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Law on Community Development (DINADECO)  
N° 3859

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA

DECREES:

The following

**LAW ON COMMUNITY DEVELOPMENT**

**CHAPTER 1**

**OF THE NATIONAL DIRECTORATE FOR COMMUNITY DEVELOPMENT**

Article 1.- The National Directorate of Community Development is hereby created as an organ of the Executive Branch attached to the Ministry of Government and Police, and as a basic instrument of development, in charge of promoting, guiding, coordinating and evaluating the organization of the country's communities, in order to achieve their active and conscious participation in the achievement of the objectives of the National Economic and Social Development Plan.

*(As amended by Article 10 of the Executive Restructuring Law, No. 6812 of September 14, 1982).*

**[Article sheet](#)**

Article 2°.- Any group or public or private, national or international entity that wishes to dedicate itself in Costa Rica to the development of the Community, shall enjoy the benefits established by this law if it previously obtains the express authorization of the National Directorate of Community Development, which shall be extended in accordance with the norms established by the regulations of this law.

**[Article sheet](#)**

Article 3°.- The principles and objectives to which the operation of the National Directorate for Community Development shall conform are as follows:

a) To promote the creation of opportunities for the integral improvement of the human person, to discover his or her capacities and qualities and to channel them for the benefit of the community and the country;

b) Establish a climate conducive to the creation of new values and the adaptation of new habits and attitudes, through a process of internal improvement of the population that will ensure their

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active and conscious participation in decisions and actions to solve the economic and social problems that affect it;

c) To create, through an educational process of individual improvement and democratic institutions, a collective conscience of mutual responsibility for national development at all levels, through the encouragement and guidance of district, cantonal, provincial, regional and national organizations;

d) Coordinate and guide public and private programs for the application of the principles, methods and techniques of community development;

e) Conduct social studies and research and help establish appropriate channels in both directions between communities and technical, administrative, legislative and political bodies in general;

f) Plan and promote the active and organized participation of the populations in national, regional or local economic and social development programs;

g) To permanently evaluate the community development programs, to guarantee their adjustment to the principles and techniques adopted by the present law and its respective regulations;

h) Train the necessary personnel at different levels, specialties and categories in the use and management of community development techniques;

i) Provide technical advice on research, planning, execution, organization and evaluation to individuals and entities that are responsible for community development programs;

j) Coordinate international technical and economic assistance of any kind given to the country to promote community development;

k) To register, in accordance with this law, associations and groups for the development of the community, already existing or to be established; and

l) Others determined by the regulations of this law.

### Article sheet

Article 4°.- The National Directorate of Community Development shall perform the functions of a Sector Office of the Planning Office.

*(Note by Sinalévi: Pursuant to Article 39 of the Law to Prevent, Address, Punish and Eradicate Violence against Women in Politics, No. 10,235 of May 3, 2022, this article is amended by adding paragraphs (g) and (h).*

*h). However, this article does not contain any kind of clauses. From the analysis of the content of the reform, it is deduced that the article to be reformed is actually number 4 of the [Regulations to Law No. 3859 "Law on Community Development, approved by Executive Decree No. 25409 of May 30, 1996](#), which is repealed in its entirety by [Article 98 of the Regulations to the Law on Community Development, approved by Executive Decree No. 26935 of April 20, 1998](#). Notwithstanding the above, the reform is inserted as ordered by Law 10235: "Article 4°- In addition to the functions granted by Law 3859, the National Council for Community Development has the following attributions:*

( . . . )

*g) Establish regulations establishing internal procedures and the corresponding administrative sanctions for violence against women in politics.*

*h) Promote permanent actions aimed at guaranteeing and promoting the free exercise of women's political rights, and eradicate all forms of discrimination, sexism, segregation, gender stereotypes and gender-based violence, in accordance with the Law to Prevent, Address, Punish and Eradicate Violence against Women in Politics and international human rights conventions in force").*

### Article sheet

The National Directorate of Community Development shall be headed by a Director, freely appointed and removed by the President of the Republic. It shall also have an adequate technical and administrative staff, which shall be protected by the Civil Service regime.

### Article sheet

The National Directorate of Community Development shall have the departments necessary for the fulfillment of its purposes. Its organizational and functional structure shall be determined by the regulations of this law.

In order to carry out its functions, the Directorate will act primarily at the level of the communities themselves through the development associations. Through these associations, the communities will actively participate in all plans and programs aimed at their own development.

### Article sheet

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Article 7º.- According to the reality of the country, the National Directorate of Community Development:

- a) It will establish the methodological bases for the planning, programming, execution, supervision and evaluation of community development programs in the public and private sectors;
- b) It will promote the organization of the necessary mechanisms at the local and regional levels, through which the tasks of coordination and execution of community development programs will be carried out.

### Article sheet

## CHAPTER II

### OF THE NATIONAL COMMUNITY DEVELOPMENT COUNCIL

There shall be a National Council for Community Development, composed of the following members: the Minister of the Interior and Police, or his representative; a Minister of another portfolio, or his representative, to be appointed by the President of the Republic; three members of the development associations and two members of the union of local governments. The representatives of the development associations and of the union of local governments shall be appointed from lists of three to be requested from these entities. The Council shall be chaired by the Minister of Interior and Police or his representative. When the development associations are organized at the national level, the national bodies shall be responsible for submitting the corresponding nominations. The integration of the Council shall be made by executive decree.

*(As amended by Article 10 of the Executive Restructuring Law, No. 6812 of September 14, 1982).*

### Article sheet

The National Director of Community Development shall act as Executive Director of the Council.

### Article sheet

Article 10.- It is incumbent upon the National Community Development Council to determine which programs and services of public agencies should be understood as a specific part of the national community development plan. It shall also be incumbent upon the Council, at the proposal of the Director, to appoint advisory commissions, public, private or mixed, when deemed necessary.

### Article sheet

Article 11.-The agreements of the National Council for Community Development, sanctioned by the President of the Republic and by the Minister of Government and Police, shall be binding on the Ministries with respect to actions related to community development programs.

*(As amended by Article 10 of the Executive Restructuring Law, No. 6812 of September 14, 1982).*

#### Article sheet

The National Community Development Council shall meet at least once a month and extraordinarily when convened by the Director or three of its members. The members shall receive the per diem determined by the regulations.

#### Article sheet

Article 13.- The regulations of the present law shall detail the operation and action of the National Council for Community Development, in accordance with its principles and objectives.

#### Article sheet

### CHAPTER III

#### OF COMMUNITY DEVELOPMENT ASSOCIATIONS

The establishment and operation of associations for the development of communities is hereby declared to be in the public interest, as a means of stimulating the populations to organize themselves to fight, together with the State agencies, for the economic and social development of the country.

#### Article sheet

**Article 14 bis.-** Associations for the development of communities may sell services, marketable goods, as well as lease their assets to the Public Administration. For the purposes of this article, service is understood as the set of activities that seek to respond to the needs of the Administration in order to fulfill a public purpose.

Up to twenty percent (20%) of the surpluses obtained from the contracts mentioned in the preceding paragraph may be invested in working capital. The remaining eighty percent (80%) shall be invested in working capital.

be used in the programs developed by such associations, in accordance with the purposes set forth in this law, its regulations and the respective bylaws of the organization.

The central Administration, consisting of the Executive Branch and its dependencies, the Legislative and Judicial Branches, the Supreme Electoral Tribunal, the decentralized Administration, the public companies of the State and the municipalities are hereby authorized to contract services and lease goods from the associations for the development of the communities, pursuant to the provisions of this article and according to the procedures set forth in Law No. 7494, Administrative Contracting Law, of May 2, 1995, as amended.

*(So added by Article 1° of the Law to encourage the sale of services, marketable goods and leasing of goods by Associations for the Development of Communities to the Public Administration, No. 9434 of April 5, 2017).*

### Article sheet

Article 14 ter- The development associations, contemplated in the present law, may be declared of public utility when the income they generate is reinvested in its entirety in projects of social, communal and State interest. The associations must be registered and up to date with the presentation of reports before the National Directorate of Community Development (Dinadeco) and carry out socioeconomic activities duly registered and authorized by this Directorate.

The declaration of public utility shall be requested before the National Directorate of Community Development, which will issue a recommendation to the Ministry of Government and Police, which will grant it if appropriate. It will be granted by means of an executive decree.

The Ministry of Government and Police, through coordinated work with the National Directorate of Community Development, will regulate the procedure to be followed by the organizations and will establish the control and follow-up measures on the use of the declaration, being that this benefit will be revoked if the reason for which it was granted disappears.

Associations recognized as being of public utility may enjoy the administrative and economic franchises and concessions granted to them by the Executive Branch or by law in order to fulfill their purposes.

The community development organizations eligible for this benefit will be those that include in their work plans the execution of the policies integrated into the National Community Development Plan.

*(So added by the sole article of Law No. 9951 of April 6, 2021)*

### Article sheet

Article 15.- The communities of the country that wish to organize themselves to carry out integral or specific development activities for their own benefit and for the benefit of the country, may do so in the form of district, cantonal, regional, provincial or national associations, which shall be governed by the provisions of the present law.

### Article sheet

Article 16.- In order to constitute integral development associations, it shall be necessary that at least one hundred persons, and no more than one thousand five hundred, over fifteen years of age and interested in promoting, through joint and organized efforts, the economic development and social and cultural progress of a determined area of the country. The jurisdictional area of a development association shall correspond to that territory which constitutes a natural basis of community grouping.

In exceptional cases, the Management may authorize the existence of development associations composed of fewer or more than the number indicated above.

In no case may associations be created with a number of less than twenty-five persons.

### Article sheet

Article 17.- The community development associations shall be governed by a statute which must necessarily express:

- a) The name of the association and its address;
- b) The special or general purposes it pursues;
- c) The qualities that members must have, their duties and rights and the modalities of affiliation and disaffiliation;
- d) The form and procedures for the creation of subsidiaries, as well as their functions;
- e) The resources available to the association;

- f) The procedures for approving, amending or repealing the bylaws;
- g) The forms of extinction and the corresponding procedures; and
- h) Any other provisions required by the regulations.

### Article sheet

Article 18.- The development associations are obliged to coordinate their activities with those carried out by the Municipality of the respective canton, in order to contribute with their actions to the success of the work of the municipal body and to obtain its support.

### Article sheet

The State, autonomous and semi-autonomous institutions, municipalities and other public entities are authorized to grant subsidies, donate goods or provide services of any kind to these associations as a way of contributing to the development of the communities and to the economic and social progress of the country.

The State shall include in the National Budget an item equivalent to 2% of the estimated income tax for that period, which shall go to the National Council for Community Development, for the duly constituted and legalized community development associations. The National Council for Community Development shall deposit such funds in the People's and Community Development Bank, to exclusively allocate them to the Community Development Associations and at the same time to create a guarantee and incentive fund to finance or facilitate the financing of projects submitted by the same associations, in accordance with the respective regulations.

Transitory I.- In accordance with the regulation of these funds, the Community Development Directorate shall increase the allocation corresponding to each community development association, duly constituted and legalized, by the amount indicated in paragraph 2 of this article.

Transitory II.- This reform shall apply as of 1985.



The aforementioned percentage shall be included in the National Budget for that year.

*(As amended by Article 54 of the Extraordinary Budget Law, No. 6963 of July 31, 1984).*

*(Note by Sinalevi: Pursuant to Article 39 of the Law to Prevent, Address, Punish and Eradicate Violence against Women in Politics, No. 10,235 of May 3, 2022, this article is amended by adding paragraphs (m) and (m) and (n).*

*l). However, this article does not contain any kind of clauses. From the analysis of the content of the reform, it can be deduced that the article to be reformed is actually number 19 of [the Regulations to Law No. 3859 "Law on Community Development, approved by Executive Decree No. 25409 of May 30, 1996](#), which is repealed in its entirety by [Article 98 of the Regulations to the Law on Community Development, approved by Executive Decree No. 26935 of April 20, 1998](#). Notwithstanding the foregoing, the reform is inserted as required by Law 10,235: "Article 19- In addition to the requirements expressed in Article 17 of the law, the bylaws of the development associations must express:*

*(...)*

*m) Regulations establishing internal procedures and corresponding administrative sanctions for violence against women in politics. They must establish an internal procedure to hear and process administrative complaints, in accordance with the Law to Prevent, Address, Punish and Eradicate Violence against Women in Politics, and designate the internal body that will be competent to hear these complaints and impose sanctions, in the event that the responsibility of the person denounced is determined, once the resolution is final. If the denounced person occupies a position by appointment, a copy of the file must be sent, within three calendar days, to the corresponding body that appointed him/her to annul his/her appointment and his/her replacement and to the Public Prosecutor's Office, as the case may be.*

*l) Establish permanent actions aimed at preventing, addressing, guaranteeing and promoting the free exercise of women's political rights, and eradicating all forms of discrimination, sexism, segregation, gender stereotypes and gender-based violence, in accordance with the Law to Prevent, Address, Punish and Eradicate Violence against Women in Politics and international human rights conventions in force").*

## Article sheet

Article 20.- All the agencies of the Public Administration shall grant the community development associations the facilities they need for the fulfillment of their purposes, and the officers and employees of the Executive Branch are obliged to collaborate with them within their attributions and possibilities.

## Article sheet

Article 21.- The organs of the community development associations shall be the following:

- a) The General Assembly.
- b) The board shall ensure equal representation of both sexes. On any odd-numbered payroll or body, the difference between the total number of men and women shall not exceed one.
- c) The Executive Secretariat.

The Regulations of this Law and the bylaws shall indicate in detail the functions and powers of each of these bodies.

*(As amended by Article 4 of Law No. 8901 of November 18, 2010, "Minimum percentage of women to be members of the Boards of Directors of Associations, Unions and Solidarity Associations").*

*(Note from Sinalevi: By resolution of the Constitutional Chamber No. 4630 of April 02, 2014, Law No. 8901 of November 18, 2010, "Minimum percentage of women that must integrate the Boards of Directors of Associations, Unions and Solidaritas Associations", was interpreted, which reformed this numeral, in the sense that, the Directive Bodies of Civil Associations, Solidarity Associations, Community Associations and Unions, must be integrated respecting gender parity, in a progressive manner and whenever possible in accordance with ideological freedom, the right of association and according to the factual and proportional conformation that each of the genders allows in the association in question.)*

## Article sheet

The President of the Board of Directors shall in all cases be the coordinator of its work and shall have judicial and extrajudicial representation of the association, with the powers of a general attorney-in-fact.

## Article sheet

Article 23.- For their operation, associations may acquire all kinds of goods, enter into contracts of any kind and carry out all kinds of lawful operations aimed at achieving their purposes.

### Article sheet

Article 24.- The existence and operation of associations are subordinated to the exclusive fulfillment of their purposes. Therefore, it is absolutely forbidden:

- a) Use the association for purposes other than those indicated in the statutes and bylaws and especially to promote political electoral struggles, carry out religious proselytism or promote racial discrimination;
- b) Engage in profit-making activities for the benefit of the executive members or any of their associates; and
- c) Promote, or in any way stimulate, local or regional divergences, using community development as a pretext.

### Article sheet

Article 25.- It is incumbent upon the National Directorate of Community Development to exercise the strictest vigilance over these associations for the purpose of ensuring that they operate in accordance with the terms of this law, its regulations and the respective bylaws.

### Article sheet

## CHAPTER IV

### OF THE NATIONAL REGISTRY OF

### COMMUNITY DEVELOPMENT ASSOCIATIONS

Article 26.- A Public Registry of Community Development Associations is hereby established, in which the registration of each and every one of the entities of this kind established in the country shall be recorded. The regulations shall indicate the manner in which the Registry shall operate, which shall depend on the National Directorate of Community Development.

### Article sheet

Article 27.- For the corresponding registration in the Registry of any community development association, it is indispensable for its President to make a written request to the National Directorate of Community Development. Together with the request, duly authenticated by a lawyer, a copy of the bylaws must be submitted. The regulations will determine the procedure to be followed in the registration process.

[Article sheet](#)

Article 28.- Registration in the Registry authorizes the association to operate and grants it full legal personality. Such legal personality may be accredited before the administrative and judicial bodies by means of the resolution that approved the by-laws and ordered the registration, published in the Official Gazette, or by means of certification of such registration issued by the aforementioned Registry.

[Article sheet](#)

Article 29.- As long as the corresponding registration has not been made, neither the resolutions nor the corporate documents of the association shall produce any legal effect to the detriment of third parties.

[Article sheet](#)

Each locality is entitled to register only one association for integral development. However, one or more associations may be registered for the development of specific activities, provided that such activities are different for each association.

[Article sheet](#)

For the purposes of registration, it shall be the responsibility of the National Directorate of Community Development to determine which associations shall be considered as representative of the community at the district, canton, regional or provincial levels. The regulations shall establish the procedures for making such determination and for resolving any conflicts arising from the registration process.

[Article sheet](#)

CHAPTER V

MISCELLANEOUS

PROVISIONS

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Article 32.- Development associations are required to formulate an annual program of activities and submit it to the National Directorate of Community Development. This program of activities must be approved, unless it contravenes any provision of this law, its regulations, bylaws or municipal provisions.

[Article sheet](#)

Article 33.- Copies of the plans and budgets must also be made known to the Municipality of the respective canton, which shall have a period of fifteen days to submit observations to the National Directorate of Community Development, for the purposes of the preceding article.

[Article sheet](#)

Whenever the budgets of the associations include funds from subsidies, donations or contributions of any kind from the State, autonomous institutions or municipalities, they shall also require the approval of the Office of the Comptroller General of the Republic.

[Article sheet](#)

The General Directorate of Community Development shall establish a meticulous control of the economic activities of the associations, for which purpose it shall organize a special inspection and auditing system. For these purposes, the Directorate shall indicate in each case what accounting records the association must keep and what type of reports it must render periodically.

[Article sheet](#)

Article 36.- The National Directorate of Community Development may recommend to the Executive Branch the granting of a series of benefits and exemptions in favor of associations, when in its judgment it is indispensable for the fulfillment of their purposes and of evident benefit to the community and the country. The Regulations shall indicate what kind of benefits and exemptions may be granted to associations pursuant to this article.

[Article sheet](#)

Article 37: The acts and contracts in which the community development associations participate, related to the realization of their purposes, shall be exempt from the use of stamp paper, stamps and registration fees.

[Article sheet](#)

In the same manner, the property acquired by the associations for the normal development of their activities shall be exempt from the payment of national and municipal taxes.

*(Sinalevi's Note: See [Opinion C-350-2008 of September 29, 2008](#), which concludes that, "As developed in [Legal Opinion No. OJ-086-2008](#), community development associations are not exempt from paying the tax.*

*on sales in transactions made for the acquisition of goods necessary for the development of their activities").*

#### Article sheet

Article 39.- Associations may be dissolved voluntarily, or be dissolved administratively by the Executive Branch, or by court order. The regulations shall define each type of dissolution, its causes and the procedures to decree it.

#### Article sheet

In the event of dissolution, the assets belonging to an association shall be administered by the National Directorate for Community Development, until such time as it proceeds to reorganize the former association or to promote the creation of one to replace it.

DINADECO will dedicate the proceeds from the administration of the aforementioned assets to the publication of an informative organ of the community development organizations, except in those cases in which the assets, by law or by special contracting, are assigned to a specific destination.

*(As amended by Article 96 of the Extraordinary Budget Law, No. 7097 of August 18, 1988).*

#### Article sheet

Two or more community development associations may merge into one, form unions, federations and confederations. The regulations shall define each of these aspects and shall indicate the procedures applicable to each case.

#### Article sheet

Article 42.- By means of a regulation to the present law, all the details not foreseen therein related to organization, operation, sanctions and other details pertaining to these associations shall be determined. The regulations must be issued no later than 60 days from the date of publication of the present law.

#### Article sheet

Article 43.- This law is in force as of its publication.

#### Article sheet

### TRANSITIONAL PROVISIONS

I.- The current Office for the Development of Rural Communities is hereby converted into the National Directorate for Community Development.

#### Article sheet

II.- The Executive Branch shall make a complete study of the dependencies of the Central Government that carry out community development programs in order to coordinate them, orient them and, if necessary and convenient, integrate them totally or partially to the National Directorate of Community Development, together with the budgetary funds that are currently destined to such programs. The technical personnel of these units shall be obliged to render their services to the National Directorate of Community Development, when so requested by the Presidency of the Republic.

#### Article sheet

III.- All development associations currently operating in the country shall submit an authentic copy of their bylaws to the National Directorate of Community Development, so that they may be duly registered. As of their registration, they shall be subject to the provisions of the present law and not to the Law of Associations No. 218 of August 8, 1939.

#### Article sheet

IV.- The Executive Branch is obliged to send to the Legislative Assembly a draft budget for the implementation of the National Directorate of Community Development no later than 60 days from the date of publication of this law.

#### Article sheet

V.- Civil servants who become employees of the National Directorate of Community Development shall retain the rights and prerogatives granted to them by special laws. For Civil Service purposes, the years of service in the Directorate shall be computed to the seniority in the position previously held. The Mechanized Technical Office is obliged to make the deductions that the employee authorizes to continue contributing in the protection regimes that he/she indicates.

Presidential House - San José, on the seventh day of April, nineteen hundred and sixty-seven.

#### Article sheet

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