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REPUBLIC OF KENYA

PARLIAMENT

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SENATE BILLS  
(Bill No. 16 of 2023)

**THE COUNTY ALLOCATION OF REVENUE BILL, 2023**

(A Bill published in the Kenya *Gazette* Supplement No. 52 of 27<sup>th</sup> April, 2023 and passed by the Senate, with amendments, on 15<sup>th</sup> June, 2023.)



**THE COUNTY ALLOCATION OF REVENUE BILL, 2023**

**ARRANGEMENT OF CLAUSES**

*Clause*

- 1—Short title.
- 2—Interpretation.
- 3— Object.
- 4— Equitable allocation of county governments' share of revenue.
- 5— Budget ceilings for recurrent expenditure.
- 6— Funding of transferred functions
- 7— Report on actual transfers.
- 8— Books of accounts to reflect National Government transfers.
- 9— Financial misconduct.
- 10— Applicable revenue- sharing formula.

**FIRST SCHEDULE: ALLOCATION OF EACH COUNTY GOVERNMENTS' EQUITABLE SHARE OF REVENUE RAISED NATIONALLY, FINANCIAL YEAR 2023/2024.**

**SECOND SCHEDULE: COUNTY GOVERNMENT BUDGET CEILINGS OF RECURRENT EXPENDITURE IN FINANCIAL YEAR 2023/2024.**



**THE COUNTY ALLOCATION OF REVENUE BILL, 2023**

**A Bill for**

**AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2023/2024 financial year; the responsibilities of National and county governments pursuant to such allocation; and for connected purposes.**

**ENACTED** by Parliament of Kenya, as follows—

- Short title.                   **1.** This Act may be cited as the County Allocation of Revenue Act, 2023.
- Interpretation.               **2.** In this Act —
- “Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance; and
- “revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act.
- No.16 of 2011.
- Object.                         **3.** The object of this Act is to—
- (a) provide, pursuant to Article 218(1)(b) of the Constitution, for the allocation of an equitable share of revenue raised nationally among the county governments, in accordance with the resolution approved by Parliament under Article 217 of the Constitution for the financial year 2023/24; and
- (b) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.
- Equitable allocation of county governments’ share of revenue.               **4.** (1) Each county government’s equitable share of revenue raised nationally, on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution in respect of the financial year 2023/24 shall be as set out in Column H of the First Schedule.

*The County Allocation of Revenue Bill, 2023*

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No. 18 of 2012. (2) Each county government's allocation under subsection (1) shall be transferred to the respective County Revenue Fund in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act.

Budget ceilings for recurrent expenditure. 5. The budget ceilings for recurrent expenditure for county governments for the financial year 2023/2024 shall be as set out in the Second Schedule.

Funding of transferred functions. 6. (1) Where a county government has transferred functions to the National Government pursuant to Article 187 of the Constitution, the county executive in consultation with the National Government shall determine the cost of the transferred functions.

(2) The respective county assembly shall appropriate such monies as may be required for the transferred functions in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the county assembly in the preceding financial year.

(3) The monies appropriated under subsection (1), shall be transferred to the National Government.

(4) A National Government entity to which a county government function has been transferred shall submit a quarterly report to the Senate and the respective county assembly on the status of the discharge of the devolved function.

(5) The Auditor-General shall, no later than three months after the end of a financial year, prepare a special audit report on the financial and non-financial performance of an entity to which a county government function has been transferred.

(6) A report prepared under subsection (5) shall be submitted to the Senate and the respective county assembly.

Report on actual transfers. 7. The Cabinet Secretary shall publish a monthly report on actual transfers of all allocations to county governments.

Books of accounts to reflect National Government transfers. 8. (1) Each county treasury shall reflect all transfers by the National Government to the county governments in its books of accounts.

(2) The estimates of revenue of each county shall separately reflect the total equitable revenue share under section 4 of this Act transferred to the County Revenue Fund.

No. 18 of 2012.

(3) A county treasury shall, as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, report on actual transfers received by the county government from the National Government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury.

Financial  
misconduct.

No. 18 of 2012.

**9.** Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act.

Applicable  
revenue-sharing  
formula.

**10.** For the avoidance of doubt the allocation of the equitable share of revenue to county governments under section 4 of this Act shall be in accordance with the third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217(7) of the Constitution.

The County Allocation of Revenue Bill, 2023

FIRST SCHEDULE (s.4(1))

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in Financial Year 2023/24

S/No.	County	2022/2023		2023/2024					
		Total Equitable Share		0.5 (Allocation Ratio*)		(Equitable Share**0.5 Allocation Ratio) *(Formula***)		Grand Total Equitable Share	
		Allocation ratio	column D	Allocation ratio	Equitable Share	Allocation ratio	(Equitable Share**0.5 Allocation Ratio) *(Formula***)	Allocation ratio	Total Equitable Share
	column C	column E	column F	column G	column H	column I	column J = F+H		
1	Baringo	1.72	6,369,394,592	1.61	2,547,825,000	1.80	4,099,946,186	1.72	6,647,771,186
2	Bomet	1.81	6,691,099,118	1.74	2,753,550,000	1.86	4,224,374,070	1.81	6,977,924,070
3	Bungoma	2.88	10,659,435,192	2.81	4,446,825,000	2.93	6,665,158,608	2.88	11,111,983,608
4	Busia	1.94	7,172,162,009	1.9	3,006,750,000	1.97	4,468,835,295	1.94	7,475,585,295
5	Elgeyo/Marakwet	1.25	4,606,532,480	1.22	1,930,650,000	1.26	2,870,803,188	1.25	4,801,453,188
6	Embu	1.39	5,125,243,762	1.36	2,152,200,000	1.40	3,189,610,744	1.39	5,341,810,744
7	Garissa	2.14	7,927,212,254	2.22	3,513,150,000	2.08	4,735,598,101	2.14	8,248,748,101
8	Homa Bay	2.11	7,805,353,300	2.13	3,370,725,000	2.09	4,757,662,250	2.11	8,128,387,250
9	Isiolo	1.27	4,710,388,265	1.34	2,120,550,000	1.22	2,778,491,209	1.27	4,899,041,209
10	Kajiado	2.15	7,954,768,229	2.03	3,212,475,000	2.24	5,087,738,576	2.15	8,300,213,576
11	Kakamega	3.35	12,389,412,168	3.29	5,206,425,000	3.39	7,706,221,262	3.35	12,912,646,262
12	Kericho	1.74	6,430,664,924	1.7	2,690,250,000	1.77	4,012,879,925	1.74	6,703,129,925
13	Kiambu	3.17	11,717,525,720	2.98	4,715,850,000	3.31	7,511,702,449	3.17	12,227,552,449
14	Kilifi	3.15	11,641,592,941	3.3	5,222,250,000	3.03	6,886,950,498	3.14	12,109,200,498
15	Kirinyaga	1.40	5,196,177,952	1.34	2,120,550,000	1.45	3,299,667,528	1.41	5,420,217,528
16	Kisii	2.40	8,894,274,509	2.46	3,892,950,000	2.36	5,365,638,608	2.40	9,258,588,608
17	Kisumu	2.17	8,026,139,240	2.16	3,418,200,000	2.18	4,943,597,770	2.17	8,361,797,770
18	Kitui	2.81	10,393,970,413	2.79	4,415,175,000	2.82	6,414,311,936	2.81	10,829,486,936
19	Kwale	2.23	8,265,585,516	2.46	3,892,950,000	2.06	4,691,153,693	2.23	8,584,103,693
20	Laikipia	1.39	5,136,265,679	1.32	2,088,900,000	1.44	3,269,346,532	1.39	5,358,246,532
21	Lamu	0.84	3,105,649,643	0.82	1,297,650,000	0.85	1,939,700,707	0.84	3,237,350,707
22	Machakos	2.48	9,162,304,232	2.45	3,877,125,000	2.50	5,670,170,309	2.48	9,547,295,309
23	Makueni	2.20	8,132,783,562	2.34	3,703,050,000	2.09	4,752,410,962	2.19	8,455,460,962
24	Mandera	3.02	11,190,382,598	3.23	5,111,475,000	2.87	6,521,716,646	3.02	11,633,191,646

The County Allocation of Revenue Bill, 2023

S/No.	County	2022/2023		2023/2024				Grand Total	Equitable Share	
		Total Equitable Share		0.5 (Allocation Ratio*)		(Equitable Share**-.0.5 Allocation Ratio) *(Formula***)				
		Allocation ratio	column C	column D	column E	column F	Allocation ratio			column G
25	Marsabit	1.97	7,277,004,032	3,386,550,000	2.14	1.84	4,173,848,412	1.96	7,560,398,412	
26	Meru	2.57	9,493,857,338	4,019,550,000	2.54	2.59	5,873,075,172	2.57	9,892,625,172	
27	Migori	2.16	8,005,020,448	3,386,550,000	2.14	2.18	4,954,896,108	2.16	8,341,446,108	
28	Mombasa	2.05	7,567,354,061	3,528,975,000	2.23	1.91	4,332,548,820	2.04	7,861,523,820	
29	Murang'a	1.94	7,180,155,855	3,149,175,000	1.99	1.90	4,324,611,703	1.94	7,473,786,703	
30	Nairobi	5.20	19,249,677,414	7,959,975,000	5.03	5.33	12,112,084,115	5.21	20,072,059,115	
31	Nakuru	3.52	13,026,116,323	5,238,075,000	3.31	3.68	8,355,349,693	3.53	13,593,424,693	
32	Nandi	1.89	6,990,869,041	2,674,425,000	1.69	2.04	4,630,869,033	1.90	7,305,294,033	
33	Narok	2.39	8,844,789,456	4,019,550,000	2.54	2.28	5,176,726,899	2.39	9,196,276,899	
34	Nyamira	1.39	5,135,340,036	2,405,400,000	1.52	1.29	2,928,798,486	1.38	5,334,198,486	
35	Nyandarua	1.53	5,670,444,228	2,437,050,000	1.54	1.53	3,468,926,056	1.53	5,905,976,056	
36	Nyeri	1.68	6,228,728,555	2,706,075,000	1.71	1.66	3,779,256,051	1.68	6,485,331,051	
37	Samburu	1.45	5,371,346,037	2,310,450,000	1.46	1.45	3,283,862,489	1.45	5,594,312,489	
38	Siaya	1.88	6,966,507,531	2,895,975,000	1.83	1.92	4,367,044,462	1.88	7,263,019,462	
39	Taita/Taveta	1.31	4,842,174,698	2,120,550,000	1.34	1.29	2,919,877,430	1.31	5,040,427,430	
40	Tana River	1.76	6,528,408,765	2,927,625,000	1.85	1.70	3,863,077,542	1.76	6,790,702,542	
41	Tharaka-Nithi	1.14	4,214,198,593	1,962,300,000	1.24	1.06	2,415,934,821	1.14	4,378,234,821	
42	Trans Nzoia	1.94	7,186,157,670	2,880,150,000	1.82	2.03	4,619,672,440	1.95	7,499,822,440	
43	Turkana	3.41	12,609,305,994	5,269,725,000	3.33	3.47	7,874,221,933	3.41	13,143,946,933	
44	Uasin Gishu	2.18	8,068,858,318	3,165,000,000	2	2.32	5,261,072,635	2.19	8,426,072,635	
45	Vihiga	1.37	5,067,356,827	2,326,275,000	1.47	1.29	2,940,751,885	1.37	5,267,026,885	
46	Wajir	2.56	9,474,726,151	4,272,750,000	2.7	2.46	5,580,906,422	2.56	9,853,656,422	
47	West Pokot	1.70	6,297,284,329	2,500,350,000	1.58	1.79	4,073,516,403	1.71	6,573,866,403	
	<b>Total</b>	<b>100</b>	<b>370,000,000,000</b>	<b>158,250,000,000</b>	<b>100</b>	<b>100</b>	<b>227,174,616,067</b>	<b>100</b>	<b>385,424,616,067</b>	

\* This refers to the Shareable Revenue allocated to counties in the financial year 2019/20 of Ksh. 316.5 billion. Thus, the allocation to county governments under this component is one half of the equitable share allocated to county governments in FY 2019/20 amounting to Ksh. 158.25 billion.

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S/No.	County	2022/2023		2023/2024				Grand Total	Equitable Share
		Allocation ratio	Total Equitable Share	0.5 (Allocation Ratio*)		(Equitable Share** - 0.5 Allocation Ratio) *(Formula***)	Allocation ratio		
				Allocation ratio	Equitable Share				
	column C	column D	column E	column F	column G	column H	column I	column J = F+H	

\*\* This is the equitable share of revenues raised nationally allocated to county governments in FY 2023/24 amounting to Ksh. 385.425 billion. Once you net out one half of the amounts of Allocation Ratio or Ksh. 158.25 billion from the Equitable share of Ksh. 385.425 billion, the resulting balance of Ksh. 227.174 billion shall be allocated among county governments using the Formula.

\*\*\* Formula =  $0.18 * \text{Population Index} + 0.17 * \text{Health Index} + 0.10 * \text{Agriculture Index} + 0.05 * \text{Urban Index} + 0.14 * \text{Poverty Index} + 0.08 * \text{Land Area Index} + 0.08 * \text{Roads Index} + 0.20 * \text{Basic Share Index}$



**SECOND SCHEDULE**

(s.5)

<b>County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2023/2024 (Figures in Kenya Shillings)</b>					
<b>No.</b>	<b>County</b>	<b>County Assembly Ceilings</b>		<b>County Executive Ceilings</b>	
		<b>2022/2023</b>	<b>2023/2024</b>	<b>2022/2023</b>	<b>2023/2024</b>
1	Baringo	712,229,059	828,250,102	607,049,529	628,507,168
2	Bomet	621,143,848	826,903,256	588,023,141	525,981,274
3	Bungoma	873,284,854	1,030,966,304	664,128,690	593,145,551
4	Busia	765,019,229	890,557,352	626,075,916	565,353,297
5	Elgeyo/Marakwet	592,408,337	688,567,522	568,996,754	540,143,817
6	Embu	594,786,279	655,164,072	568,996,754	470,665,205
7	Garissa	815,801,264	928,822,377	607,049,529	517,163,240
8	Homa Bay	872,842,726	951,617,005	645,102,303	612,652,603
9	Isiolo	451,013,358	539,314,722	492,255,576	384,717,582
10	Kajiado	699,076,887	836,365,718	562,230,871	543,625,285
11	Kakamega	1,097,653,117	1,400,821,103	721,207,850	702,976,417
12	Kericho	708,995,621	828,466,755	607,049,529	574,171,331
13	Kiambu	1,114,698,533	1,352,347,776	721,207,850	689,615,145
14	Kilifi	779,167,171	942,241,093	626,075,916	552,882,777
15	Kirinyaga	582,922,761	673,319,674	556,100,619	463,453,685
16	Kisii	940,958,856	1,112,890,743	664,128,690	635,010,868
17	Kisumu	718,886,210	827,121,358	626,075,916	548,429,020
18	Kitui	862,047,458	1,042,409,957	645,102,303	787,239,883
19	Kwale	617,790,583	667,712,409	568,996,754	436,816,651
20	Laikipia	467,754,457	545,809,049	524,178,098	429,430,142
21	Lamu	419,261,939	493,148,394	492,255,576	349,978,277
22	Machakos	865,126,181	1,021,331,660	645,102,303	618,887,863
23	Makueni	729,754,316	882,052,960	607,049,529	597,330,868
24	Mandera	864,090,152	983,911,204	616,986,522	537,192,934
25	Marsabit	678,317,733	714,092,325	568,996,754	477,791,217
26	Meru	938,478,295	1,105,946,626	664,128,690	802,472,137
27	Migori	857,185,385	1,003,508,709	645,102,303	609,089,597
28	Mombasa	674,783,021	837,169,783	607,049,529	414,726,825
29	Murang'a	753,378,653	830,709,033	626,075,916	633,050,405
30	Nairobi City	1,446,962,393	1,924,120,608	816,339,786	640,180,465
31	Nakuru	1,006,312,104	1,160,413,432	702,181,463	703,777,688
32	Nandi	666,771,490	796,999,461	607,049,529	647,212,948
33	Narok	734,655,062	911,202,495	607,049,529	545,667,285

*The County Allocation of Revenue Bill, 2023*

<b>County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2023/2024 (Figures in Kenya Shillings)</b>					
<b>No.</b>	<b>County</b>	<b>County Assembly Ceilings</b>		<b>County Executive Ceilings</b>	
		<b>2022/2023</b>	<b>2023/2024</b>	<b>2022/2023</b>	<b>2023/2024</b>
34	Nyamira	610,515,511	746,578,493	568,996,754	458,194,685
35	Nyandarua	651,697,338	770,438,804	588,023,141	533,107,285
36	Nyeri	692,693,761	776,126,610	607,049,529	605,347,631
37	Samburu	517,964,444	593,254,286	533,708,983	482,789,720
38	Siaya	683,152,880	775,678,151	607,049,529	540,322,777
39	Taita/Taveta	620,545,692	681,840,554	568,996,754	439,488,905
40	Tana River	582,990,790	677,653,973	537,074,233	436,641,663
41	Tharaka -Nithi	434,745,770	517,563,626	524,178,098	445,463,668
42	Trans Nzoia	643,357,859	685,259,476	588,023,141	427,107,865
43	Turkana	818,680,328	966,834,859	607,049,529	526,961,505
44	Uasin Gishu	703,027,730	796,524,510	607,049,529	474,407,171
45	Vihiga	637,128,800	714,071,318	588,023,141	487,678,963
46	Wajir	853,371,986	992,922,326	597,112,535	599,569,960
47	West Pokot	603,044,748	683,634,469	568,996,754	589,135,145
	<b>Total</b>	<b>34,576,474,969</b>	<b>40,612,656,492</b>	<b>28,486,731,667</b>	<b>25,825,556,396</b>

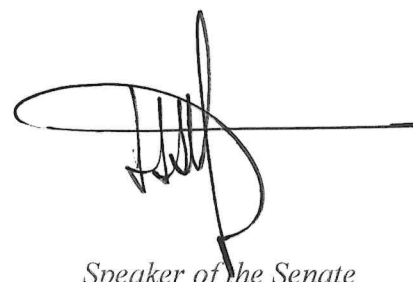
*The County Allocation of Revenue Bill, 2023*

I certify that this printed impression is a true copy of the Bill as passed by the Senate on Thursday, 15<sup>th</sup> June, 2023.



*Clerk of the Senate*

Endorsed for presentation to the National Assembly in accordance with the provisions of standing order 161 of the Senate Standing Orders.



*Speaker of the Senate*

10/10/03

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