



COUNTY GOVERNMENT OF NAKURU

THE NAKURU COUNTY AGRICULTURAL PRODUCE CESS BILL, 2026

MAY 2026

**THE NAKURU COUNTY AGRICULTURAL PRODUCE CESS BILL,
2026**

A BILL of the County Assembly of Nakuru County to provide for the imposition of CESS on agricultural produce within the County and for connected purposes.

ENACTED by the County Assembly of Nakuru County as follows –

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PART I
PRELIMINARY

Short title and Commencement	<p>1. This Act may be cited as the <i>Nakuru County Agricultural Produce Cess Act, 2026</i> and shall come into operation upon publication.</p>
Interpretation	<p>2. In this Act, unless the context otherwise requires —</p> <ul style="list-style-type: none">a) “Agricultural producer” means a producer of agricultural produce and includes any marketing organization acting on behalf of producers;b) “Agricultural Produce CESS” means a levy, charge, or fee imposed by the County Government on scheduled agricultural produce under this Act, payable at designated collection points, and remitted into the County Revenue Fund for purposes of agricultural infrastructure and services;c) “Authorized officer” means any person prescribed and authorized in writing by the Executive Committee Member to act as an authorized officer under this Act;d) “County Government” means the County Government of Nakuru;e) “Committee” means the committee established under this Act;f) “CESS Agent” means an officer appointed by the County Government of Nakuru to collect CESS under this Act;g) “Executive Committee Member” means the Executive Committee Member responsible for Finance;h) “Gazette” means the official publication of the Government of the Republic of Kenya;i) “Producer” includes a primary manufacturer or processor, maker, farmer and excavator of the products in the First Schedule;j) “County Receiver of Revenue” means the person designated under section 157 of the Public Finance Management Act;k) “Scheduled produce” means any produce specified in the First Schedule.
Object and Purpose	<p>3. The object and purpose of this Act is—</p> <ul style="list-style-type: none">a) to impose charges on agricultural produce grown, harvested, produced, or transported within the County pursuant to Article 209(3) of the Constitution of Kenya, 2010;b) to provide a framework for the collection, administration, and accountability of agricultural produce CESS in order to ensure transparency and efficiency in revenue management;

- c) to promote the development, maintenance, and improvement of agricultural infrastructure and services within the County through the application of CESS revenue;
- d) to establish mechanisms for stakeholder participation, dispute resolution, and compliance with national and county laws relating to agricultural produce and revenue collection.

PART II

AGRICULTURAL PRODUCE CESS

Imposition of Cess

- 4. (1) The County Government shall collect cess on agricultural produce within the County in accordance with the Second Schedule.
(2) The Executive Committee Member may impose cess on other agricultural produce by regulation.

Declaration of Scheduled Produce

- 5. The Executive Committee Member may, by notice in the Gazette, declare any agricultural produce to be scheduled produce.

Administration and accountability

- 6. (1) The County Receiver of Revenue shall ensure that all monies collected under section 4 are properly accounted for.
(2) The County Government shall publish annual reports detailing-
 - a) the total amount of cess collected;
 - b) the projects and programmes funded by cess revenue;
 - c) measures taken to ensure transparency and accountability in collection and expenditure.
 (3) The Auditor-General shall audit the accounts relating to cess annually and submit a report to the County Assembly.

PART III

PAYMENT OF CESS

Payment of Cess

- 7. (1) The levy, charge, or fee imposed as CESS in accordance with section 4 shall be paid to and collected by an authorized officer of the County Government in designated places, namely –
 - a) in the case of agricultural produce grown or produced and delivered within the County, at the place of production or any other place designated by the Executive Committee Member;

- b) in the case of a CESS agent appointed by the County Government of Nakuru to collect CESS under this Act, at the place of business or the processing factory of the CESS agent, as the case may be;
- c) in the case of agricultural produce brought into the County from outside, at designated county markets or other points of entry as may be determined from time to time;
- d) at any other place as may be prescribed by the Executive Committee Member through regulations or notice in the Gazette.

(2) All payments due and payable to the County Government in respect of CESS under section 4 shall be remitted through a **designated revenue account held within a commercial bank** and subsequently transmitted to the **County Revenue Fund** within the period specified.

(3) Compliance, offences, penalties, and exceptional cases
Any person who fails to remit monies payable under section 4 and subsection (2) shall be deemed to have committed an offence. For purposes of compliance, offences, penalties, and exceptional cases, the following shall apply –

- a) A producer, transporter, or CESS agent who fails to pay CESS at the designated place of collection shall be liable to a fine not exceeding one hundred thousand shillings.
- b) Where such failure is deliberate, fraudulent, or intended to defeat the provisions of this Act, the offender shall be liable to imprisonment for a term not exceeding one year, or to both such fine and imprisonment.
- c) Any person who knowingly provides false records, receipts, or documentation relating to CESS payments shall be deemed to have committed an offence and shall be liable to a fine not exceeding two hundred thousand shillings.
- d) In cases where non-compliance arises from genuine error, accident, or circumstances beyond the control of the producer, transporter, or agent, the Executive Committee Member may, upon application and verification, grant an exemption or extension of time for compliance, provided such exemption is recorded and reported to the County Assembly.
- e) An authorized officer who fails to remit monies collected into the designated revenue account and transmit them to the County

Revenue Fund without reasonable cause shall be subject to disciplinary action under Part V of this Act.

- f) All offences under this subsection shall be prosecuted in accordance with the applicable laws of Kenya, and penalties imposed shall not prejudice recovery of the unpaid CESS due to the County Government.

Record Keeping
Obligations

8. Producers, transporters, and cess agents shall keep accurate records of scheduled produce and avail them for inspection.

Use of Revenue

9. Money collected shall be used to maintain and improve Agricultural Infrastructure and Services.

Revenue Collection
Agreements

10. No fee, charge, or levy may be imposed, waived, or varied except in accordance with the Public Finance Management Act and the Nakuru County Finance Act.

PART IV

AGRICULTURAL PRODUCE CESS COMMITTEE

Establishment of
Committee

11. There is established a Committee to be known as the Agricultural Produce CESS Committee which shall consist of –

- a) a Chairperson appointed by the County Executive Committee Member;
- b) the Chief Officer responsible for Finance;
- c) the Chief Officer responsible for Agriculture;
- d) a representative of the County Treasury being the County Receiver of Revenue and the Director for Agriculture, who shall be ex-officio members and serve as the Secretariat;
- e) two representatives of flower growers in the County;
- f) two representatives of tea and coffee growers in the County;
- g) two representatives of grain growers in the County; and
- h) such other members as may be co-opted with approval of the County Executive Committee Member.

Functions of Committee

12. The Committee shall advise the Executive Committee Member on–

- a) collection of agricultural produce CESS under section 4;
- b) proposing and deliberating, in consultation with stakeholders, on programmes and projects funded by CESS;

- c) ensuring compliance with this Act, relevant national laws, or regulations;
- d) managing the collection of agricultural produce CESS within the County;
- e) facilitating agricultural policy implementation in consultation with the County Ministry responsible for Agriculture; and
- f) carrying out any other functions assigned by the County Executive Committee Member.

Conduct of Meetings

- 13.** (1) Meetings of the Committee shall be convened by the Chairperson or, in his or her absence, the Vice-Chairperson or a designated member.
- (2) The Committee shall sit at least four times annually but not more than six times, and shall keep minutes of its deliberations.
- (3) The Committee may invite any person to attend its meetings, but such person shall not vote.
- (4) The Committee shall regulate its own procedure.
- (5) Members shall be entitled to a sitting allowance as determined by the County Executive Committee Member responsible for Finance, in line with Salaries and Remuneration Commission guidelines.

Quorum

- 14.** The quorum for meetings of the Committee shall be two-thirds of the membership.

Administrative Costs

- 15.** (1) The County Government may allocate a portion of CESS revenue to cover administrative costs incurred in the collection, management, and enforcement of this Act.
- (2) Administrative costs shall be limited to expenses directly related to revenue collection, monitoring, auditing, and enforcement.
- (3) The County Executive Committee Member shall ensure that administrative costs do not exceed a reasonable percentage of total CESS revenue, as determined by the County Assembly.

Sitting Allowances

- 16.** (1) Members of the Agricultural Produce CESS Committee shall be entitled to sitting allowances for meetings convened under this Act.

(2) Sitting allowances shall be determined by the County Executive Committee Member responsible for Finance, in line with Salaries and Remuneration Commission guidelines.

(3) Records of sitting allowances paid shall be maintained and disclosed in the annual report under section 17.

Annual Report

17. (1) The Agricultural Produce CESS Committee shall prepare and submit an annual report to the County Assembly detailing—

- a) the total CESS collected during the year;
- b) the administrative costs incurred;
- c) the sitting allowances paid;
- d) the projects and programmes funded by CESS revenue; and
- e) recommendations for improvement of CESS collection and utilization.

(2) The annual report shall be published and made accessible to the public to enhance transparency and accountability.

PART V

OFFENCES AND PENALTIES

General Offences

18. Any person who contravenes this Act is liable—

- a) to a fine not exceeding one hundred thousand shillings; or
- b) to imprisonment for a term not exceeding one year; or
- c) to both such fine and imprisonment.

Offences by officers

19. An authorized officer commits an offence if he or she—

- a) interferes with any process or person under this Act;
- b) fails to perform any duty required under this Act without reasonable cause;
- c) omits to do something in breach of duty;
- d) willfully contravenes provisions of this Act to give undue advantage;
- e) fails to prevent or report an offence under this Act; or
- f) fails to keep records as required under section 7(1) or refuses to avail them.

On conviction, such officer shall be liable—

- g) to a fine not exceeding two hundred thousand shillings; or

- h) to imprisonment for a term not exceeding one year; or
- i) to both such fine and imprisonment.

PART VI
MISCELLANEOUS

Variation of Charges

- 20.** The Executive Committee Member may vary charges subject to Gazette publication and County Assembly approval, and shall—
- a) keep a public record of each waiver together with the reason;
 - b) report waivers to the Auditor-General; and
 - c) present variations to the County Assembly within thirty days.

Regulations

- 21.** The Executive Committee Member may make regulations providing for—
- a) specific records to be kept under section 7;
 - b) records of waiver or variation of CESS charges;
 - c) establishment and functions of committees or mechanisms for implementation; and
 - d) any other matter necessary for proper implementation.

Dispute Resolution

- 22.** Disputes under this Act shall first be resolved through alternative dispute resolution, including—
- a) notifying the other party of issues in dispute;
 - b) responding appropriately to such notification;
 - c) providing relevant information and documents;
 - d) collaborating in appointing a facilitator; and
 - e) attending and participating in the resolution process.

Personal Liability

- 23.** No person shall be personally liable for acts done in good faith under this Act.

PART VII
TRANSITION CLAUSE

Savings Provisions

- 24.** a) All directions, resolutions, orders, and authorizations issued before commencement of this Act shall be deemed to have been issued under this Act;

b) All agency agreements for collection of Cess shall remain in force subject to this Act; and

c) All cess laws in existence at commencement of this Act shall stand repealed, except the Tea cess Act, which shall continue to operate to the extent that it is not inconsistent with this Act.

SCHEDULES
FIRST SCHEDULE - SCHEDULED PRODUCE

1. Avocado
2. Banana
3. Barley
4. Beans
5. Canola
6. Carrots
7. Cereals
8. Charcoal
9. Cocoyam
10. Coffee
11. Cow Peas
12. Flowers
13. Grain Amaranth
14. Green Grams
15. Groundnuts
16. Honey
17. Horticultural Products
18. Logs
19. Macadamia Nuts
20. Maize
21. Marts
22. Millet
23. Onions
24. Pawpaw
25. Peas
26. Pigeon Peas
27. Potatoes
28. Processed Fresh Milk
29. Pumpkin
30. Sisal
31. Sorghum
32. Soya Beans
33. Sugarcane
34. Sweet Potatoes
35. Tea
36. Tomatoes
37. Trees And Tree Products
38. Watermelon
39. Wheat

AGRICULTURAL PRODUCES CESS		
DESCRIPTION OF FEE OR CHARGE ON SERVICE	UNIT OF MEASURE	AMOUNT OF FEE OR CHARGE
MAIZE CESS		
Large trader	% of turnover	1% of Produce gross turnover
Medium trader	% of turnover	1% of Produce gross turnover
Small trader	Per 50kg bag	20
Other Categories for small traders cereals		
SMALL GRAINS		
Sorghum	% of turnover	1% of Produce gross turnover
Millet	% of turnover	1% of Produce gross turnover
Grain Amaranth	% of turnover	1% of Produce gross turnover
WHEAT CESS		
Large trader	% of turnover	1% of Produce gross turnover
Medium trader	% of turnover	1% of Produce gross turnover
Small trader	Per 50kg bag	20
BARLEY CESS		
Large trader	% of turnover	1% of Produce gross turnover
Medium trader	% of turnover	1% of Produce gross turnover
Small trader	per bag	20
HORTICULTURE		
Flower	tonnes	400 sh per tonne
Other Produce - Horticulture CESS (vegetables)	per kilo	1 sh per kg
INDUSTRIAL CROPS		
Coffee CESS	% of turnover	1% of Produce gross turnover
Tea CESS	% of turnover	1% of Produce gross turnover
Sisal CESS	% of turnover	1% of Produce gross turnover
Pyrethrum CESS	% of turnover	1% of Produce gross turnover
Macadamia Nuts	per 50kg	50
Sun flower CESS/Canola	Per 50kg	40
PULSES & LEGUMES		
Beans (Small trader)	per 50kg	50
Soya Beans (Small trader)	per 50kg	50
Pigeon Peas (Small trader)	per 50kg	50
Cow Pea (Small trader)	per 50kg	50
Green Grams (Small trader)	per 50kg	50
Hay/Lucerne	per bale	5
ROOTS & TUBERS		
Potatoes (Small trader)	Per 50kg bag	20

AGRICULTURAL PRODUCE CESS		
DESCRIPTION OF FEE OR CHARGE ON SERVICE	UNIT OF MEASURE	AMOUNT OF FEE OR CHARGE
Irish Potatoes	Per 50kg bag	20
Sweet Potatoes	Per 50kg bag	20
Cocoyam	Per 50kg bag	20
MILK		
Milk CESS	% of turnover	1% of turnover

MEMORANDUM OF OBJECTS AND REASONS

PURPOSE OF THE BILL

The principal object of the Bill is to impose charges on agricultural produce grown, harvested, produced or transported within the County pursuant to the provisions of **Article 209(3)** of the Constitution of Kenya.

PART I (Clause 1-3) of the Bill provides for preliminary provisions such as interpretation of terms used in the Bill as well as the objects of the Bill so as to ensure there is better clarity in adoption and implementation of the same.

PART II (Clause 4-5) of the Bill provides for an effective and coordinated administrative mechanism and structure for the implementation and declaration of any agricultural produce to be a scheduled produce for purposes of this Act. The part provides for the collection of CESS by the County Government of Nakuru.

PART III (Clause 6-9) of the Bill provides for the payment and collection of CESS mechanism in designated areas. The Part seeks to ensure effectiveness and accountability in payment of CESS.

PART IV (Clause 10-13) of the Bill provides for the Agricultural Produce CESS Committee with its establishment and composition as well as its functions.

PART V (Clause 14-15) of the Bill provides for the offences and penalties both the general offences and offences in respect to an Authorized Officer.

PART VI (Clause 16-20) of the Bill seeks to provide miscellaneous provisions that include powers to make regulations by the County Executive Member and transition.

PART VII (Clause 21) of the Bill provides a Transition Clause of other repealed Acts or those that this Bill seeks repeal.

FINANCIAL CONSIDERATION

The enactment of this Bill shall occasion limited additional expenditure of public funds which shall be provided for in the annual estimates. The Bill therefore is not a money Bill within the meaning of **Article 114 of the Constitution**.

DATED this day of 20.....