OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS

BOARD OF DIRECTORS COMMUNICATION
NOVEMBER 17, 2026 AGENDA

Subject: 2027 Summit Utilities Franchise Fees. **Submitted By:** Finance Department	**Action Required:** √ **Ordinance** Resolution	**Approved By:** Delphone Hubbard City Manager

SYNOPSIS	An ordinance to provide to levy a franchise fee to be paid by Summit Utilities for its use of public right-of-way. The ordinance is an annual ordinance to establish the franchise fees to be paid in 2027 by Summit Utilities to the City of Little Rock, Arkansas for providing gas services within the City pursuant to the original ordinance, Little Rock, Ark., Ordinance No. 11,366 (March 4, 1963). The Franchise Fee rates for fiscal year 2027 shall be an amount equal to 5.2% of the Gas Company's gross revenues as paid to it during the Calendar Year 2027 by all of its customers, including but not limited to industrial, residential and commercial customers located within the corporate limits of the City of Little Rock or the sum of Two Million, One Hundred Thousand Dollars ($2,100,000.00) per year, whichever is greater.
FISCAL IMPACT	The gas services franchise fee is projected to generate over $4 million in revenues in fiscal year 2026.
RECOMMENDATION	Pass the Ordinance.
BACKGROUND	In 1963 the City Levied a franchise fee for the natural gas company. The Board of Directors annually approves an ordinance that establishes the franchise fees to be paid during the next fiscal year. This ordinance is necessary for the continued levy of franchise fees for fiscal year 2027 at the currently established rates.