SPECIAL ISSUE

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REPUBLIC OF KENYA

BUSIA COUNTY GAZETTE SUPPLEMENT

BILLS, 2014

NAIROBI, 30th December, 2014

CONTENT

Bill for Introduction into the Busia County Assembly—

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THE BUSIA COUNTY REVOLVING FUND (AMENDMENT No. 2) BILL, 2014

A Bill for

AN ACT of the Busia County Assembly to amend the Busia County Assembly Revolving Fund Act, 2013 (herein "the Principal Act")

ENACTED by the County Assembly of Busia, as follows—

Short title and commencement.

1. This Act may be cited as The Busia County Assembly Revolving Fund (Amendment No. 2) Act, 2014 and shall come into force on the date of its publication in the *Kenya Gazette* and Busia County *Gazette*.

Amendment of section 2 of No. 6 of 2013.

2. Section 2 of the Principal Act is amended—

(i) by inserting the following new definition in its correct alphabetical position;

"staff" means a person for the time being employed by the County Assembly Service Board on permanent and pensionable terms.

(ii) in the definition of the word "applicant" by inserting the contiguous words "or staff" immediately after the word "Member".

Amendment of Section 3 of No. 6 of 2013.

3. Section 3 of the Principal Act is amended at subsection (2)—

(i) by inserting the contiguous words "and staff" immediately after the word "Members";

(ii) by inserting the contiguous words "on a reducing balance for the duration of the loan" immediately after the words "(three per centum). "

Insertion of a new section 3A in No. 6 of 2013.

4. The Principal Act is amended by inserting a new section 3A immediately after section 3 as follows:

Scope and Eligibility.

3A. (1) The scope of loans advanced under this Act shall cover Members of the County Assembly as well as the staff of the County Assembly employed on permanent and pensionable terms.

(2) The various thresholds of loans shown in the First Schedule to this Act, as may from time

to time be reviewed by the Salaries and Remuneration Commission shall apply for various cadres of staff.

Insertion of a new section 3B in No. 6 of 2013.

5. The Principal Act is amended by inserting a new section 3B immediately before section 4 as follows:

Financing and Implementation.

3B. (1) The County Assembly Service Board shall set aside necessary funds through the Budget process towards implementation of the Car and Mortgage loans under this Act.

(2) Financing may also be arranged through written agreements between the County Assembly Service Board and financial institutions or banks.

Insertion of a new section 5A in No. 6 of 2013.

6. The Principal Act is amended by inserting a new section 5A immediately after section 5 as follows:

Internal administration.

5A. (1) The County Assembly Service Board shall administer and manage the scheme internally.

(2) The administration of the scheme under this Act shall be audited in accordance with the relevant law relating to public audit.

Insertion of a new section 6A in No. 6 of 2013.

7. The Principal Act is amended by inserting a new section 6A immediately after section 6 as follows:

Duration and termination of staff loans scheme.

6A. (1) Every Car loan advanced to staff under this Act shall be repaid for a period not exceeding five years.

(2) Every Mortgage loan advanced to staff under this Act shall be repaid for a period not exceeding twenty years.

(3) Where a member of staff leaves the service of the County Assembly for a reason or on grounds other than misconduct the terms of the loan advanced to that employee shall remain in

force and shall not change for the life of the loan.

(4) Despite section 3(2) of this Act where a member of staff leaves the service of the County Assembly on ground of misconduct the interest rates applicable shall revert to the prevailing market rates with immediate effect.

(5) Despite subsections (1) and (2) of this section where a member of staff defaults repayment of a loan advanced to him or her under this Act that loan shall become recoverable as a civil debt in accordance with the debts (Summary Recovery) Act , Chapter 42 of the Laws of Kenya or any other relevant law.

Insertion of a new First Schedule in No. 6 of 2013.

8. The Principal Act is amended by inserting of a new First Schedule as follows:

FIRST SCHEDULE

(Section 3A (2))

Beneficiaries	*Car Loan*	*Mortgage Loan*
The Chief Executive Officer/ Clerk of the County Assembly.	Up to KSh. 5 Million	Up to KSh. 25 Million
Staff Civil Service Grades S,R,U or equivalent grades in the County Assembly Service.	Up to KSh. 4 Million	Up to KSh. 20 Million
Staff Civil Service Grades P,Q,R or equivalent grades in the County Assembly Service.	Up to KSh. 3Million	Up to KSh. 15 Million
Staff Civil Service Grades K, L, M, N or equivalent grades in the County Assembly Service.	Up to KSh. 1.5 Million	Up to KSh. 10 Million
Staff Civil Service Grades G, H, J or equivalent grades in the County Assembly Service.	Up to KSh. 800,000	Up to KSh. 6 Million
Staff Civil Service Grades A,B,C,D,E,F or equivalent grades in the County Assembly Service.	Up to KSh. 600,000	Up to KSh. 4 Million

MEMORANDUM OF OBJECTS AND REASONS

Statement of the Objects and Reasons for the Bill

The Bill seeks to re-amend sections 2 and 3 of the Act to include members of staff of the County Assembly among the beneficiaries of the Busia County Assembly Revolving Fund.

This is in implementation of the circular Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) which approves of the setting up of car and mortgage loan schemes for public servants of the Government of Kenya, the 47 County Governments and in particular the County Government of Busia who are employed on permanent and pensionable terms.

To this end the Bill seeks also to introduce into the Principal Act a number of new provisions to reinforce the management and administration of the scheme.

Statement On The Delegation Of Legislative Powers And Limitation Of Fundamental Rights And Freedoms

This Bill does not delegate legislative powers nor does it limit fundamental rights and freedoms.

Statement that the Bill is a Money Bill, within the meaning of section 21 of the County Governments Act, 2012.

This Bill is a money Bill within the meaning of section 21 of the County Governments Act, 2012.

Sections 2 of the Act (as earlier on amended) that the Bill proposes to amend-

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

"Applicant" means a member of the County Assembly of Busia;

Section 3(2) of the Act (as earlier on amended) that the Bill proposes to amend-

3. (2) The object and the purpose of the Fund shall be to provide funds to the Members of the County Assembly of Busia at low interest rates of 3per cent for acquisition of housing and motor vehicle loans.

PATRICK OMBO,
Chair Labour and Social Welfare Committee.