ORDINANCE NO. _____

AN ORDINANCE TO LEVY FRANCHISE FEES TO BE PAID BY ALL CARRIERS THAT PROVIDE LOCAL ACCESS TELEPHONE SERVICE; TO PROVIDE FOR THE PAYMENT THEREOF; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to Little Rock, Ark. Ordinance No. 11,345 (December 17, 1962) (LRO No. 11,345 December 17, 1962), and recognizing an order of the Arkansas Public Service Commission entered on December 10, 1957, in Docket U-281 relating to the treatment by the Telephone Company of all City special taxes, the City granted AT&T the privilege to continue operation of its telephone system and related business within the City and first provided for the payment of a Privilege Tax by that company of One and 07/100 Dollar ($1.07) multiplied by the number of telephones in the City as of the end of the preceding year; and,

WHEREAS, pursuant to LRO No. 14,981 (November 5, 1985), the City Board of Directors imposed, beginning on January 1, 1986, a change in the calculation of the Privilege Fee for AT&T, to be in an amount equal to 7.32% of the company's access line billing revenues for 1985 or a minimum of One Million, Seven Hundred Seventy-Five Thousand Dollars ($1,775,000.00); and,

WHEREAS, subsequent ordinances thereafter incrementally raised the amount of the minimum Franchise Fee until, beginning with LRO No. 16,557 (December 21, 1993) it reached the amount Two Million Dollars ($2,000,000.00); and,

WHEREAS, after a review of the current market situation, the City has determined that having a minimum Franchise Fee is no longer appropriate and is setting the minimum aside; and,

WHEREAS, AT&T and other telephone companies that provide a local access telephone system in the City are now and will be occupying the streets, alleys, airways and other public rights-of-way of the City for the purpose of operating and maintaining such Local Access Telephone Systems; and,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. There is hereby imposed and each and every Local Access Telephone Service Carrier ("Telephone Company") shall pay to the City a Franchise Fee in an amount equal to 7.32% of the respective Telephone Company's local exchange access line charges collected within the City's corporate limits during the previous month.

Section 2. In addition to the fee structure set forth above, the parties agree that an additional condition

for the use of the City's rights-of-way is that any search done pursuant to a warrant for electronic data as to the use of a particular communications device shall be done at no cost the City.

Section 3. Telephone Company Franchise Fee Payments to the City shall be made monthly by the Twentieth (20th) day of each month.

Section 4. On a monthly basis, by the Twentieth (20th) day of each month, the auditor for each Telephone Company shall certify to the City that Telephone Company's access line revenues collected during the previous month in Little Rock.

Section 5. The City recognizes and accepts the purposes and results of an Order of the Arkansas Public Service Commission entered on February 7, 1980, in Docket U-30132 relating to the treatment by the Telephone Company of all City special fees.

Section 6. It is acknowledged that Ordinance No. 11,345 (amended by Ordinance No. 14,981), which set out the terms and conditions of the present privilege authority, is the controlling document over current Local Access Telephone Service Franchises. Ordinance No. 11,345 specifically provided that nothing contained therein was to be construed as giving AT&T any exclusive privileges. LRO No. 14,981 which amended LRO No. 16,557 to change the method of calculating the fee to that method presently employed and to add a section detailing the City's utility relocation policy to be complied with. That Utility Relocation Policy shall remain in effect under this ordinance.

Section 7. The Telephone Company shall also be subject to the Utility Relocation Policy set forth in Little Rock, Ark., Rev. Code §§2-350 to 357 (1988).

Section 8. Nothing herein contained shall be construed as altering or amending any other rights or obligations of the City or each Telephone Company as provided for in Ordinance No. 11,345 except the language of Section 2 of Ordinance No. 11,345 pertaining to the method of calculating the Telephone Company's annual Franchise Fee.

Section 9. Nothing in this ordinance shall prevent the City from collecting from Telephone Companies previously due but unpaid Franchise Fees.

Section 10. ***Effective Date.*** Because an ordinance of this nature remains in effect until abandoned, and in light of the language of the current Section 1 of this ordinance, it is noted that the Franchise Fees set forth in Section 1 of this ordinance shall be in full force and on January 1, 2026.

Section 11. ***Severability.*** In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the ordinance.

Section 12. ***Repealer.*** All ordinances and parts of ordinances that conflict herewith are hereby

repealed; provided, however, only to the extent that the same are in direct conflict herewith. Except as provided, nothing herein shall be construed to alter or change the terms or conditions of the present franchise under which AT&T is operating, as set forth in LRO No. 11,345 (December 17, 1962), LRO No. 14,981 (November 5, 1985), and LRO No. 16,557 (December 21, 1993)

PASSED: November 17, 2026

ATTEST: **APPROVED:**

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Allison Segars, City Clerk **Frank Scott, Jr., Mayor**

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney

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