (a) and (b) of the Constitution of Kenya 2010, section 87 of the County Government Act, 2012, has placed the public at the center of decision making on legislative processing and other businesses of the County Assembly.

Moreover, Kisumu County Assembly Standing Order No. 123 (3) mandates the Sectoral Committee to which a Bill is committed, to facilitate public participation and take into account the views and recommendations of the public when the Committee makes its report to the County Assembly.

In this regard, the County Assembly through the Joint Finance and ICT & Agriculture, Fisheries, Livestock Development and Irrigation Committees undertook public hearings across all the Thirty-Five (35) wards of Kisumu County from **2nd to 5th December, 2024** and additionally requested for submission of memoranda following an advertisement placed in local dailies. In these hearings the Joint Committee interacted with residents of Kisumu County who submitted their views on the bill which the Committee has consolidated and presents in this report.

1. **SEME SUB-COUNTY**

1.1 **NORTH SEME WARD**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT HARAMBEE CHIEF'S CAMP**

Public Views

The Public Participation was a success and the members of the public were unanimously approved Kisumu County Cess Bill 2024.

1.2 **WEST SEME WARD**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT MANYUANDA CHIEF'S CAMP**

Public Submission

Members of the public expressed their support to the bill.

That the bill was drafted in English and some of the local members could hardly understand it.

Recommendation

That, in future, the bills should be translated to either Kiswahili or Luo and proper sensitization on the bill be done through local radio station.

1.3 **EAST SEME**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT KIT MIKAYI SOCIAL HALL**

Public Submissions

1. That in part II under the Power to impose Cess, Section 4(1) the word CEC Member for Agriculture be added to read The CEC Member for Finance and Economic Planning shall in consultation with the CEC Member for Agriculture impose.....

2. That in part IV under waiver of cess, section 4 be considered by replacing the word sufficient with insufficient to read The Assembly may overturn any such waiver if it is of view that insufficient ground exists for the waiver of cess.....

2. **KISUMU WEST SUB-COUNTY**

2.1 **CENTRAL KISUMU WARD**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT BRIGHTLIGHT HALL**

Public Views

Members of the public unanimously endorsed the bill

1.2 NORTH KISUMU WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT NYAHERA RESOURCE CENTRE**

Public Submission

- i. THAT, under section 7 on the Utilization of Cess Revenue collected should be ring-fenced and utilized only for the intended purposes i.e. improvement of access road to agricultural producing areas as a priority
- ii. THAT, under the Schedule, the county should conduct a survey and consider the inclusion of other agricultural crops which are considered as cash crops in that region i.e. Water Melon, Cassava and Sweet Potatoes.
- iii. THAT, under Obligation to Keep Report. The fund administrator should prepare reports in line with the provision of section 166 of the Public Finance and Management Act, 2012 which should equally be forwarded to the County Assembly for scrutiny and ratification.
- iv. THAT, the County Assembly relevant House Committee should fast-track the formulation and implementation of the Bill ASAP.

1.3 NORTH WEST WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT LELA RESOURCE CENTRE**

Public Submissions

The said public participation was scheduled to take place at the Lela resource centre, but unfortunately the members of the public were not present. Therefore, no engagement took place.

1.4 SOUTH WEST WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 2ND DECEMBER, 2024 AT OBAMBO CHIEF'S CAMP**

Public Submissions

1. The cess levy if paid, it should be final, no market fee should be charged on the same produce.
2. The committee managing the cess should be formed by local people and as not proposed by the bill
3. The bill should address how to tackle corruption from cess collectors and enforcement of cess collection
4. That they are doubtful that if the bill is passed, the county government will not deliver their promises
5. Projects for implementation by the cess levy must be identified by locals
6. The cess levy will only increase cost of produce because the tax will pass on to the consumers.
7. The designated points of collection should be part of the bill given the regulations may not go for public hearing.

RESOLUTIONS

Many matters were raised by participants but already they were clearly addressed by the bill, therefore members supported the bill.

1.5

WEST KISUMU WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 2ND DECEMBER, 2024 AT YAMBO RESOURCE CENTRE

Public Submissions

- Public propose that actual farmers should be represented by nominating one of their own in the Kisumu County Agricultural Sector Consultation and Cooperation Mechanism Committee (KCASCOM)
- Farmers request to have one taxation point to avert double taxation.

COMMENTS/RECOMMENDATIONS

- The proposed bill was passed by the members of public with some recommendations.

3.

KISUMU CENTRAL SUB-COUNTY

3.1

KALOLENI/SHAURIMOYO

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT ARINA HALL

Public Submissions

1. The county should have improved the roads first before introducing the cess bill

2. At the moment, the farm produces at Kisumu county is still low, so the county should first concentrate on how to support farmers to improve farm products in the county and also look ways to revive the crops which were killed like cotton before imposing cess bill to people
3. The fine of one million should be amended to be 200,000/= and or imprisonment of not less than 6 months.
4. Amend section 4 part ii to read, the county government may deploy inspectors to processing plant to investigate reasons why the comply did not met
5. The county government of Kisumu is good in policy making but poor in implementation. So they should see to it that they implement the policy as it is.

3.2

KONDELE WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT KOSAWO HALL

Public Submissions

The Public Participation was a success and the members of the public participation were in agreement with the Kisumu County Cess Bill 2024.

3.3

MARKET/MILIMANI WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT MAMA GRACE ONYANGO HALL

Public Submissions

The members of the public adopted the bill without amendments citing that it is geared towards increase in revenue collection in the county.

3.4

MIGOSI WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT EZRA GUMBE HALL

Public Submissions

- i. THAT, under section 7 on the Utilization of Cess Revenue collected should be ring-fenced and utilized only for the intended purposes i.e. improvement of access road to agricultural producing areas as a priority

ii. THAT, under Obligation to Keep Report. The fund administrator should prepare reports in line with the provision of section 166 of the Public Finance and Management Act, 2012 which should equally be forwarded to the County Assembly for scrutiny and ratification.

iii. THAT, the line department should before adopting the fees and charges, take the proposed fees to the public for ratification before effecting the proposed Regulations. This should contain reasonable and affordable fees and charges to avoid backlashes during the implementations.

3.5

MIGOSI WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT JOEL OMINO HALL

Public Submissions

- i. No percentage charged for particular crops.
- ii. No restrictions for general penalties to the producers for any amendments.
- iii. Should amend laws for those who overcharge the producers.
- iv. Government does not enact voluntary grants to the farmers.
- v. Criteria used for collecting the cess to determine the percentage to be charged.
- vi. Crops that are listed and are not processed should not be charged.

3.6

RAILWAYS WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 3RD DECEMBER, 2024 AT KISUMU MUNICIPAL WORKS YARD

Public Submissions

Members of the Public failed to attend public participation

4.

KISUMU EAST SUB-COUNTY

4.1

KAJULU

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT GITA CHIEF'S CAMP

Public Submissions

- i. Cess have been paid for the last 30years but ;
 - a. there has been no clarity for the account
 - b. the money have not been helping farmers
- ii. County Government to propose a percentage to be paid or deducted on specified crops.

- iii. Farmers to be given room to contribute and discuss on what percentage to be deducted before implementing it to the bill.
- iv. Animals should also be part of the cess bill.
- v. The bill does not capture main crops that are within the demographic of Kisumu County.
- vi. The bill should give clarification on whether they should only tax locally grown crops or either the imported and also pay the cess tax after purchasing the crops.
- vii. The law of interpretation should be taken care of in the listed crops to enable the farmers and consumers to know on which criteria was used.
- viii. No new road leading to the farms.

4.2

KOLWA CENTRAL

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT RAGUMO SOCIAL HALL

Public Submissions

After the in-depth presentation of the cell bill by the team leader, the members of the public agree to support the bill 100 percent.

4.3

KOLWA EAST

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT ANGOLA COMMUNITY HALL

Public Submissions

- i. That the Management Committee have representation of farmers
- ii. That the Cess Collectors (County Government) should ensure proper maintenance of the roads leading to various farms
- iii. That the bill be quashed and that the respective companies repair the roads
- iv. That the County government repair respective roads and drainages before enactment of the bill
- v. That the Cess (existing) hasn't been helpful to the farmers and the new bill seeks to increase the amounts, therefore, it should be quashed in totality.

4.4

MANYATTA "B"

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT KASAWINO HALL

Public Submissions

- i. Members wanted to know how will the tax payer see the progress of the cess.i.e how it will help the farmers on the ground.

- ii. Members wanted to know the difference between the revenue and cess.
- iii. Members of the community suggested that double taxation should not be there when the cess is introduced.
- iv. Members also suggested that there should be composition of the cess committee.
- v. The roads should be repaired first before introducing the bill.
- vi. There should be accountability of the money collected.

4.5

NYALENDA “A”

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT KOWINO MARKET

Public Submissions

- i. Page 5(f) why is only India mention yet we also get produce from other countries
- ii. How are the charges going to be regulated and experts to be involved in the process so as to put charges that won't exploit the producers/farmers.
- iii. It was suggested that when transporting produce from different counties i.e from one county to another Cess levy should be paid in one county
- iv. Will Cess benefit every individual or it's for those who are paying only
- v. The PWDS will pay the same amount or it will be regulated to a lower amount
- vi. The Cess Management Committee should have a representative from each sub county
- vii. The Government should come up with a compensation plan i.e provide the farmers with seeds and fertilizers
- viii. Employment opportunities to be preserved for the locals
- ix. The Government should come up with processing plants around areas where farming takes place for the purposes of increasing cess levy
- x. Cell fund should also be used in infrastructure and road maintainance
- xi. The producer to have a platform where they can report when exploited by the processor
- xii. There should be a lot of sensitization on the common mwananchi.

5.0

MUHORONI SUB-COUNTY

5.1

CHEMELIL/TAMU WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 4TH DECEMBER, 2024 AT CHEMELIL ROUND ABOUT**

Public Submissions

Members of the public did not turn up for Public Participation exercise.

5.2

MASOGO/NYANGOMA WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 4TH DECEMBER, 2024 AT NYANGOMA SOCIAL HALL**

Public Submissions

Deliberation on the bill issues raised were as follows

1. Participants wanted to know the position of a grader equipment provided by cess levy before devolution started
2. A member wanted an answer on the usage of their cess for the last 12 years.
3. One member wanted to know why road infrastructure is dilapidated despite regular collection of cess cheques
4. Another member said that the bill similar to the Kisumu county cess fund 2014, is already before the senate and therefore it is duplication.
5. A member suggested that their main stay is sugarcane, here the bill they want is sugar cess bill only and not a unilateral bill like the Kisumu cess bill 2024
6. Another member said that they don't trust the committee proposed by the bill. They said the committee on cess should be formed by locals.

RESOLUTIONS

Participants resolved to object the bill in totality citing incensing of the county. They said county is only keen to get their tax and no value for the taxes paid

5.3

MIWANI WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 4TH DECEMBER, 2024 AT MIWANI PRIMARY**

Public Submissions

- I. The status of the Crop Bill
- II. Accountability of the cess fund by the CECM finance.
- III. The process that will be used in recruiting the cess management committee,

- IV. Mitigation measures put in place to avert conflicts arising due to regulations imposed by the CEC member.
- V. There be accountability to the cess fund collected previously.
- VI. They want each crop to have codes in order to assess the amount of cess payable.
- VII. There should be zoning of the agricultural producing areas.
- VIII. There should be a clear policy on companies collecting cess in areas not theirs.
- IX. The committee members be selected from the sugar belt zones and not other areas.

5.4

MUHORONI/KORU WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT MENARA SDA GROUND

Public Submissions

- 1. Farmers complained that the Cess Bill has been a deduction that they have been paying but roads are not in order. They need the roads to be done because some farmers cannot even remove their produce from farms.
- 3. Concerns on the establishments of Cess management committee.
- 4. Local farmers (sugarcane) to be appointed as committee members.
- 5. Farmers to be the key people to appoint the committee members (KCASCOM) to continue with their duties they have been doing before and should not be involved in the collection of Cess.

5.5

OMBEYI WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 4TH DECEMBER, 2024 AT OMBEYI CATHOLIC CHURCH

Public Submissions

- i. THAT, under section 7 on the Utilization of Cess Revenue collected should be ring-fenced and utilized only for the intended purposes i.e. improvement of access road to agricultural producing areas as a priority
- ii. THAT, under Obligation to Keep Report. The fund administrator should prepare reports in line with the provision of section 166 of the Public Finance and Management Act, 2012 which should equally be forwarded to the County Assembly for scrutiny and ratification.
- iii. THAT, the County Assembly relevant House Committee should fast-track the formulation and implementation of the Bill ASAP.
- iv. THAT, the line department should before adopting the fees and charges should first take the proposed fees to the public for ratification before effecting the proposed

Regulations. This should contain reasonable and affordable fees and charges to avoid backlashes during the implementations.

6. NYANDO SUB-COUNTY

6.1 AHERO SUB-COUNTY

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT AHERO DISABILITY CENTRE**

Public Submissions

Members of the community where in agreement and fully supported the bill, however, they expressed the following concerns;

1. The county assembly should consider a centralized place to conduct public participation.
2. Committees should be chosen by the members of the local community.
3. Watermelon should be included in the cess bill.
4. Rice devaluation since they are frustrated by the foreigners.

6.2 EAST KANO WAWIDHI WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT AYWEYO CANTEEN**

Public Submissions

Members of the Public failed to attend the public participation exercise

6.3 AWASI/ONJIKO WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT AYWEYO CANTEEN**

Public Submission

Members of the public demanded to be given adequate time to review the bill and submit a memorandum.

7.

KADIBO SUB-COUNTY

7.1

KABONYO/KANYAGWAL WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT NYANGANDE MARKET**

Public Submission

- ✓ That the Kisumu County Cess Bill, 2024 should include the composition of the KCASCOM committee. A need to give a breakdown of who sits in that committee
- ✓ That in the said committee, farmers should be represented.
- ✓ There were concerns on how Kisumu County would utilize cess funds especially in Wards that undertake farming. This was largely focusing on ensuring that Wards that do farming proportionally benefit from cess funds. A proposal was thus made that distribution of resources in a fair manner should be explicitly captured in the Bill.
- ✓ That there should be a committee at the Ward level
- ✓ That the issue of middle men who take advantage of rice farmers should be dealt with explicitly in the Bill.
- ✓ That horticultural crops be included in the First Schedule as among crops from which the County Government can generate cess tax. The argument was that many people in Kabonyo Kanyagwal had ventured into horticultural farming and making substantive gains.

7.2

KOBURA WARD

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT RABUOR CHIEF'S CAMP**

Public Submission

- i. THAT, under section 7 on the Utilization of Cess Revenue collected should be ring-fenced and utilized only for the intended purposes i.e. improvement of access road to agricultural producing areas as a priority
- ii. THAT, under the Schedule, the county should conduct a survey and consider the inclusion of other agricultural crops which are considered as cash crops in that region i.e. Water Melon, Cassava and Sweet Potatoes.
- iii. THAT, under Obligation to Keep Report. The fund administrator should prepare reports in line with the provision of section 166 of the Public Finance and Management Act, 2012 which should equally be forwarded to the County Assembly for scrutiny and ratification.
- iv. THAT, the County Assembly relevant House Committee should fast-track the formulation and implementation of the Bill ASAP.

8. **NYAKACH SUB-COUNTY**

8.1 **NORTH NYAKACH WARD**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT KOWIRE PARISH**

Public Submission

- i. Members of the community suggested that environment sector should be incorporated in the cess management committee.
- ii. The roads should be repaired first before introducing the bill.
- iii. The cess committee should find a way of dealing with double taxation.
- iv. Identification and mapping of areas of farming before introducing the bill.
- v. Which mechanism has been put in place to ensure that the budget of cess fund bill is well managed.

Recommendations

The Public Participation was a success and the members of the public participation suggested that the recommended changes should be implemented.

8.2 **WEST NYAKACH WARD**

**PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024
CONDUCTED ON 5TH DECEMBER, 2024 AT KODINGO HALL**

Public Submission

1. Evance Okulo does not agree with the Cess Bill because it will add an addition tax to the farmers.
2. Elly Kakute seconded that the Bill should not be processed.
3. The Bill should indicate how the benefits of the Cess money would be shared (Ratio).
4. The schedule should also include animal produce e.g: fish, dairy products etc.
5. Under payment of Cess, section (4) the word MAY 'should be replaced by MUST.

8.3

SOUTH WEST NYAKACH WARD

PUBLIC PARTICIPATION REPORT ON THE KISUMU COUNTY CESS BILL, 2024 CONDUCTED ON 5TH DECEMBER, 2024 AT OBOCH CHIEF'S CAMP

Public Submission

After an in-depth presentation by the team leader, the members of the public fully endorsed the bill

N/B

Members of the public did not turn up for Public Participation in South East and Central Nyakach ward.

APPENDIX III

P.O Box 86-40100, Kisumu
Email: kisumuassembly@gmail.com



Email: owenojuok@gmail.com
Web: www.kisumuassembly.go.ke

County Assembly of Kisumu OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/27/02/25.

DATE: 27/02/2025

MANAGING DIRECTOR,
KIBOS SUGAR & ALLIED COMPANIES
P.O. BOX 3115- 40100,
KISUMU, KENYA.

RE: CONSULTATIVE MEETING ON THE KISUMU COUNTY CESS BILL, 2024

Above matter refers.

The County Assembly of Kisumu in full discharge of its constitutional mandate under article 185 (2) is currently formulating the Kisumu County Cess Bill, 2024.

Through the Joint Committee of Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, the Assembly has conducted public participation on the bill and is now engaging relevant stakeholders in line with the provisions of Article 196 of the Constitution of Kenya, 2010, and Section 87 of the County Government Act, 2012.

Recognizing, the critical role played by sugar millers on deduction and remittance of Cess to the County Government, the Committee has resolved visit your factory on **Monday, 10th March, 2025 at 10:00am**. The purpose of this meeting is to seek your input on the bill and incorporate your views into the Committee's report for presentation in the Assembly

To enhance the effectiveness of the engagement you are required to submit any relevant reference materials at least **48 hours before the meeting**. A Soft copy of the bill can be accessed through the County Assembly website on www.kisumuassembly.co.ke

For coordination and further inquiries, please contact **Mr. Edwin Omollo** the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

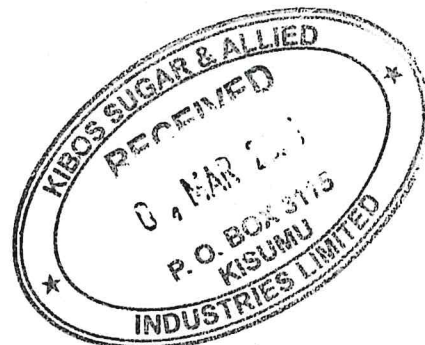
Kindly prioritize and consider this request.

Owen Ojuok

ADV. OWEN OJUOK

CLERK OF THE COUNTY ASSEMBLY & SECRETARY TO CASB

Copy to: Hon. Speaker





County Assembly of Kisumu

OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/27/02/25.

DATE: 27/02/2025

MANAGING DIRECTOR,
CHEMELIL SUGAR COMPANY LIMITED
P.O. BOX 177- 40101,
MUHORONI, KENYA.

RE: CONSULTATIVE MEETING ON THE KISUMU COUNTY CESS BILL, 2024

Above matter refers.

The County Assembly of Kisumu in full discharge of its constitutional mandate under article 185 (2) is currently formulating the Kisumu County Cess Bill, 2024.

Through the Joint Committee of Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, the Assembly has conducted public participation on the bill and is now engaging relevant stakeholders in line with the provisions of Article 196 of the Constitution of Kenya, 2010, and Section 87 of the County Government Act, 2012.

Recognizing, the critical role played by sugar millers on deduction and remittance of Cess to the County Government, the Committee has resolved visit your factory on **Friday, 7th March, 2025 at 2:00pm**. The purpose of this meeting is to seek your input on the bill and incorporate your views into the Committee's report for presentation in the Assembly.

To enhance the effectiveness of the engagement, you are required to submit any relevant reference materials at least **48 hours before the meeting**. A Soft copy of the bill can be accessed through the County Assembly website on www.kisumuassembly.co.ke

For coordination and further inquiries, please contact **Mr. Edwin Omollo**, the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

Kindly prioritize and consider this request.


ADV. OWEN OJUOK

CLERK OF THE COUNTY ASSEMBLY & SECRETARY TO CASB

Copy to: Hon. Speaker



County Assembly of Kisumu

OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/27/02/25.

DATE: 27/02/2025

MANAGING DIRECTOR,
MUHORONI SUGAR COMPANY
P.O. BOX 2,
MUHORONI, KENYA.

RE: CONSULTATIVE MEETING ON THE KISUMU COUNTY CESS BILL, 2024

Above matter refers.

The County Assembly of Kisumu in full discharge of its constitutional mandate under article 185 (2) is currently formulating the Kisumu County Cess Bill, 2024.

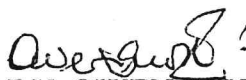
Through the Joint Committee of Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, the Assembly has conducted public participation on the bill and is now engaging relevant stakeholders in line with the provisions of Article 196 of the Constitution of Kenya, 2010, and Section 87 of the County Government Act, 2012.

Recognizing, the critical role played by sugar millers on deduction and remittance of Cess to the County Government, the Committee has resolved visit your factory on **Friday, 7th March, 2025 at 10:00am**. The purpose of this meeting is to seek your input on the bill and incorporate your views into the Committee's report for presentation in the Assembly.

To enhance the effectiveness of the engagement, you are required to submit any relevant reference materials at least **48 hours before the meeting**. A Soft copy of the bill can be accessed through the County Assembly website on www.kisumuassembly.co.ke

For coordination and further inquiries, please contact **Mr. Edwin Omollo**, the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

Kindly prioritize and consider this request.


ADV. OWEN OJUOK

CLERK OF THE COUNTY ASSEMBLY & SECRETARY TO CASB

Copy to: Hon. Speaker



County Assembly of Kisumu

OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/27/02/25.

DATE: 27/02/2025

MANAGING DIRECTOR,
KIBOS SUGAR & ALLIED COMPANIES
P.O. BOX 3115- 40100,
KISUMU, KENYA.

RE: INVITATION TO A JOINT STAKEHOLDER FORUM ON THE KISUMU COUNTY CESS BILL, 2024

The above subject refers.

Pursuant to Article 196 of the Constitution of Kenya, 2010 and Section 87 of the County Governments Act, 2012, the County Assembly, through its Joint Committee on Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, held consultative engagements with your industry to seek your views on the Kisumu County Cess Bill, 2024. The Committee appreciates your insightful submissions presented during the deliberations.

Moreover, the Committee has engaged with various other stakeholders and received their views for consideration towards improving the proposed legislation. To consolidate these perspectives and build consensus, the Committee has organized a Joint Stakeholder Forum to provide a platform for robust dialogue and alignment on key provisions of the Bill to ensure it reflects the aspirations of the people of Kisumu County.

We are therefore, pleased to extend an invitation to you and your relevant technical team to attend the forum, which is scheduled to take place on **Tuesday, 22nd April, 2025** in Siaya County (**Bondo Pride Hotel**) from **9:00am**. The Participants are expected to travel on **Monday, 21st April, 2025**, and return on **Wednesday, 23rd April, 2025**.

Please note that while the County Assembly will cater for the conference costs, your organization is expected to meet incidental expenses for your delegation during the period.

Kindly confirm your attendance and indicate the number of delegates from your organization by email to (kisumuassembly@gmail.com) no later than **Thursday, 17th April, 2025**, to facilitate logistical planning.

For coordination and further inquiries, please contact Mr. Edwin Omollo, the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

Your participation will be highly valued, and we look forward to your positive response.

ADV. OWEN OJUOK

CLERK, KISUMU COUNTY ASSEMBLY & SECRETARY TO CASB

Copy to: Hon. Speaker



County Assembly of Kisumu

OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/15/04/25.

DATE: 15/04/2025

MANAGING DIRECTOR,
CHEMELIL SUGAR COMPANY LIMITED
P.O. BOX 177- 40101,
MUHORONI, KENYA.

RE: INVITATION TO A JOINT STAKEHOLDER FORUM ON THE KISUMU COUNTY CESS BILL, 2024

The above subject refers.

Pursuant to Article 196 of the Constitution of Kenya, 2010 and Section 87 of the County Governments Act, 2012, the County Assembly, through its Joint Committee on Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, held consultative engagements with your industry to seek your views on the Kisumu County Cess Bill, 2024. The Committee appreciates your insightful submissions, which were further earthed up through a memorandum received by the County Assembly on 15th April, 2025.

Moreover, the Committee has engaged with various other stakeholders and received their views for consideration towards enriching the proposed legislation. To consolidate these perspectives and build consensus, the Committee has organized a Joint Stakeholder Forum to provide a platform for robust dialogue and alignment on key provisions of the Bill to ensure it reflects the aspirations of the people of Kisumu County.

We are therefore, pleased to extend an invitation to you and your relevant technical team to attend the forum, which is scheduled to take place on **Tuesday, 22nd April, 2025** in Siaya County (**Bondo Pride Hotel**) from **9:00am**. The Participants are expected to travel on **Monday, 21st April, 2025**, and return on **Wednesday, 23rd April, 2025**.

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For coordination and further inquiries, please contact Mr. Edwin Omollo, the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

Your participation will be highly valued, and we look forward to your positive response.

ADV. OWEN OJUOK

CLERK, KISUMU COUNTY ASSEMBLY & SECRETARY TO CASB

Copy to: Hon. Speaker



County Assembly of Kisumu

OFFICE OF THE CLERK

REF. CAK/AFLIC /SEC/VOL/15/04/25.

DATE: 15/04/2025

MANAGING DIRECTOR,
MUHORONI SUGAR COMPANY
P.O. BOX 2,
MUHORONI, KENYA.

RE: INVITATION TO A JOINT STAKEHOLDER FORUM ON THE KISUMU COUNTY CESS BILL, 2024

The above subject refers.

Pursuant to Article 196 of the Constitution of Kenya, 2010 and Section 87 of the County Governments Act, 2012 and with reference to our letter Ref: CAK/AFLIC /SEC/VOL/27/02/25 dated 27th February, 2025, the County Assembly, through its Joint Committee on Finance and ICT and Agriculture, Fisheries, Livestock Development and Irrigation, had sought to hold a consultative engagement with your industry to on the Kisumu County Cess Bill, 2024. However, the planned engagement but did not materialize.

The Committee engaged with various other stakeholders and received their views for consideration towards improving the proposed legislation. To consolidate these perspectives and build consensus, the Committee has organized a Joint Stakeholder Forum to provide a platform for robust dialogue and alignment on key provisions of the Bill to ensure it reflects the aspirations of the people of Kisumu County.

We are therefore, pleased to extend an invitation to you and your relevant technical team to attend forum, scheduled to take place on **Tuesday, 22nd April, 2025** in Siaya County (**Bondo Pride Hotel**) from **9:00am**. The Participants are expected to travel on **Monday, 21st April, 2025**, and return on **Wednesday, 23rd April, 2025**.

Please note that while the County Assembly will cater for the conference costs, your organization is expected to meet incidental expenses for your delegation during the period.

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For coordination and further inquiries, please contact Mr. Edwin Omollo, the Committee Clerk (at Tel. 0702223981 or Email. Omollokatiba71@gmail.com)

Your participation will be highly valued, and we look forward to your positive response.

ADV. OWEN OJUOK
CLERK, KISUMU COUNTY ASSEMBLY & SECRETARY TO CASB
Copy to: Hon. Speaker



APPENDIX IV

CHEMELIL SUGAR COMPANY LIMITED

P.O. Box 177-MUHORONI - 40107, KENYA or
P.O.Box 1649-KISUMU-40100, KENYA
Phone: 020-2031883/4/5
GSM Lines: 0722 209798,0783 111100,0735 222200
Chemelil Sugar Academy Line: 020-2031881
Email : chemelil.mdsoffice@gmail.com
md@chemsugar.co.ke
csc@chemsugar.co.ke
Website: www.chemsugar.co.ke

Our Ref: CSCL/ADM/MD/CG/30

14th April, 2025

The County Government of Kisumu
P. O. Box 105,
KISUMU



*9 clear Harman
Seed
Overseas
15/4/25*

Dear Sir,

RE: COUNTY CESS BILL

The above matter refers.

Please find herein attached our submission on the Kisumu County Cess Bill, 2024 as per the Public Participation conducted on 21st February, 2025 at Chemelil Sugar Company's Board Room.

Kindly acknowledge receipt.

Thank you.

Yours faithfully,
For: **CHEMELIL SUGAR COMPANY LIMITED**

M. K. KOLUM
MANAGING DIRECTOR

Encl.



(ALL CORRESPONDENCE TO BE ADDRESSED TO THE MANAGING DIRECTOR)





CHEMELIL SUGAR COMPANY LIMITED

SUBMISSIONS ON THE KISUMU COUNTY CESS BILL, 2024

PROVISION OF THE BILL	OUR PROPOSAL	JUSTIFICATION
Section 5 (4) The County Government may deploy inspectors to processing plants and barriers to ensure compliance with provisions of this Act.	- Compliance in this Bill on the side of the Processing Plant is to remit the already collected cess to the County government on the designated date... - We propose doing away with the inspectors, unless their roles are clearly defined to warrant the need to have them. what role would the inspectors be playing?	To do away with a lot of tailgating.
Section 5 (6) Any processing plant which fails to comply with the provisions of sub-section (3) commits an offence and shall be liable on conviction to a fine not exceeding one million shillings.	We propose a fine of five hundred thousand shillings.	The amount so provided for is so hefty for the offence which can be cured by any other remedy.
Section 5(7) Notwithstanding the provisions of sub-section (6) the County Government may impose a penalty for late remittance of the cess due and owing	Harmonization of the penalty for both non-compliance and late remittance since all points to non-compliance.	This will be a double jeopardy to the processing plant.
Section 7 Utilization of Cess fund (1) Any moneys received by the County Revenue Board for the	- For the purpose of this Bill and the Fund herein we propose that the fund be utilized only for development, improvement and maintenance of the	There are other levies and authorities in place to take care of other developmental areas for instance, the Sugar Development Levy to cater for cane development, maintenance of the mill and Kenya Sugar Research and

PROVISION OF THE BILL	OUR PROPOSAL	JUSTIFICATION
(e) assisting in the control of insects and other pests and diseases of the crops, both in the field and in storage; (f) promoting the improvement of the marketing of produce and the products obtained therefrom in India and abroad including the setting up and adoption of grade standards for the produce and the products obtained therefrom; (g) collecting statistics from cultivators, growers, dealers and occupiers of mills on all relevant matters and promoting improvement in the forecasting of crops and the preparation of all relevant statistics relating to the crops and the products obtained therefrom; (h) maintaining, and assisting in the maintenance of, such institutes, farms and stations as the Central Government may consider necessary; (i) advising and providing assistance on all matters connected with the improvement of the cultivation of crops (including advising on the best and most suitable varieties of the crops to be cultivated) and the improvement of the industries using the crops and the		

PROVISION OF THE BILL	OUR PROPOSAL	JUSTIFICATION
9. Without prejudice to the functions of the Committee provided for in Section 6 of the Kisumu County Agricultural Sector Coordination Act, 2024, the Committee shall further promote scientific, technological, social and economic research and education relating to the management, administration and utilization of the Agricultural Produce Cess and shall— (a) advise the CEC Member on collection and management of Cess; (b) deliberate on the projects to which the Cess funds shall be applied; and (c) any other function as shall be assigned in relation to this Act by the CEC Member.	defining the specific roads within the crop growing areas to be developed. 4. The mandate of the committee should be specific and not left for any speculation since the Bill is for collection of specific Fund for a specific purpose.	
Section 10 Establishment of Kisumu County Cess Fund. (1) The CEC Member for Finance and Economic Planning shall pursuant to Section 116 of the Public Finance Management Act establish the Kisumu County Cess Fund. (2) The Fund shall consist of— (a) the agricultural produce cess imposed pursuant to this Act; (b) any funds provided by bilateral or multilateral donors for the purposes of the Fund;	We propose that any other sources of raising funds for cess be expunged from the bill since the Bill itself is clear on the source of cess fund. The act should give a general guideline on how this money will be deducted, the percentage deductible from the agricultural produce so supplied.	To reduce on the misappropriation of cess fund since it will be a fund from a specific source for a specific purpose.

PROVISION OF THE BILL	OUR PROPOSAL	JUSTIFICATION
(4) The Assembly may overturn any such waiver if it is of view that sufficient grounds exist for the waiver of Cess as made by the CEC Member.		
Section 14 Obligations to keep records (1) The processing plant shall make and keep such up to date books, accounts and records as are reasonably necessary to determine the mass of agricultural produce supplied to it and cess deductions made thereof for a period of at least seven years after the completion of the transactions to which they relate. (2) The CEC Member may by notice in writing given to the processing plant, direct the plant as to the books, accounts and records the processing plant is required to make and keep. (3) An authorized officer shall be allowed access, within working hours to the records referred to in subsection (1). (4) Any processing plant which fails to comply with the requirements of this section commits an offence and shall on conviction be liable to a fine not exceeding Three million shillings.	Section 14 (3) to read An authorized officer shall be allowed access, within <i>official</i> working hours to the records referred.	To be specific on the time of access.

KIBOS SUGAR'S REVIEW OF THE KISUMU CESS BILL 2025

SECTION OF THE DRAFT BILL	SUB-HEADING OF BILL	PROVISIONS IN THE DRAFT BILL	OUR PROPOSAL	JUSTIFICATION FOR CHANGE, IF ANY
PART I- PRELIMINARY	Interpretation	5.2 "Agricultural producer" means a producer or processor, of agricultural animal product and includes any marketing organization acting on crop or behalf of the producers	Amend to read "Agricultural producer" means a producer or processor, of agricultural animal product and crops.	Crops are not covered on the first part of the interpretation.
PART II- ADMINISTRATION AND MANAGEMENT OF CESS	5.5 Payment of Cess	5.5(1) The Cess imposed under this Act shall be payable by the agricultural producer to the county government through the processing plant at the time when the plant takes delivery of the produce or product of the produce.	Alternative Cess remittance schedules should be provided for.	Some sugar millers would prefer quarterly remittances rather than monthly as a more practicable approach.
	Payment of Cess	5.5(4) The County Government may deploy inspectors to processing plants and barriers to ensure compliance with provisions of this Act.	The inspector's role is a duplication of what exists in other regulatory regimes like KRA.	Our view of how the establishments work do not find evidence that the proposed inspection framework shall facilitate the work of the sector, but rather that it shall slow down

SECTION OF THE BILL	SUB-HEADING OF THE BILL	PROVISIONS IN THE DRAFT BILL	OUR PROPOSAL	JUSTIFICATION
	Payment of Cess	S.5(6) Any processing plant which fails to comply with the provisions of sub-section (3) commits an offence and shall be liable on conviction to a fine not exceeding one million shillings.	A fine of not more than 500,000/= should be okay, and after a reasonable evaluation on the circumstances leading to the delay.	The Kes.1,000,000/= fine is too high as Sugar millers may delay remittance due to circumstances beyond their control e.g. Influx of contraband sugar into the local market leading to low sugar sales.
		S.5(7) Notwithstanding the provisions of sub-section (6) the County Government may impose a penalty for late remittance of the Cess due and owing	The penalty should be scrapped.	The fine in S.5(6) is enough. A fine and another penalty is duplicity in regulations, trying to achieve the same result.
		5(8)The County government shall recover Cess remittable by the plant whether or not the plant collected the Cess from the agricultural producer and the Cess owing shall be a civil debt recoverable summarily.	Delete this provision.	This section is ambiguous and needs clarity because the miller only collects and remits Cess on sugarcane received.

SECTION OF THE BILL	SUB-HEADING OF THE BILL	PROVISIONS IN THE DRAFT BILL	OUR PROPOSAL	JUSTIFICATION
	Designated Points.	S.6(1) An authorized officer shall ensure that Collection of Cess on products originating from the County is collected at designated points.	Only electronic Cess payment into Cess fund account should be allowed.	This will address the issue of corruption at designated points.
	Utilization of Cess.	S.7(2) Without prejudice to the generality of the provisions of sub-section (1), the proceeds of the duty levied and collected under this Act may be utilized by the County Government for all or any of the following purposes.....	Cess funds should be utilized for the improvement, development and maintenance of infrastructure in crop growing areas only.	The funds should be allocated to each crop growing area on percentage based on the contribution to the cess fund. E.g Sugarcane growing areas to receive their allocation based on their cess contribution.
	Establishment of Cess Management Committee	S.8 The Kisumu County Agricultural Sector Consultation and Cooperation Mechanism Committee (KCASCOM) established pursuant to Section 5 of the Kisumu County Agricultural	Introduce a legislation to allow the formation of sugarcane Committee, known as sugar roads maintenance committees.	These Committees should be formed across all sugarcane growing areas.

PART(III)	Functions of the Committee. Obligations to keep records.	Sector Coordination Act, 2024 shall be the cess management Committee. S.9 Without prejudice to the functions of the Committee provided for in Section 6 of the Kisumu County Agricultural Sector Coordination Act, 2024, the Committee shall further promote scientific, technological, social and economic research and education relating to the management, administration and utilization of the Agricultural Produce Cess and shall-.....	The functions as listed under this section to be performed by the sugarcane roads maintenance committee. Electronic data records to be accepted.	Digital records are safer and sustainable than the books of accounts.
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ANNEX V



Response On The Proposed Private Member's Bill

October 2024

Concerns about the Kisumu County Cess Bill 2024:

Positive Aspects:

- Creation of a dedicated fund for cess revenue management shows commitment to transparent resource utilization
- Clear structure for ploughing back resources into community development
- Enhanced accountability in revenue administration

Key Concerns and Recommendations that the Member needs to consider:

1. Scope Expansion

- Current focus on agriculture is too narrow
- Need to include roads infrastructure
- Consider mining sector potential
- Broader scope would create more sustainable revenue streams

2. Inter-departmental Consultation

- Essential to consult Department of Roads for infrastructure planning
- Agriculture Department input needed for feasible implementation
- Current proposals may overstretch county resources, if we go by the current Cess collection
- Need for realistic alignment with actual collection capacity
 - a) Implementation Recommendations
 - Conduct thorough stakeholder consultations
 - Develop phased implementation approach
 - Create realistic collection targets
 - Establish clear coordination mechanisms between departments
 - Regular review of rates based on economic indicators

b) Sustainability Considerations

- Balance between revenue targets and local economic capacity
- Need for evidence-based rate setting
- Protection of small-scale traders and farmers
- Consideration of seasonal variations in trade volumes

On the establishment of the Director's office for Cess Management:

1. Directorate Establishment

- Creation of Director's office upon enactment
- Formal appointment process through CECM Finance
- Office to be physically located within designated department
- Clear reporting structure and hierarchy

2. Departmental Integration

- CECM Finance to determine appropriate department for office placement
- Decision based on operational efficiency and existing structures
- Integration with related departmental functions
- Clear communication channels with other departments

3. Director's Authority

- Defined scope of authority and responsibilities
- Direct reporting line to CECM Finance
- Oversight of cess collection and management
- Coordination with Cess Management Committee

4. Administrative Framework

- Establishment of supporting administrative structure
- Resource allocation for office operations
- Development of operational procedures
- Integration with existing county systems

5. Implementation Requirements

- Clear transition timeline
- Resource allocation for office setup
- Staff recruitment and training needs
- Systems and infrastructure requirements

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