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*Paper laid by Chair, FBAC
8/8/19*

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

SECOND ASSEMBLY-THIRD SESSION

NBI CA. PLC. 2019 / (059)

8th August, 2019

PAPER LAID

Pursuant to Standing Order 191 (6), I beg to lay the following Paper on the Table of the Assembly, today Thursday 8th August, 2019.

18TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE NAIROBI CITY COUNTY REVENUE ADMINISTRATION BILL, 2019

(Chairperson, Select Committee on County Finance, Budget and Appropriations)

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COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – THIRD SESSION

**18TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,
BUDGET AND APPROPRIATIONS**

ON

THE NAIROBI CITY COUNTY REVENUE ADMINISTRATION BILL, 2019

AUGUST 2019

1.0. PREFACE

Mr. Speaker Sir, the need for Counties to continually explore avenues on how revenues can be enhanced to effectively finance devolved functions cannot be over-emphasized. The spirit of the Constitution was not only that functions were to be devolved for execution by Counties but that such functions assigned needed to come with commensurate amounts of resources to ensure they are efficiently executed at the second tier of governments. In this regard the Nairobi City County has been receiving substantial amounts from the exchequer as part of national share of revenue in addition to the conditional grants disbursed for specific earmarked expenditures. Since the inception of devolution, the County has been able to receive in excess of Kshs. 80billion as part of equitable share. Despite the fact that the amounts were constitutionally intended to be utilized for delivery of services outlined in the fourth schedule of the supreme law, the fiscal architecture of the County has meant that resources received are first spent on key non-discretionary expenditures like payment of salaries, provision of medical insurance for staff and settling various categories of debts owed to suppliers of goods and services.

Mr. Speaker Sir, from the foregoing it is noteworthy that for the County to deliver on the promises outlined in various planning documents there is need to revamp measures on collection of internal revenues. The provisions of Article 209 of the Constitution of Kenya 2010 grants County Government powers to impose property rates, entertainment taxes as well as charges for the services they provide. The power so granted remains a pipe dream if Counties cannot guarantee watertight mechanisms of ensuring that there is low cost expenditure in revenue collection, verifiable accountability systems and clarity in fiscal reporting. The proposed Nairobi City County Revenue Administration Bill is therefore meant to provide a framework for effective collection, receipt, assessment, administration and management of county revenue. To achieve this, the bill proposes among others an establishment of a County Revenue Authority and providing for enabling procedures. By establishing the Authority, the Bill seeks to promote efficiency, effectiveness, transparency and accountability in the County Revenue Administration.

The Bill was read for the first time on Thursday 2nd May 2019 and duly committed to the Select Committee on County Finance Budget and Appropriations. The Committee is established pursuant to the provisions of Standing Order 199 with a specific mandate which is to:

- a) *Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget;*
- b) *Discuss and review the estimates and make recommendations to the County Assembly;*
- c) *Examine the County Fiscal Strategy Paper presented to the County Assembly;*
- d) *Examine Bills related to the county budget, including Appropriations Bills; and*
- e) *Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlay*

Mr. Speaker Sir, during the scrutiny of the Bill, the comprised of the following 19 Members:

- | | |
|------------------------------------|--------------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. Patrick Karani, MCA | Vice- Chair |
| 3. Hon. Michael Ogada, MCA | |
| 4. Hon. Osman Adow, MCA | |
| 5. Hon. Daniel Ngengi, MCA | |
| 6. Hon. Anthony Ngaruiya, MCA | |
| 7. Hon. Kariuki Wanjiru, MCA | |
| 8. Hon. J.M Komu, MCA | |
| 9. Hon. Paul Ndungu, MCA | |
| 10. Hon. James Kariuki, MCA | |
| 11. Hon. Susan Makungu, MCA | |
| 12. Hon. Catherine Okoth, MCA | |
| 13. Hon. Emily Oduor, MCA | |
| 14. Hon. Paul Shilaho, MCA | |
| 15. Hon. Nancy Muthami, MCA | |
| 16. Hon. Elias Okumu, MCA | |
| 17. Hon. Nimo Hajji, MCA | |
| 18. Hon. Jane Muasya, MCA | |
| 19. Hon. Fredrick Okeyo, MCA | |

Mr. Speaker Sir, the review of the Revenue Administration marked the second time that the Select Committee charged with interrogating County finances has had to review a law meant to improve internal revenue collection. Last year the County reviewed all the existing laws

regarding revenues and make recommendations which were adopted through the Finance Bill 2018. The review focused on identifying the administrative challenges on revenue collection and proposed a number of stop gap measures to reduce pilferage and improve accountability. The proposed revenue administration law therefore aims to reinforce these measures and document long term solutions for the same.

Mr. Speaker Sir, in the course of the deliberations on the Nairobi City County Revenue Administration Bill, 2018 the Committee held sittings with Officers from the County Treasury led by the County Executive Committee Member for Finance who submitted the government position on the proposed law.

Mr. Speaker Sir, the Committee is sincerely grateful to: -

- a) Members of the public who honored their civic duty and took part in the public hearings on the Bill undertaken in Charter Hall on Monday 20th May 2019;
- b) Offices of the Clerk and the Speaker for the support received throughout this process;
- c) The County Treasury who appeared before the Finance Committee for the purposes of making submissions on the Bill;
- d) Stakeholders who submitted written memoranda on the Bill; and
- e) The County Assembly Legal Department and the Budget Office who continually provided guidance to the Committees on the Bill.

Mr. Speaker Sir

On behalf of the Committee it is my pleasant duty to table the Report of the Select Committee on Finance, Budget and Appropriations on the consideration of the Revenue Administration Bill, 2018.

I thank you.

Signed.....



Date.....

08/08/19.

Hon. Robert Mbatia, MCA

Chairperson: Finance, Budget and Appropriations Committee

2.0. SCRUTINY OF THE NAIROBI CITY COUNTY REVENUE ADMINISTRATION BILL, 2019

1. **Mr. Speaker Sir,** the Committee reviewed the Revenue Administration Bill together with the submissions from the County Executive Committee Member for Finance, the various stakeholders and members of the public and came up with the following proposals on the respective clauses of the Bill.

Mr. Speaker Sir,

2. Clause 4(1) of the Bill proposes to establish the Nairobi City County Revenue Authority, which shall be a Board of Management whose functions are contained in Clause 6(1) and it comprises of nine members as per clause 6(1). The Authority comprises of nine members; headed by non-executive Chairperson appointed by the Governor with the approval of the County Assembly, the chief officer, four other persons appointed by the CECM, County Revenue Administrator who shall be an *ex-officio* member and one member from a special interest group. The Committee noted that whereas there are national government institutions also interested in revenue collection in Counties the proposed law had not provided mechanism for this engagement. The Committee shall hence be proposing amendment to charge the Authority with the responsibility of providing the link between the County and such entities. Further the Committee wishes to ensure that the Board has no vacuum in the temporary absence of the Chairperson by providing for position of the Vice Chairperson. In general, the proposed amendments also aim to kill the ambiguity on Clause 12 and 13 of the Bill which appear to assign powers to both the Authority and the County Executive Committee Member on employment of revenue officers.
3. Clause 8(1) of the Bill proposes to establish the office of the County Revenue Administrator who shall be competitively recruited and appointed by the County Public Service Board whose role is contained under Clause 9(1). The bill proposes that there shall be a County Revenue Administrator who shall hold office for a period of five years and shall be eligible for re-appointment or further and final term of five years. The function of the Administrator shall include; be the Chief executive officer of the Authority, responsible for the day to day management of the authority, supervise the staff of the Authority and implementation of resolutions of the Authority. The

Committee deliberated on the position and noted that there is need to provide security of tenure for the office holder in addition to providing conducive terms of service. The Committee shall hence be proposing to have non-renewable contracts of six years for the office holders. Clause 8 (4) (b) refers to the removal of the County Revenue Administrator by the County Public Service Board upon recommendation of the Executive Committee Member. The Committee shall be proposing amendments to make it clear that the Board has the final authority on the removal or otherwise of the County Revenue Administrator. This is meant to ensure that the person holding such position is granted fair hearing before termination decisions are made. To guarantee independence of the Authority the Committee shall also be proposing amendments so that the County Revenue Administrator is appointed by the County Executive Committee Member upon the recommendation of the Board of the Authority instead of the County Public Service Board. This is meant to ensure that the Administrator has considerable level of accountability to the Authority through its Board.

4. Clause 10 provides that the Authority shall prepare reports and submit the same to the Board and the Executive Committee Member. The Committee notes that Board is an organ of the Authority hence the function of coming up with reports should be assigned to the County Revenue Administrator who may perform it through various departments established. Further, the provisions require that the reports be submitted to the County Executive Committee within fourteen days after receipt but fails to provide timelines within which the County Executive Committee should consider the same.
5. Clause 14 proposes that the authority shall register all revenue payers in the prescribed manner and each assigned a revenue identification number. The bill provides for preparation of records and information of revenue payers including their registration. The Committee noted that the Clause 14 (3) allows any Member of the public to access data on revenue person thereby going against basic principles on confidentiality of tax information. The Committee shall be proposing amendments to provide guidelines for access of private data. The Committee was also not convinced on the rationale for the law requiring individual taxpayers to keep records of payments. Further, the Committee believes that the unique identification number given to every revenue payer should be included on returns and correspondence with the Authority. The Committee shall also

be proposing to amend the proposed law to require declaration to the Authority by the revenue payer if they change their business name, address, place of business or nature of the taxable activity.

6. The Bill states the Authority shall, where appropriate, adopt such information technology as deemed necessary for the purposes of ensuring effective and efficient revenue administration. The Committee in its review of the Bill agreed that there is need provide mechanisms of audit of the revenue collection system to prevent and detect various forms of fraud and other accounting irregularities. In addition, since the systems may be run internally, therefore, there should be regulations for personnel access control to the revenue collection system.
7. On information sharing the bill only provides that a revenue payer, for purposes of determining liability, should provide the Authority with information as required. The Committee observed that Bill has not addressed reciprocal arrangements with the two levels of governments. In the course of execution of its mandate, the Authority may communicate or allow to be communicated information obtained under this Act or any related Act to; allow inspection of or access to any written statement furnished under this Act or any related Act by, relevant personnel employed by the Government of Kenya or Nairobi County Government where information and written statements obtained by such government are communicated or furnished on a reciprocal basis to the Authority, and if the information and written statements will not be used for any other purpose. Since the function of assessment of the revenues payable is expected to be domiciled in Sectors, the Committee shall be proposing amendments that allow the Authority to access information from the various sectors.
8. Clause 29 of the bill provides that all revenue collected by the Authority shall be paid into the County Revenue Fund. Clause 32 proposes that the Authority shall cause to be prepared budget estimates of the Authority for each financial year. On the financial provisions of the Authority the Committee noted that clause on funds of the Authority is contradicting as to whether the funds are acquired from the revenue estimated or actual revenue collected from the previous year. Further the law assigns the functions of preparing estimates to the Authority instead of the County Revenue Administrator who

would then table the same in the Board of the Authority for approval. Clause 32 has not provided whether the budget for the Authority would be subject to the County Assembly approval or whether the Authority budget calendar should tally with the County Budget. Further, the provision indicates that the sum provided in the estimates be submitted to the County Executive Committee Member for inclusion in the County Fiscal Strategy Paper at least ninety days before the end of the financial year. The Committee notes that the provisions of Section 117 of the PFM Act 2012 require that the CFSP be adopted by the County Assembly not later than 15th March each year making this kind of addition time barred. In this regard the Committee resolved that the annual estimates may hence be amalgamated with the estimates for the Finance Sector and subjected to County Assembly approval and voting through the annual appropriations act. To address all these gaps, the Committee shall be proposing amendments on the same.

9. Clause 37 of the bill allows revenue payers who wish to dispute a County revenue decision to lodge an objection with the County Revenue Administrator. The Clause also provides the process in which an objection decision is made. The provision is a salutary initiative that allows an appeal in the case that one is aggrieved by a decision made by the Authority. However, the clause limits objections to be decided only by the County Revenue Administrator. The Committee holds the view that decision made could be biased, therefore the bill could establish a Committee to listen to the objections or offenses committed by any person or in any case allow any party not contented with the determination of the County Revenue Administrator to seek court's intervention.
10. Clause 38 and 39 provides for offences and penalties. The Committee reviewed the penalties provides and concluded that since the offences herein being public finance related should have penalties and fines almost commensurate to those contained in the PFM Act 2012.
11. On the transitional provisions, the Committee noted that the Bill has not detailed transitional provisions for the officers currently performing the functions anticipated under the Bill, the exiting data on revenue collection and the contemporary technologies

12. The Committee has considered the amendments in addition to those that were submitted by the County Treasury, various stakeholders and members of the public and the same are part of the proposed amendments attached to the report.

3.0. SUMMARY OF CONSIDERATION OF THE NAIROBI CITY COUNTY REVENUE ADMINISTRATION BILL, 2019

13. The Committee deliberated on the Bill as follows: -





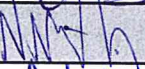

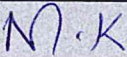





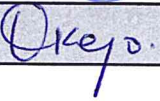
Long title	_____ Proposed amendment
Short title	_____ Agreed to
Clause 2	_____ Proposed amendment
Clause 3	_____ Agreed to
Clause 4	_____ Agreed to
Clause 5	_____ Proposed amendment
Clause 6	_____ Proposed amendment
Clause 7	_____ Agreed to
Clause 8	_____ Proposed amendment
Clause 9	_____ Proposed amendment
Clause 10	_____ Proposed amendment
Clause 11	_____ Agreed to
Clause 12	_____ Agreed to
Clause 13	_____ Proposed amendment
Clause 14	_____ Proposed amendment
Clause 15	_____ Proposed amendment
Clause 16	_____ Proposed amendment
Clause 17	_____ Agreed to
Clause 18	_____ Agreed to
Clause 19	_____ Proposed amendment
Clause 20	_____ Proposed amendment
Clause 21	_____ Agreed to
Clause 22	_____ Agreed to
Clause 23	_____ Agreed to
Clause 24	_____ Proposed amendment
Clause 25	_____ Agreed to

Clause 26	_____ Agreed to
Clause 27	_____ Agreed to
Clause 28	_____ Proposed amendment
Clause 29	_____ Agreed to
Clause 30	_____ Agreed to
Clause 31	_____ Agreed to
Clause 32	_____ Proposed amendment
Clause 33	_____ Agreed to
Clause 34	_____ Agreed to
Clause 35	_____ Proposed amendment
Clause 36	_____ Agreed to
Clause 37	_____ Proposed amendment
Clause 38	_____ Agreed to
Clause 39	_____ Agreed to
Clause 40	_____ Agreed to
Clause 41	_____ Proposed amendment
Clause 42	_____ Proposed amendment
Clause 43	_____ Agreed to
Clause 44	_____ Proposed amendment
New Sub Clauses	_____ 1A, 2A, 2B
New Paragraphs	_____ 10, 44

4.0. COMMITTEE STAGE AMENDMENTS

14. **Mr. Speaker Sir**, the Committee stage amendments have been attached to the report.

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Nairobi City County Revenue Administration Bill 2019 as adopted by the Committee on the 8th day of August 2019.

NAME	SIGNATURE
1. Hon. Robert Mbatia, MCA	
2. Hon. Patrick Karani, MCA	
3. Hon. Michael Ogada, MCA	
4. Hon. Osman Adow, MCA	
5. Hon. Daniel Ngengi, MCA	
6. Hon. Anthony Ngaruiya, MCA	
7. Hon. Kariuki Wanjiru, MCA	
8. Hon. J.M Komu, MCA	
9. Hon. Paul Ndungu, MCA	
10. Hon. James Kariuki, MCA	
11. Hon. Susan Makungu, MCA	
12. Hon. Catherine Okoth, MCA	
13. Hon. Emily Oduor, MCA	
14. Hon. Paul Shilaho, MCA	
15. Hon. Nancy Muthami, MCA	
16. Hon. Elias Okumu, MCA	
17. Hon. Nimo Haji, MCA	
18. Hon. Jane Muasya, MCA	
19. Hon. Fredrick Okeyo, MCA	

8th August, 2019

The Clerk
Nairobi City County Assembly
NAIROBI.

RE: COMMITTEE STAGE AMENDMENT REPORT TO THE NAIROBI CITY COUNTY
REVENUE ADMINISTRATION BILL, 2019

NOTICE is given that the Chairperson of the Select Committee on Finance, Budget and Appropriations intends to move the following amendments to the Nairobi City County Revenue Administration Bill, 2019, at the Committee Stage.

LONG TITLE

THAT the Long Title be amended by inserting the expression “and the County Revenue Authority” immediately after the word “Board”.

CLAUSE 2

THAT Clause 2 of the Bill be amended as follows:-

- (i) In the definition of the word “authorized officer” by deleting the words “to either collect revenue or”
- (ii) In the definition of the word “County Revenue Administrator” by deleting the numerical “7” and substituting therefor the numerical “8”.

CLAUSE 5

THAT Clause 5 of the Bill be amended as follows; -

- (i) In sub clause (1), by deleting paragraph (a) in its entirety.

- (i) In sub-clause (1) paragraph (g) by deleting the word “designing and” appearing immediately before the word “implementing”
- (ii) By inserting a new sub-clause immediately after sub-clause (l) as follows

NEW SUB-CLAUSE

“la” liasing and providing linkages with National Government entities dealing with Revenue collection in both the National and County Governments”

CLAUSE 6

THAT Clause 6 of the Bill be amended as follows; -

- (i) In sub clause (1) paragraph (c) by deleting paragraph (c) in its entirety and substituting therefor the following

“one representative from the Kenya National Chamber of Commerce and Industry, one representative from the Kenya Tax Payers Association, one representative from the Kenya Association of Manufacturers and one representative from the Law Society of Kenya who shall be nominated by the respective umbrella bodies.”
- (ii) By inserting the following new sub clauses immediately after sub clause 2 :-

NEW SUB-CLAUSE

“2 A” ‘a vice-chairperson of the Board shall be elected from amongst the members of the Board in their first meeting’

NEW SUB-CLAUSE

“2B” ‘members of the Board shall be paid such sitting allowances as shall be determined by the Salaries and Remuneration Commission’

CLAUSE 8

THAT Clause 8 of the Bill be amended as follows;

- (i) In sub-clause (1), by deleting sub clause (1) in its entirety and substituting therefor the following:-

“There shall be a County Revenue Administrator of the Authority who shall be appointed by the Executive Committee Member upon the recommendation of the Board on such terms and conditions as are specified in his instrument of appointment.”

- (ii) In sub-clause 3 by deleting sub clause 3 in its entirety and substituting therefor the following:-

“The County Revenue Administrator shall hold office for a non-renewable term of six years during which period, he shall have tenure of office”

- (iii) In sub clause 4 paragraph (a) by deleting the word **“Authority”** and substituting therefor the word **“Board”**.
- (iv) In sub clause 4 paragraph (b) by deleting the words **“County Public Service Board”** and substituting therefor the words **“Executive Committee Member”** and by deleting the words **“Executive Committee Member”** and substituting therefore the word **“Board”**

CLAUSE 9

THAT Clause 9 of the Bill be amended as follows: -

- (i) In sub clause (1) by inserting the following paragraph immediately after paragraph (a) as follows:-

“aa” “collecting, receiving and accounting for all revenue received on behalf of the County in accordance with the Public Finance Management Act;

CLAUSE 10

THAT Clause 10 of the Bill be amended as follows: -

- i. In sub-clause 1 by deleting the expression **“The Authority shall prepare and submit to the Board and the Executive Committee Member”** and substituting therefor the expression, **“The County Revenue Administrator shall prepare and submit to the Board, the County Treasury and the Executive Committee Member”**
- ii. In sub clause 1 by inserting a new paragraph immediately after paragraph (a) as follows:-

NEW PARAGRAPH

“aa” quarterly statements with copies to the National treasury and the Commission for Revenue Allocation

CLAUSE 13

THAT Clause 13 of the Bill be amended by deleting the numerical 157 and substituting therefor the numerical 158(1).

CLAUSE 14

THAT Clause 14 of the Bill be amended as follows: -

- (i) In sub clause (3) by deleting the expression, “which shall be available for inspection by any member of the public during office hours” in its entirety.

CLAUSE 15

THAT Clause 15 of the Bill be amended as follows:-

- (i) In sub clause (1) by deleting the word “shall” appearing before the word “keep” and substituting therefor the word “may”.
- (ii) In sub clause 2 by deleting the expression “books, Accounts and” and by deleting the word “shall” appearing immediately after the word “payer” and substituting therefor the word “may”.
- (iii) By deleting sub clause 3 in its entirety.

CLAUSE 16

THAT Clause 16 of the Bill be amended as follows:-

- (i) In sub clause 2 by inserting a new sub clause immediately after sub clause 2 as follows:-

NEW SUB CLAUSE

“2 A” The Authority shall institute mechanisms of audit of the revenue collection system may undergo to prevent and detect various forms of fraud and other accounting irregularities.

CLAUSE 19

THAT Clause 19 of the Bill be amended as follows:

- (i) In sub clause (2) by deleting the expression “Executive Committee Member” and substituting therefor the expression “County Revenue Administrator”

CLAUSE 20

THAT Clause 20 of the Bill be amended as follows:-

- (i) In sub clause (1) by deleting paragraph (b) in its entirety and substituting therefore the following:-

“Enforce the provisions of this Act”

- (ii) By deleting sub clause (2) in its entirety
- (iii) By deleting sub clause (3) in its entirety
- (iv) By deleting sub clause (4) in its entirety

CLAUSE 24

THAT Clause 24 of the Bill be amended as follows: -

- (i) In sub-clause 4 paragraph (b) by inserting the words “and set out the reasons thereof” immediately after the word “notification”

CLAUSE 28

THAT Clause 28 of the Bill be amended as follows: -

- (i) By inserting a new Clause immediately after Clause 28 as follows:-

Monitoring and Evaluation

“28 A ”(1)The Board shall establish a unit within the Authority to be known as the Monitoring and Evaluation Unit. .

(2) The Monitoring and Evaluation unit shall be composed of officers with technical knowledge on monitoring and evaluation systems.

(3) The Monitoring and Evaluation Unit shall perform the following functions on a quarterly basis –

(a) monitor and review the performance of the Authority in achieving targets set under Section 30(1) of this Act;

(b) adopt procedures for reporting on performance of the Authority and the staff members of the Authority;

(c) monitor, investigate and report to the County Revenue Administrator on the commission of any offences under this Act by any relevant person;

(d) evaluate the performance of any ongoing projects, programmes or policies of the Authority;

(e) disseminate monitoring and evaluation results to the Board and the County Revenue Administrator; and

(f) perform any other duties any other act for the proper performance of its functions under this Act.

CLAUSE 32

THAT Clause 32 of the Bill be amended as follows: -

- i. In sub clause (1) by inserting the words “which shall be approved by the County Assembly” immediately after the word “year”

CLAUSE 35

THAT Clause 35 of the Bill be amended as follows: -

- i. In paragraph (c) by deleting the word ‘previous’ and substituting therefor with the word ‘following’

CLAUSE 37

THAT Clause 37 of the Bill be amended by deleting the words “County Revenue Administrator” wherever it appears and substituting therefor the word “Board”

CLAUSE 41

THAT Clause 41 of the Bill be amended as follows: -

- (i) In sub clause (1) by deleting the word “sixty” and substituting therefor the word “one hundred and twenty”

CLAUSE 42

THAT Clause 42 of the Bill be amended by inserting the words “and participation” immediately after the word “education”

CLAUSE 44

THAT Clause 44 of the Bill be amended as follows:-

- (i) By inserting a new paragraph immediately after paragraph (e) as follows:-

NEW PARAGRAPH

“ea” personnel access control to the integrated revenue collection system.

MATRIX OF STAKEHOLDER COMMENTS AND FINAL COMMITTEE PROPOSED AMENDMENTS TO THE NAIROBI CITY COUNTY REVENUE ADMINISTRATION BILL, 2019 AND JUSTIFICATION

CLAUSE/SCHEDULE/SECTION	PROPOSED AMMENDMENTS BY STAKEHOLDERS	COMMENT ON AMENDMENT	PROPOSED COMMITTEE AMENDMENT	FINAL COMMITTEE AMENDMENT	JUSTIFICATION
Long Title	<p>Commission on Revenue Allocation</p> <p>The title needs to be amended as follows-</p> <p>i. Add and enforcement after the terms 'general administration'</p> <p>ii. Delete the phrase 'effective administration of revenue collected by the County government. Substitute County Revenue Board with Nairobi City County</p> <p>iii.</p>	For clarity to avoid repetition and for ease of understanding and to align with the PFMA		<p>Disagreed</p> <p>The Bill proposes to create the Board of Directors and the Revenue Authority.</p>	<p>The Bill proposes to create the Board of Directors and the Revenue Authority.</p>

	<p>Revenue Authority.</p> <p>Recommendation: there is need to redraft this long title.</p>			
<p>Clause 2 Interpretation</p>	<p>i. The definition of the term County Revenue Administrator</p> <p>Recommendation: this definition should be redrafted as it cross-references a wrong section Twch is on functions of the Board as opposed to an Office as it describes.</p> <p>ii. The definition of the term revenue.</p> <p>Recommendation: list property rates and entertainment taxes explicitly</p>	<p>i. For coherence</p> <p>ii. To align with article 209 (3) of the constitution.</p>	<p>— Agreed</p> <p>— Disagreed</p>	<p>— Typographical error that requires an amendment.</p> <p>— The definition of the word Revenue is all inclusive as it states clearly that the meaning of the word</p>

				includes any revenue that is payable to the County Government under any written law which includes the Constitution.
Clause 3	<p>i. This provision under paragraph (a), (b), (c) which relate to administration and accounting of revenue as well as inclusion of persons into tax bracket are in conflict with receiver of county revenues as per section 157 of the PFMA</p> <p>Recommendations: should be redrafted to focus only on effective revenue collection.</p>	To align with section 157 of the PFMA and make it concise.	— Disagreed	<p>— Section 157(2) explicit that a receiver of county government revenue is responsible to the County Executive Committee member for finance for ensuring that the revenue for which the receiver is responsible is collected and accounted for.</p>
Clause 4	The header for part two should read 'Establishment of the Nairobi City County Revenue Authority as	Revenue Administration is the role of the County receiver of revenue as per section 157 of the PFMA whereas the Authority ought to play a revenue collector role.	— Disagreed	<p>— Administration defined as the efficient organization of people and resources to achieve organizational objectives</p>

	opposed to revenue administration.			— This Part does not establish the Authority only. It also establishes the Board of Directors and the revenue officers.
Clause 5 Functions of the Authority	This clause is not in tandem with sections 157-160 of the PFMA. The Authority is the Collector of Revenue within the meaning of these sections	The authority should play a revenue collector role as per section 160 of the PFMA. Further administration and accounting on revenue is the role of the County receiver of revenue as per section 157 of the PFMA.	— Agreed.	— To delete paragraph (a) on the collection, administration and accounting for revenue which is a function of the County Receiver of Revenue. — This function should be moved to the functions of the County revenue Administrator under Clause 9 to align it with the provisions of Section 157(2) of the PFM Act.
Clause 8 County Revenue Administrator	Under section 157 of the PFMA the County receiver of revenue is a designate of the CECM Finance unlike in the provision where he is a	To align with the PFMA	— Agreed	— To amend Clause 8(1) to read as follows:- “There shall be a County Revenue

	<p>competitive role and an employee of the Authority.</p> <p>Recommendation: align with section 157</p>			<p>Administrator of the Authority who shall be appointed by the Executive Committee Member upon the recommendation of the Board on such terms and conditions as are specified in the instrument of appointment.</p>
<p>Clause 9</p> <p>Role of County Revenue Administrator</p>	<p>This clause is inconsistent with sections 157-160 of the PFMA</p> <p>Revenue administrator appears to be more powerful than the Authority.</p> <p>The revenue administrator is the CEO of the Authority and answerable to the CECM however the Authority supposed be an autonomous Board</p> <p>Recommendation: align the role of the Revenue</p>	<p>To align with PFMA</p>	<p>— Disagreed</p>	<p>— The County Revenue Administrator is the Chief Executive Officer and is tasked with running the day to day affairs of the Authority</p> <p>— Section 157 provides that the CECM Finance shall designate the receiver of revenue for the County Government therefore as much as the Authority autonomous, we cannot understate the powers of the CECM Finance to designate</p>

	administrator with sections 157 and 158.			the receiver of revenue who is the County Revenue Administrator in the Bill.
Clause 10	<p>Clause is ambiguous</p> <p>The board is the policy organ of the Authority so it's unclear who the Authority is expected to prepare and submit reports to.</p> <p>Recommendations: redraft</p>	For clarity	— Agreed	<p>— To redraft to read that the County Revenue Administrator shall prepare the Reports.</p> <p>— There is also need to amend this Section to align it with Section 158(3) of the PFM Act which provided that the receiver of revenue shall submit quarterly statements to the County treasury with copies to the National treasury and Commission for Revenue Allocation (CRA).</p>
Clause 13 Revenue Officers	There is need to relook this provision in the context of the authority being a collector of revenue within the meaning of section 160 of the PFMA.	To align with the PFMA	— Agreed	<p>— Section 158(1) of the PFM gives authority to the receiver of revenue to authorize certain</p>

	Additionally, the revenue officers referred to in the cross-referenced section 157 are county receivers of revenue yet clause 9 (2) also vest the County Revenue Administrator as county receiver of revenue and hence the need for uniformity with the PFMA to avoid confusion.			public officers to t collectors revenue. — Agreed to amend the clause by deleting the reference to Section 157 and replace with Section 158(1) of the PFM Act
Clause 15 Maintenance of records by revenue payer	Requirement in clause 15(1) for record keeping of documentation of revenue payer's liability to pay rates, taxes, fees or charges payable to the county government for a period of not less than five years after the completion of the transactions to which they relate is impartial.	To align with the PFMA	— Agreed.	— To amend the deleting the word Shall and substituting with the word May to make it optional for the revenue payer to maintain records.
Clause 19 Authorized Officers	This clause uses two different terms to refer to the same persona i.e. 'authorized officers'. Recommendation: it	To align with the PFMA	— Disagreed	— We have defined the word Authorized officer in the Interpretation

	will be preferable to use “enforcement officers” uniformly given part IV is on enforcement.			<p>section therefore there is no ambiguity on the meaning.</p> <p>— We can amend the definition of the word “Authorized officers by deleting the reference that Authorized officers can collect revenue.</p> <p>— The County Revenue Administrator implements the policies of the Authority</p> <p>— The omission was an oversight.</p>
	<p>Substitute any reference to “County revenue Administrator” with ‘Authority’</p> <p>Under sub clause 20 (4), qualify the ability for the fine and imprisonment that to be “upon conviction”</p>		<p>— Disagreed.</p> <p>— Agreed</p>	
Clause 20 Power of Authorized Officers	Ensure that the cross-referenced Act is in tandem with PFMA provisions on waivers and variations	To align with the PFMA	— Disagreed	— No cross reference to any Act under this Clause

	<p>This provision is archaic. Why rely on the interpretations of the Authority's CEO as opposed to the entity itself?</p> <p>Recommendation: recast provision</p>				
<p>Clause 36 Waivers and Variations</p>	<p>Ensure that the cross-referenced act is in tandem with the PFMA provisions on waivers and variations</p>	<p>The PFMA is the focal law on finance as per its section 6</p>		<p>— Cross reference Act is in tandem with PFMA.</p>	
<p>Clause 43 Practice directions</p>	<p>Reliance on interpretation of the Authority's CEO as opposed to the entity itself</p>	<p>To alleviate ambiguity</p>	<p>Disagreed</p>	<p>— The Revenue Administrator rules the operations of the Authority and therefore at the reference to the Authority is reference to his and vice versa.</p>	
<p>Clause 44 regulations</p>	<p>Delete reference to rules</p>	<p>CECM for finance proposes regulations not rules</p>	<p>— Disagreed.</p>	<p>— The CEC may make rules or regulations.</p>	

	Institute of Public Finance The Authority to monthly or quarterly publish collections	To track Budget performance	— Disagreed.	
	Health Budget Advocacy Some of the revenue collected should be retained for developing the areas where they are collected	For motivation of revenue collectors	— Agreed.	— One of the objectives of the Bill is to provide for spending revenue at source.
	Members Of Public Fines be clearly provided in the Act and be fair	To avoid extortion by collectors	— Disagreed.	— Already provided for.
	The County to ensure that the bill when passed is widely distributed	For the public to be aware	— Agreed	
	The bill to provide for easy and convenient means of payment.	Ensure that residents don't make wrong payments	— Agreed	— To be included in the regulations
	Any amendments to Money related matters	For the public to be aware	— Agreed	

	to be broadcasted and not only gazzeted				— To be included in the Regulations
	The bill to provide clear timelines for payment of penalties by business people.	To avoid extortion by collectors	— Agreed		
	The bill to provide for the performance of the administrator to be evaluated frequently and allow public views in appointments and evaluations	To implement the right of the public to participate in governance	— Disagreed		— The County revenue administrator's performance monitored by the Board and the County Assembly
	The bill to provide for fresh recruitments by the Authority to avoid retaining underperforming officers in revenue department.	To ensure accountability of the Authority	— Disagreed		— Already provided for in Clause 12 of the Bill.

	Suspension of the Authority be only through a tribunal advise to the Assembly and the quorum of the Board be entrenched in the law	To avoid interferences	— Disagreed	— Winding up of the Authority can only be done through an Act of parliament repealing this Act or by and order of the Court.
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