COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Wednesday, 14th May, 2025

House met in the Main Chamber at 2: 30 p.m.

(The Speaker (Hon. Elisha Jack Oraro) in the Chair)

PRAYERS

The Speaker (Hon. Oraro): Clerk, please take us through the order of the day.

The Speaker (Hon. Oraro): Next order!!

MOTION

REPORT BY THE JOINT DEPARTMENTAL COMMITTEES ON AGRICULTURE, FISHERIES, LIVESTOCK, DEVELOPMENT AND IRRIGATION AND FINANCE AND ICT ON ITS CONSIDERATION OF THE KISUMU COUNTY CESS BILL, 2024.

(KISUMU COUNTY BILL NO. 4 OF 2024)

BY

HON. CAREN AJWANG', MCA, KALOLENI/SHAURIMOYO

(CHAIRPERSON, FINANCE AND ICT COMMITTEE)

The Speaker (Hon. Oraro): Honourable Caren Ajwang'.

Hon. Careen (MCA, Kaloleni Shaurimoyo): Thank you Honourable Speaker for this opportunity. Mr. Speaker and Honourable Members, this report presents the proceedings of the Joint Departmental Committees on Agriculture, Fisheries, Livestock, Development and Irrigation and that of Finance and ICT regarding the consideration of the Kisumu County Agricultural Access Bill 2024.

It is also referred as 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 Kisumu County Assembly. Consequently, the Bill was referred to the Joint Committees for consideration and subsequent review.

Mr. Speaker and Honourable 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 and Honourable 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.

Mr. Speaker and Honourable Members, 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 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 and Honourable 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.

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.

Mandate of the Joint Departmental 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 Mr. Speaker and Honourable Members, in executing its mandate, the Committee oversees the Department of Finance, Economic Planning and ICT.

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)

Committee Secretariat

The Joint Committee was facilitated by the following secretariat:

1. Mr. Omollo Isaac - Committee Clerk
2. Mr. Zablon Otiende - Assistant Director, Hansard Services
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

Committee Meetings

Mr. Speaker and Honourable 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.

Terms Of Reference By The Committee

Mr. Speaker and Honourable 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.

Background

Mr. Speaker and Honourable Members, 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.

Legislative Framework Underpinning the Preparation of the Bill
Mr. Speaker and Honourable 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).

OVERVIEW OF THE BILL

Mr. Speaker and Honourable 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.

PUBLIC PARTICIPATION AND STAKEHOLDERS ENGAGEMENT
Mr. Speaker and Honourable 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 local sugar factories—namely Muhoroni, Chemelil, and Kibos of the Committee have planned visits to engage and collect their views on the Cess Bill. Subsequently, the Committee held consultative meetings with Chemelil and Kibos Sugar Factories on 7th and 10th March 2025, respectively, at their boardrooms. However, the planned meeting with Muhoroni Sugar Factory did not take place, as the management indicated they were undergoing an audit review that required their full attention and participation.

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/Stakeholder's Engagements

a) 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.
b) 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.
c) 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.
d) Dissatisfaction was expressed regarding the current management of cess revenues, with claims of misappropriation hindering infrastructural development in crop-growing areas.
e) 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.

SUBMISSIONS BY CECM. FINANCE ECONOMIC PLANNING & ICT ON THE BILL

Mr. Speaker and Honourable 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

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

2. Inter-Departmental Consultation

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

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

1. Directorate Establishment

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

2. Departmental Integration

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

3. Director's Authority

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

4 Administrative Frameworks

i. Establishment of supporting administrative structures
ii. Resource allocation for office operations
iii. Development of Operational Procedures
iv. Integration with Existing County Systems

5 Implementation Requirements

i. Clear transition timeline
ii. Resource allocation for office set up
iii. Staff recruitment and training needs
iv. System and Infrastructure requirements

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

Mr. Speaker and Honourable 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:

i. Address legal and definitional gaps,

ii. Enhance transparency and fairness in cess enforcement,

iii. Ensure targeted and accountable utilization of cess proceeds,

iv. Professionalize the revenue inspectorate system,

v. 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

Committee Recommendations

Mr. Speaker and Honourable 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.

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.

Ensure that the recommendations contained herein are made part of the Bill for enactment. Mr. Speaker, and Honourable Members, I therefore move the motion and call upon Honourable Benny Oiko Pete to second. Thank you.

(Hon. Oiko bowed)

The Speaker (Hon. Oraro): Honourable Members, now that the motion adoption of the report of the Joint Departmental Committees of Finance and ICT and Agriculture, Fisheries, Livestock Development, and Irrigation on the Kisumu County Cess Bill, 2024 have been moved, seconded, I propose a question. And I propose that the motion adoption of the report of the Joint Departmental Committees of Finance and ICT and that of Agriculture, Fisheries, and Livestock Development and Aggregation on the Kisumu County Cess Bill, 2024 is open for debate.

The Speaker (Hon. Oraro): Yes, Honourable Zachary Okoyo.

Hon. Okoyo (MCA, Central Kisumu): Thank you Mr. Speaker. Foremost, I wanted to pick something from the mover before I contribute. So, please allow me to just pick a document from the mover of the motion, before I contribute.

The Speaker (Hon. Oraro): Honourable Pamela Oyoo.

Hon. Oyoo (MCA, Migosi): Thank you Mr. Speaker. I support the report on the Bill that has been just read. Mr. Speaker, I'm a member of the Departmental Committee on Agriculture, Fisheries, Livestock Development, and Irrigation, and I was part of the report writing on the Public Participation exercise. I want to congratulate the Bill, the sponsor of the Bill, Honourable Regina Kizito, for bringing this Bill.

Mr., Speaker, I want to say it is an important Bill for us, for this county, because it is going to increase our own source revenue. Now, I don't know, I'm hearing our sugar belts have been privatized. So, I don't know whether the Bill is still viable, will it still help us, how much is it going to help the national government or the private investors.

Mr. Speaker, I want to state that, it is an important Bill because it was going to open the sugar belt areas. Through the Cess, they were going to use the money to improve infrastructure, for the well-being of the sugar belt region. And I want to say the Bill was brought in the right time. The Bill is going to give us more revenue and it will add value to this county. I want to support. Thank you.

The Speaker (Hon. Oraro): Honourable Vitalis K'Omudho.

Hon. K'Omudho (MCA, Muhoroni Koru): Many thanks Honourable Speaker. The Honourable colleagues in the House. This afternoon, I'm privileged to contribute to this very noble report by the Joint Departmental Committees towards the elaboration of the public participation on the Kisumu County Cess Bill, 2024. Honourable Speaker, together with the Members, I am the really a victim and the real casualty of whatever is going on. And any of my colleagues coming from the sugar belt areas; I will inform you that the process here would have been done a number of years ago.

However, let's get to thank the almighty God for the time that it is coming up. I have also had the expressions of my colleague, uh, inquiring on the possibilities of what is currently going on. I want to believe that whatever could be taking place, Honourable Speaker is all to do with the listing process and neither has it anything to do with the relocation of the, those institutions or those factories.

And therefore I want to believe that the process shall continue uninterrupted. It is very true that for a very long time, the, the factories coming from the areas that well represent specifically a Muhoroni, Chemelil and Kibos Sugar Companies and all others that come from the sugar belt areas have been tremendously contributing to the economy of the Country Government of Kisumu, but little is there to be shown. Honourable Speaker, this issue has made a life for some of us and especially I included.

Mr. Speaker, I am talking about myself in as a person coming from Muhoroni down there. It has become almost impossible for me even to make a stop within the town center of Muhoroni. The roads there are terrible. The roads in Muhoroni are pathetic. The situation, the road network in Muhoroni is terrible. Honourable Speaker, if you had asked me, this issue, this bill would have been passed like yesterday.

I, therefore, thank the community, I mean the House Committees involved, that they get to expedite the process so that the matter herein could get the attention and probably we may see some two or three months before my exit in my first term, of course, I'll be coming back by four, uh, years. It would be some good exit as the repair of road infrastructure takes place. As we stand here, Honorable Speaker, I would sincerely inform you that even the MUSCO themselves are now facing the new management; I am talking specifically about the MUSCO in my area, together with the other organizations like the Agrochemicals and even the Homalime.

Mr. Speaker, I have tried on a number of occasions to approach these firms to assist me with the repairs of poor road network in my ward. And I will inform you that I am facing a lot of hostilities from the heads of those organizations.

Mr., Speaker, just the other day, I had a conversation with the Managing Director of Homalime Company, Mr. Stephen Brooks, and you would have listened to the conversation. It was not one of those interesting ones. They have ended up losing that organization because they say the economy is too bad, and I should be the last person to talk to them about anything to do with the poor road network as they pay a lot of money in terms of Cess to the County. My efforts took me again to MUSCO itself, and they informed me, you people are always here collecting money about the Cess thing. Therefore, you must be somebody who is totally ignorant to come and talk about the poor road network here. My other journey took me to West Valley.

And remember, Honourable Speaker, when I speak about West Valley, I am talking out of the boundaries. West Valley is not even in Muhoroni Koru Ward. West Valley is in Kericho County.

Well, thanks to the Almighty God, I heard from somewhere that they are now coming in, and probably they will land in, and of course, they will also reason that we give the cess amount to the Country Government.

Honourable Speaker, together with my fellow colleagues, it is too unfair. It is very unfair when you take some milk from some mother, a breastfeeding mother, and you do not feed their baby. You take it to go and feed some other babies somewhere, some ugly babies somewhere that we do not know about. Please feed the baby of that particular mother. Muhoroni has been producing sugar. They get the Cess revenues being deducted from the produce, but they get little to nothing out of it. Honourable Speaker, it is my sincere prayer, and as a strong Catholic, I am going to pray this evening again as well. I prayed in the morning. I am praying now. I will pray in the evening that this Bill goes through and we see the light at the end of the tunnel. Many thanks, Honourable Speaker, and my fellow colleagues.

The Speaker (Hon. Oraro): Honourable Nyaoke.

Hon. Nyaoke (MCA, North Nyakach): Thank you Mr. Speaker. Mr. Speaker, I want to first thank the two House Committees who have come up with a very credible report that I foresee is going to help us going forward.

Mr. Speaker, I am happy because this report is coming at a time that in North Nyakach we have also started developing farms that are soon producing sugar cane in due course. Mr. Speaker, it is true that the existing legal framework that pertains to the Cess Collection in this County has been lacking clear guidelines as far as utilization and management of cess funds is supposed to be done. Mr. Speaker, it has been in such a way that the collection of Cess whether collected from Muhoroni or Chemelil or any other sugar company, is taken to the County Revenue Fund account. That requires just arbitrary appropriation to be put into use.

So, in as much as you see the infrastructure from those sugarcane growing areas is getting deteriorated, then there is very little that we can do even though Cess is being remitted to the county coffers. Mr. Speaker, this report is now giving us a lot of hope because the amendments, if you look at certain amendments that they have put inside, is actually going to give meat to the Kisumu County Cess Bill 2024 to make it much friendlier and more professional in the way that we are going to be working on this area of cess collection and utilization. Mr. Speaker, it is true that from the report, the intention of the amendments as it is being brought seeks to address legal and definitional gaps that sometimes you might also require going forward that we are supposed to be very much clear, particularly in the collection of cess.

Mr. Speaker, it will also enhance transparency and fairness in Cess Enforcement. Mr. Speaker, this is practical as has been elaborated by my brother, Honourable K'Omudho. You find that

even the different sugar companies, complain as an individual that you see we are collecting more, the other companies are maybe collecting less, we collect more cess and nothing is being done on our roads. Mr. Speaker, this Bill that we are talking about is going to address such unfairness going forward. In addition, something that we have seen is the unprofessionalism of Revenue Inspectorate. This Bill, as it is going to see the light, the way I am seeing is that it is going to introduce professionalism in the inspectorate that we are going to be using for cess collections. These are people that must be properly trained/capacity built; they must be people that are able to correlate well with the factory owners plus the people who are using those particular infrastructures in those regions.

Mr. Speaker, something of interest is when I read in the same report the amendment to Clause 10. Now, part of that amendment is seeking to put the fund to its exclusive use for the purposes intended in the act and that no transfer shall be made to other accounts or programmes without the approval of the County Assembly. Mr. Speaker, this is also going to make us know exactly the amount of Cess that has been collected and should be used for intended purposes that this cess was collected. We do not just collect Cess, we get the report, we have gotten this much, but when it comes to the use, then they are used for something else or maybe used to build certain ECDs in areas that do not even plant sugar cane or such kind of items.

Mr. Speaker, I therefore call upon my fellow Members that for us to bring a change and sanity to this supreme County of Kisumu let us support this report and hope to see the Bill come through. Thank you, Mr. Speaker. I beg to support.

The Speaker (Hon. Oraro): Yes, Honourable Benny Pete Oiko.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Mr. Speaker, I was helping Honourable Odari to adjust the microphone but I will follow him in the debate.

The Speaker (Hon. Oraro): Honourable members, I did not see him. Okay, he requested you to assist.

Hon. Oiko (MCA, Kabonyo- Kanyagwal): Yes, Mr. Speaker.

The Speaker (Hon. Oraro): I hope the member does not want to go with the microphone.

(*Laughter*)

The Speaker (Hon. Oraro): Yes, Honourable Odari.

Hon. Odari (MCA, Chemelil/Tamu): Thank you very much Mr. Speaker. I want to join my colleagues in supporting this Bill and most importantly, I have to appreciate Honourable Regina Kizito for thinking it wise to bring this Bill before us.

Mr. Speaker, it is true that the sugar belt areas where the sugar cane is being grown have really suffered. The roads infrastructure within our own sugar belt areas are very pathetic to an extent that you cannot even talk where people are or where there is a gathering. Mr. Speaker, I believe that the report is good and for the benefit of the people of sugar belt areas and it will transform the roads network within our areas. Mr. Speaker, my last point, I want to appreciate the Governor of Kisumu who was very passionate about the people of Muhoroni during his time in the National Assembly. He talked about the Cess and the feeder roads within our areas. But it is quite unfortunate, Mr. Speaker, that whatever he said during that time, he became the Governor of Kisumu, but the Governor never implemented them. I thought that the Governor was going to implement, but he failed to implement whatever he said during that time in the National Assembly. I can refer you; maybe somebody may stand on a Point of Order. If you look at Hansard No. 7, dated 7th August 2008,

Mr. Speaker, the Governor the talked about the Sugar Belt areas, the Cess and the feeder roads within the Sugar Belt areas. And he even encouraged Musikari Kombo, who was the Minister by then, to send the technical team to visit those areas and find out how they are. So I thought that when he becomes a governor, he will do the same by sending experts to the ground.

Mr. Speaker, I want to inform the Departmental Committees on Finance and ICT and Agriculture, Livestock Development and Fisheries that in Muhoroni, it is good you have visited Chemelil, I was there, and Kibos, but you forgot about West Valley and trans Nzoia, they are also collecting sugar cane within our areas. They may not cooperate, but I know they are cooperating. Thank you very much, Mr. Speaker.

The Speaker (Hon. Oraro): Honourable Oiko Pate.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Mr. Speaker, this is a public participation report on the Kisumu County Cess Bill that is going to help Kisumu county government to have an additional revenue stream to improve on their financial collection for the benefit of its people and it is important that this is a Private Members' Bill brought by a member of the county assembly to help the county government collect more funds. What a wonderful effort, Mr. Speaker.

Mr. Speaker, this matter of Cess bill has been a thorny issue in this government, and I hope with this Bill coming to an Act, we are going to cure the mischief that has been there. As has been echoed by Honourable K'Omudho that the factories claim they are making good money in the form of Cess, and when you go to the Department of Finance, they will say Cess is not being remitted. Mr. Speaker, this is not the first time this matter is being discussed in this House. It had

been discussed only that no one thought of coming up with a Bill. But now where we have reached, we are going to cure the disease.

Mr. Speaker, it is good that as the Cess Bill is now becoming an Act, the sugar factories have been leased to the private investors, and we know that the private investors are business-orientated people. And this will give the Kisumu County government more funding, and the infrastructures in the sugar belt will be improved.

Mr. Speaker, when you read the reports from the wards, there is a ward that is known as Masago-Nyangoma, where members of the public complained that there was no need for this Cess Bill because they know the money will not be forthcoming. But I hope with the enactment of this Bill, they will see the benefit of the effort put by their MCAs, because to some extent this was a collective effort of the MCAs for Muhoroni. And when you also look at this report, Mr. Speaker, members of the public were also asking that we should not end at the sugar, the sugar says we should go further to other crops that are being produced in Kisumu County, only that those other crops like watermelon, they are mentioning here, we have no factory manufacturing watermelon.

Mr. Speaker, this is a good step in the management of finances of Kisumu County, and as we move ahead, we hope it will be a good example when we see how useful the Cess from sugar cane is helping the sugar belt. We shall follow suit to other areas where there are other crops being produced. I beg to support the report, and I hope when it becomes an Act, Kisumu County Government and its people will benefit from the collection of this resource. Thank you.

The Speaker (Hon. Oraro): Honourable Warindu, Miwani Ward.

Hon. Warindu (MCA, Miwani): Thank you Mr. Speaker. Let me also add my voice on the report from the public participation concerning the Cess Bill.

Mr. Speaker, right from the onset, let me make it clear that it is not that the County Government of Kisumu has not been working on the roads from the sugar belt areas. It is only that the resources that have been there have been so limited to even cater for the feeder roads that were being maintained by the millers when the millers and the farmers were handling the Cess money. However, since the inception of the county government, when it started handling the Cess money, the feeder roads from the sugar belt areas were neglected and I want to believe that the reason as to why most of our people are on our neck is because we need to find out how Cess money is being utilized in our regions.

Mr. Speaker, I am happy that from the report almost 70% of what will be collected from the Cess money will be ploughed back to the sugar belt areas. And, I believe this is going to change the perception of our people that the county government is not working on our feeder roads.

Mr. Speaker and Honourable members, I want to believe that the grievances that have been made about the feeder roads, in funeral gatherings that we have been attending, will come to an end because of the idea that was initiated by Honourable Regina Kizito. Thank you so much, the initiator. And, I want to believe that we are going to see the fruits of this Kisumu County Cess Bill and all our feeder roads. Again, I want to believe that this will also encourage those who had left the sugar cane farming because of the poor roads to come back and start farming again. Thank you, Mr. Speaker. I support the report. Thank you.

The Speaker (Hon. Oraro): Honourable Ochele.

Hon. Ochele (MCA, East Kano/Wawidhi): Thank you Mr. Speaker. May I also echo my voice in support of the report on the Kisumu County Cess bill, 2024. Most of the report which contains the concerns, the input of our electorates, most of those who come from the sugar growing areas.

Mr. Speaker, before I proceed, let me take a special opportunity to echo one of us, a young lady, along a young legislature, who took it upon herself to ensure that sanity be brought into the Cess collection. And that is none other than my colleague, Honourable Regina Kizito, who saw it upon herself to be selfless, burned midnight oils, consulted widely, and came up with a very serious and elaborate draft, which I believe will form part of the first member-sponsored bill in this Third Assembly. I congratulate her very much, and may you continue working hard for the betterment of Kisumu County at large.

Mr. Speaker, I also come from a sugar-growing ward. Almost 40% of the land in my ward is covered by sugarcane, and 20% is covered by rice. And, that will mean that when Honourable K'Omudho is affected, I also share with him the grief and the pain of the bad and the depleted roads in these wards. Mr. Speaker, there is one thing which is worth noting, that most of these sugar-growing wards are very large in size. When it comes to road construction, it's important to understand that the minimum stretch of any meaningful road is rarely less than four kilometres. In fact, most road projects span between 4 to even 20 kilometres. Therefore, while we appreciate the support extended by the county government through the County Revenue Fund (CRF), it is evident that this assistance is not adequate, given the vast road networks that exist within our wards.

Mr. Speaker, I therefore appeal that the proposed Cess Fund should serve as a supplement to the CRF. This will help us achieve broader coverage and develop a more reasonable and effective road network in these areas.

Additionally, Mr. Speaker, as we consider the implementation structures of this initiative, we must be cautious with the formation of these committees. There is a tendency to propose

numerous committees—even down to the ward level or near specific factories—but this often results in significant administrative costs. These costs, in turn, eat into the available revenue, leaving only a small portion for actual development and tangible projects.

To that end, I strongly suggest that as we finalize this Bill, we aim for a lean committee structure with minimal allowances and streamlined supervision. This will ensure that the majority of the resources are directed towards impactful projects, not administrative overheads.

Mr. Speaker, there was also an initial consideration by some of us to consolidate the sugar Cess bill with other Cess related funds within the county. I believe this issue will be addressed moving forward. That said, there are other concerns from Members representing non-sugar-growing areas who feel this Bill may favour certain regions. However, Mr. Speaker, this concern lacks merit.

Even within Kisumu City today, meetings are held concerning certain revenue streams that many of us from outside the city are not privy to. These urban areas often benefit from donor-funded envelopes, and we do not complain—despite the fact that most city areas are already significantly developed. In contrast, rural sugar-growing regions have historically received minimal support. So, Mr. Speaker, allocating a small portion of revenue to benefit these rural areas should not be viewed as preferential treatment. It is an effort to balance development. Therefore, I fully support the bill.

Finally, I want to extend my sincere appreciation to the sponsor of this Bill, Honourable Regina Kizito, for this thoughtful initiative. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Honourable Ratib.

Hon. Ratib (MCA, Nyalenda "A"): Thank you very much Mr. Speaker. This Bill has indeed come at an opportune time. The idea of ploughing back revenue to benefit the community is commendable and a step in the right direction.

However, Mr. Speaker, I do have a small reservation regarding the use of Cess Funds for road maintenance. It is widely observed how sugarcane is transported across various regions. For example, sugarcane is moved from the Kano area all the way to Vihiga, and similarly, from Vihiga to Kibos and other destinations. Given this broad and shared transport network, there is need to be clear and well-defined guidance on which specific roads will be constructed, repaired, or maintained using these funds.

Mr. Speaker, I would also like to raise a broader concern. If we begin to earmark revenue streams—such as in this case, directing Sugar Cess Revenue solely for use in sugarcane-producing areas—we may inadvertently set a precedent that could pose financial challenges in

the future. For example, if we were to introduce a Bill stipulating that all revenue collected from Kibuye Market be ring-fenced, deposited into the CRF, and then redirected solely for development within Kibuye, we might find ourselves fragmenting county revenue to an extent that undermines overall fiscal planning and equity.

Ultimately, Mr. Speaker, while I support the spirit of the Bill, I believe we must exercise caution to ensure that in our quest for localized development, we do not compromise the broader financial integrity and sustainability of the County Revenue Fund. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Honourable Obonyo.

The Deputy Majority Whip (Hon. Obonyo, MCA, South West Kisumu): Thank you, Mr. Speaker. I wish to call upon the mover to reply.

The Speaker (Hon. Oraro): Honourable Carren.

Hon. Carren (MCA, Kaloleni Shaurimoyo): Thank you once more Honourable Speaker. I wish to sincerely thank all Honourable Members who have contributed to supported the debate on this report. This matter was committed to a Joint House Committees last year, and it has indeed been a long and rigorous journey.

Mr. Speaker and Honourable members, I would like to extend my appreciation to the members of the Joint Departmental Committees on Agriculture and Finance for their dedication and collaboration throughout the process. A special mention goes to Mr. Herman Moses, our legal advisor, whose input was instrumental in guiding us through this journey.

Honourable Speaker, I also take this opportunity to commend my colleague, Honourable Regina Kizito, for sponsoring this important Bill. Through her initiative, the Cess collected from sugarcane-producing areas can now be effectively reinvested into the maintenance and improvement of roads in those regions. Once again, I thank the House for its overwhelming support. With that, Mr. Speaker, I beg to reply.

The Speaker (Hon. Oraro): Honourable Carren, I thought you would reply. I saw Honourable Ratib was concerned about some issues. Maybe I thought you would reply.

Anyway, Honourable members, now that the motion, adoption of the report of the Joint Departmental Committees on Finance and ICT and Agriculture, Fisheries, Livestock Development and irrigation on the Kisumu County Cess Bill, 2024 have been moved, seconded, debated. I now want to put a question on the adoption of the same.

(Question put and agreed to)

The Speaker (Hon. Oraro): Honourable Members, the motion, adoption of the report of the Joint Departmental Committees on Finance and ICT and Agriculture, Fisheries, Livestock Development and irrigation on the Kisumu County Cess Bill, 2024 has been adopted today, Wednesday the 14th of May 2025 at 15:58 hours. I direct that the report be considered in forming of the next level of the Bill formulation process. Thank you.

The Speaker (Hon. Oraro): Next Order!

ADJOURNMENT

The Speaker (Hon. Oraro): Honourable Members, there being no any other business to transact, this House stands adjourned until tomorrow, Thursday, the 15th of May 2025 at 02.30pm.

(House rose at 04.01 p.m.)

Addendum

The Hansard Team

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