

CONTRA COSTA LAFCO

3.9 District Dissolution

Definition

Dissolution means the dissolution, disincorporation, extinguishment, or termination of the existence of a district, and the cessation of all its corporate powers, except as the Commission may otherwise provide pursuant to section 56886 or for the purpose of winding up the affairs of the district (56035).

Initiation of Proceedings

1. Proceedings for dissolution of a district may be initiated by petition or resolution of the governing body of an affected local agency or school district (56014). Also, the Commission may initiate proposals for the dissolution of districts (56375). For a discussion of the dissolution process associated with LAFCO initiated proposals, please refer to Section 3.7.

Petitions for dissolution shall be signed by:

- A. For **registered-voter** districts, by either of the following (56870):
 - (1) Not less than 10% of the registered voters within the district; or
 - (2) Not less than 10% of the number of landowners within the district who also own not less than 10% of assessed value of land within the district
 - B. For landowner-voter districts, by not less than 10% of the assessed value of land within the district (56870).
2. Non-Use of Corporate Powers (56871):

A petition for the dissolution of a district for the “non-use of corporate powers” requires the signatures of three or more registered voters within the district for a registered-voter district, or by three or more landowners within a landowner district, provided that one or more of the following conditions have existed or now exists:

- A. That during the three-year period preceding the date of the first signature on the petition any of the following events have not occurred:
 - (1) There has not been a duly selected and acting quorum of the board of directors of the district.

- (2) The board of directors has not furnished or provided services or facilities of substantial benefit to residents, landowners, or property within the district.
 - (3) The board of directors has not levied or fixed and collected any taxes, assessments, service charges, rentals, or rates or expended the proceeds of those levies or collections for district purposes.
- B. That during the one-year period preceding the date of the first signature upon the petition, a quorum of the duly selected and acting board of directors has not met for the purpose of transacting business.
 - C. That, upon the date of the first signature upon the petition, the district had no assets, other than money in the form of cash, investments or deposits.

Commission Proceedings

After the dissolution proceedings have been initiated, LAFCO must conduct a noticed public hearing. After hearing public testimony the Commission may approve, modify, or deny the proposed dissolution. If it is approved, the Commission also will adopt terms and conditions for the dissolution.

Conducting Authority (Protest) Proceedings

The Commission is the conducting authority for district dissolution. The conducting authority shall adopt a resolution making a finding regarding the numerical value of written protests filed and not withdrawn. The provisions and thresholds relating to dissolution are detailed in section 57077.1.

Concluding the Dissolved District's Affairs

Section 57450 – 57463 provide detailed information and procedures for successor agencies in concluding the affairs of a dissolved district.

The effective date of the dissolution will be the date LAFCO orders the change of organization or reorganization, unless otherwise specified by the Commission.