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MURANG'A COUNTY BILLS, 2022

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**THE MURANG'A REVENUE COLLECTION AND
MANAGEMENT BILL, 2022**

A Bill for

AN ACT of the County Assembly of Murang'a to guide, strengthen and support the establishment of an effective, efficient, transparent and accountable system for revenue collection in the County underpinning the principles of own source revenue in the Constitution of Kenya, 2010, the Public Finance Management Act and the County Governments Act, 2012

ENACTED by the County Assembly of Murang'a, as follows—

PART I—PRELIMINARY

Short title

1. This Act may be cited as the Murang'a County Revenue Collection and Management Act, 2022.

Interpretation

2. In this Act, unless the context otherwise requires—

“county executive member” means the County Executive Committee member in charge of Finance in Murang'a County;

“Integrated revenue management” means a linked revenue management system that will allow all revenue collection to be interlinked and accessible;

“unit” means the Revenue Collection and Management Unit under section 5 of this Act.

Object and purpose of the Act

3. The object and purpose of this Act is to provide for the—

- (a) establishment of an integrated revenue system;
- (b) automation of revenue system processes and adoption of modern technology to ensure sustainability and accountability;
- (c) development and expansion of a database for revenue collection and management;
- (d) sensitize on revenue collection and management;
- (e) development of an adequate and accessible revenue payment channels for ease of revenue collection; and
- (f) appointment of a revenue of a collection agent.

Underlying principles

4. In application of the provisions of this Act, the county shall be guided by the following principles pursuant to the Article 201 of the Constitution and the fiscal responsibility principles under Section 107 of Public Finance Management Act and any other written law —

- (a) equitable application of tariffs, levies, fees and charges;
- (b) proportional application of payment to usage for fairness;
- (c) tariffs, levies, fees and charges shall be reasonably commensurate to the services charged;
- (d) tariffs, levies, fees and charges shall facilitate the financial sustainability of the services; and
- (e) provisions shall be made through notices and regulations for the promotion of local economic development and subsidies offered to poor households.

PART II—REVENUE COLLECTION

County Revenue Collection and Management Unit

5. (1) The County Executive Committee Member shall ensure that there is a well-staffed and equipped unit in the public service that shall be in charge of revenue collection and management.

(2) The unit shall be overall in charge for the implementation of this Act and in particular, the provisions of Section 8.

County Revenue Database

6. (1) The county Revenue Collection and Management Unit shall create a database of all eligible revenue payers in the county and such database shall be premised on accuracy, completeness, data integrity and consistency.

(2) The database shall be used to clearly identify and map out the potential of the county's own resources.

(3) The county government shall identify systems to be used in the county for the purpose of revenue collection and management.

(4) The Unit shall continuously expand the database to allow the inclusion of new taxpayers.

(5) The revenue database shall be zoned to reflect the different revenue potential abilities in the county.

Personnel in the Revenue Collection and Management Unit

7. (1) The County Executive Committee Member shall appoint an officer who shall be in charge of the unit.

(2) The unit shall maintain all the records of revenue collection and management in the county.

(3) The County Executive Committee Member shall ensure continuous training and personnel development of the staff of the unit.

(4) The County Executive Committee Member shall ensure the deployment of adequate revenue collection and management officers.

(5) The County Executive Committee Member shall ensure necessary tools and equipment for adequate revenue collection and management.

(6) The County Executive Committee Member shall, in consultation with the County Executive Committee Member for employment and labour issue guidelines for the attraction and retainment of revenue collection and management officers.

Functions of the Revenue Collection and Management Unit

8. The Revenue Collection and Management Unit shall—

- (a) administer and enforce revenue laws and collect and account for all rates, taxes, fees and charges payable under any county law or national law to the county government;
- (b) advice the county government through the County Executive Committee Member all matters relating to the collection and management of county revenue;
- (c) keep detailed and update records of all county revenue streams that shall be contained in the integrated revenue management system;
- (d) establish and maintain a revenue register; and
- (e) perform such other duties as directed by the County Executive Committee Member.

Annual Reports

9. (1) The County Executive Committee Member shall prepare an annual report on the operation, collection and management of all revenue laws and the Revenue Collection and Management Department and shall table the report within 60 days of the end of each financial year.

(2) The to the County Assembly shall detail the projected revenues, revenue streams, own revenue potential and sectoral challenges revenue

collection and management gaps and proposals on revenue collection and management.

Sensitization Program

10. The County Executive Committee Member shall, in conjunction with the department engage the residents of the county in sensitization programs on revenue collection and management.

PART III —ESTABLISHMENT OF A REVENUE COLLECTION AND MANAGEMENT SYSTEM

Integrated Revenue Management

11. (1) The county shall establish an integrated Revenue Management system leveraging on modern technology and supported by reengineered processes, integrated payment systems and integrated third party data sources.

(2) The process shall be automated, predictable and shall be documented to ensure that there is no influence and interference.

(3) The system shall be integrated to other modules.

(4) The system shall include security procedures including but not limited to passwords.

(5) The system shall be customer oriented and suitable for general population use.

(6) The system shall not involve numerous interlined workflows to ensure ease of use and customer efficiency.

Revenue Collection Agent

12. (1) The County Executive Committee Member may enter into an agreement authorizing a person to collect rates, taxes, fees and charges payable under the county revenue laws on such terms as may be specified in the agreement.

(2) The agent appointed under 9 (1) shall be appointed in consultation with the County Assembly.

(3) The agent appointed under 9 (1) shall be published in the *Kenya Gazette*.

Partnerships

13. The County government shall enter into partnerships and memoranda of understanding with international, national and local entities for revenue collection and management in the county.

Dispute Resolution

14. The County shall encourage arbitration and mediation as the first instance of dispute resolution for residents aggrieved by the revenue collection and administration by the county.

PART IV—MISCELLANEOUS PROVISIONS**Risk Management**

15. (1) The County Executive Committee Member shall employ measures and mechanism to reduce the risks of loss of revenue collection and management.

(2) The County Executive Committee Member shall ensure mitigation measure internally and in the entire revenue collection and management processes to reduce the risk of loss in the collection and management of revenue.

Network Coverage

16. The County Executive Committee Member shall, in consultation with the relevant national public and private entities, ensure relevant network coverage in the county to aid in the automation of revenue collection.

Regulations

17. (1) The Executive Committee Member shall make Regulations for the better carrying into effect of any provisions of this Act.

(2) Without prejudice to the generality of subsection (1), regulations under this Act may provide for—

- (a) an integrated revenue Management system;
- (b) systems for revenue collection in the county; and
- (c) any other matter necessary for the implementation of this Act.

MEMORANDUM OF OBJECTS AND REASONS

This Bill of the County Assembly of Murang'a seeks to ensure economic and accurate revenue collection and management, underpinned on the constitutional principles of own revenue;

PART I of the Bill provides for preliminary matters including the short title, commencement and the interpretation of words and expressions used in the Bill and the objects and purpose of the Bill.

PART II of the Bill contains provisions for the underlying principles of revenue collection, the creation of taxpayer's database, human resources, a revenue collection and management database and sensitization programs.

PART III of the Bill contains provisions for establishment of a revenue collection and management system, and specifically, an integrated revenue Management system, a revenue collection agent and partnerships.

Part IV of the Bill contains miscellaneous provisions including risk management, network coverage and Regulations.

This Bill is a money Bill within the meaning of Section 21(4) of the County Governments Act, 2012. In contrast, the Bill is aimed at increasing the county's own revenue raising abilities.

The Bill does not contain provisions limiting the fundamental rights and freedoms set out under the Constitution.

JOHN RUOHO,
Chairperson, Finance and Economic Planning Committee.

