

ORDINANCE NO. _____

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

WHEREAS, the Southwestern Bell Telephone Company, now AT&T, has for decades been authorized by ordinance to operate its telephone system and all business incidental to or connected with the conduct of a telephone business in the City; and,

WHEREAS, pursuant to Little Rock, Ark. Ordinance 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 Ordinance 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 Ordinance No. 16,557 (December 21, 1993) it reached the amount Two Million Dollars (\$2,000,000.00), which minimum has remained in effect until the present time; 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 similarly providing 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,

WHEREAS, the City is legally authorized to impose, and all local access telephone services companies are obligated to pay, a just and reasonable Franchise Fee in connection with such company's local access telephone service operations in the City.

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

1 **Section 1.** There is hereby imposed and each and every local access telephone service carrier
2 (“Telephone Company”) shall pay to the City a Franchise Fee in an amount equal to 7.32% of the respective
3 Telephone Company's local exchange access line charges collected within the City's corporate limits during
4 the previous month.

5 **Section 2.** Payments to the City by the Telephone Company for the Franchise Fee shall be made
6 monthly by the 20th day of each month.

7 **Section 3.** On a monthly basis, by the 20th day of each month, the auditor for each Telephone Company
8 shall certify to the City that Telephone Company’s access line revenues collected during the previous month
9 in Little Rock.

10 **Section 4.** The City recognizes and accepts the purposes and results of an Order of the Arkansas Public
11 Service Commission entered on February 7, 1980, in Docket U-30132 relating to the treatment by the
12 Telephone Company of all City special fees.

13 **Section 5.** It is acknowledged that Ordinance No. 11,345 (amended by Ordinance No. 14,981), which
14 set out the terms and conditions of the present privilege authority, is the controlling document over current
15 local access telephone service franchises. Ordinance No. 11,345 specifically provided that nothing
16 contained therein was to be construed as giving AT&T any exclusive privileges. Ordinance No. 14,981
17 amended Ordinance No. 11,345 to change the method of calculating the fee to that method presently
18 employed and to add a section detailing the City’s utility relocation policy to be complied with. That Utility
19 Relocation Policy shall remain in effect under this ordinance. The Telephone Company shall also be subject
20 to the Utility Relocation Policy set forth in Little Rock, Ark., Rev. Code §§2-350 to 357 (1988).

21 **Section 6.** Nothing herein contained shall be construed as altering or amending any other rights or
22 obligations of the City or each Telephone Company as provided for in Ordinance No. 11,345 except the
23 language of Section 2 of Ordinance No. 11,345 pertaining to the method of calculating the Telephone
24 Company's annual Franchise Fee.

25 **Section 7.** Nothing in this ordinance shall prevent the City from collecting from Telephone Companies
26 previously due but unpaid Franchise Fees.

27 **Section 8. *Effective Date.*** Because an ordinance of this nature remains in effect until abandoned, and
28 in light of the language of the current Section 1 of this ordinance, it is noted that the Franchise Fees set
29 forth in Section 1 of this ordinance shall be in full force and on January 1, 2021.

30 **PASSED: December 1, 2020**

31 **ATTEST:**

APPROVED:

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34 **Susan Langley, City Clerk**

_____ **Frank Scott, Jr., Mayor**

1 **APPROVED AS TO LEGAL FORM:**

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4 **Thomas M. Carpenter, City Attorney**

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