

What are other restructuring alternatives?

The ***Municipal Government Act*** provides other alternatives for local government restructuring. These include:

Amalgamation - when two or more municipalities join to become one newly formed, incorporated municipality;

Formation - when a new incorporated municipality is established;

Annexation - when a municipality acquires additional lands from a bordering municipality; and

Change of Status - when a municipal district, village, town, city or specialized municipality changes to another type within this group.

Where can I find out more about dissolution and municipal government restructuring?

Contact staff at the Municipal Services Branch, Alberta Municipal Affairs:

780-427-2225

or toll free:

310-0000 (within Alberta)

Municipal Collaboration Unit
Municipal Services Branch
17th Floor Commerce Place
10155 - 102 Street
Edmonton AB T5J 4L4

Toll Free: 310-0000
Phone: 780-427-2225
Fax: 780-420-1016

ISBN: 978-0-7785-6030-2 (print version)
978-0-7785-5990-0 (online version)

Government of Alberta ■

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THE DISSOLUTION PROCESS FOR ALBERTA MUNICIPALITIES

DISSOLUTION

What is it?

What is the process?

What happens?

What is municipal dissolution?

Municipal Dissolution is a legal process of local government restructuring established by the **Alberta Municipal Government Act**. In dissolution, a municipality gives up its incorporated status to become part of a bordering municipality.

Why might municipalities dissolve?

Dissolution may be a good option for a municipality to consider when:

- it cannot balance its revenues with its required expenditures;
- it is no longer viable;
- vacancies on the municipal council cannot be filled; or,
- the community can be operated more effectively or efficiently as part of a bordering municipality.

In some cases, restructuring in the form of dissolution may not be the best solution for local issues if other processes prove to be better options.

How does municipal dissolution start?

First, the Minister of Municipal Affairs must complete a dissolution study. The study can be initiated in one of three ways:

Council Request: A municipal council can request the Minister of Municipal Affairs to undertake a study.

Petition: The residents of a municipality can petition the Minister to undertake a study, in which case, the petition must include the signatures of eligible voters totaling at least 30 per cent of the population (50 per cent for summer villages).

Minister's Discretion: The Minister may undertake a study if there is reason to believe dissolution may be in the best interest of the residents.

What else happens in the process?

The dissolution study examines the finances, services, and governance of the municipality, providing clear information for the Minister and residents. It also projects the likely scenario if the municipality were to dissolve and become part of a surrounding municipality.

Typically, to conduct a dissolution study, Municipal Affairs staff will explain the process to the involved municipal councils, and the residents of the municipality considering dissolution. Once the study is complete, the findings are made public.

The study findings and any input provided by residents are provided to the Minister. The Minister considers and determines whether additional public consultation is required before deciding whether to recommend dissolution to the Provincial Cabinet.

What happens after a dissolution study?

If the Minister decides not to recommend dissolution, the process is complete and the municipality would carry on as it did before the study.

If the Minister recommends dissolution and it is approved by Provincial Cabinet, an Order in Council is issued to dissolve the municipality and identify the municipality that becomes responsible for providing municipal services to the area.

There are many elements that make up a vibrant community, of which municipal government is only one. Community pride, history, and a sense of belonging are all very important aspects of community life that will continue after dissolution.