



TIM GRIFFIN
ATTORNEY GENERAL

Opinion No. 2026-062

July 29, 2026

Mr. Matt Bishop
Bishop Law Firm
3739 North Steele Boulevard, Suite 380
Fayetteville, Arkansas 72703

Dear Mr. Bishop:

I am writing in response to your request, made in accordance with the Interlocal Cooperation Act,¹ for my review and approval of the renewal of an interlocal agreement between Holiday Island Suburban Improvement District (HISID) and Holiday Island Rural Fire Protection District (HI RFPD), entitled “Interlocal Cooperation Agreement.” This opinion is addressed to the respective governing bodies of HISID and HI RFPD.

The purpose of the Interlocal Cooperation Act is “to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities.”² Before an interlocal agreement can go into effect, it must first be submitted to the Attorney General for review.³ In reviewing the agreement, I determine whether it is in proper form and consistent with state law.⁴ If it is, I am required to approve it.⁵ But if the agreement is deficient in form or substance, I must explain in writing why the agreement fails to meet the requirements of the law.⁶

The Interlocal Cooperation Act requires that interlocal agreements for joint or cooperative action specify the following items:

- (1) The duration of the agreement;

¹ A.C.A. §§ 25-20-101 to -524.

² *Id.* § 25-20-102.

³ *Id.* § 25-20-104(f)(1).

⁴ *Id.*

⁵ *Id.* § 25-20-104(f)(2).

⁶ *Id.*

- (2) The precise organization, composition, and nature of any separate legal entity created, together with the powers delegated to it;
- (3) The purposes of the agreement;
- (4) The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget for it;
- (5) The methods for accomplishing complete or partial termination of the agreement and for disposing of property upon termination; and
- (6) Any other necessary and proper matters.⁷

Additionally, if the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, it must contain the following items:

- (1) Provisions for an administrator or joint board responsible for administering the joint or cooperative undertaking;
- (2) The manner of acquiring, holding, and disposing of real and personal property used in the joint or cooperative undertaking.⁸

Having reviewed the proposed agreement, I have concluded that it does not meet all of the statutory requirements. The agreement sets forth its duration and purpose, the manner of financing the undertaking and of establishing and maintaining a budget, and the methods by which it may be terminated. It also provides that no separate legal or administrative entity will be created, and it designates the President of HI RFPD and the District Manager of HISID to jointly administer the undertaking.

The agreement, however, does not fully satisfy the statute's requirements regarding property. Although Section 7 provides that property owned by a party remains the property of that party unless otherwise agreed in writing, the agreement does not specify the "manner of acquiring, holding, and disposing of real and personal property used in the joint or cooperative undertaking," as required by A.C.A. § 25-20-104(d)(2). The agreement is silent regarding whether property may be jointly acquired for use in the undertaking and, if so, how title to any such property would be held.

Likewise, although Section 8 of the agreement governs termination, it does not specify how property will be disposed of upon termination. The statute requires an interlocal agreement to set forth both "the methods for accomplishing complete or partial termination of the agreement" and the methods for "disposing of property upon ... termination."⁹

⁷ A.C.A. § 25-20-104(c).

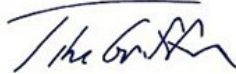
⁸ *Id.* § 25-20-104(d).

⁹ *Id.* § 25-20-104(c)(5).

Accordingly, it is my opinion that the agreement does not meet all of the requirements of the Interlocal Cooperation Act, and, therefore, I do not approve the interlocal agreement submitted.

Deputy Attorney General Kelly Summerside prepared this opinion, which I hereby approve.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Griffin", with a horizontal line above it.

TIM GRIFFIN
Attorney General