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Industrial Resources: Allen County, Kentucky

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ECONOMIC & INDUSTRIAL
SURVEY

of

Scottsville, Ky.



Prepared By

THE SCOTTSVILLE ROTARY CLUB

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

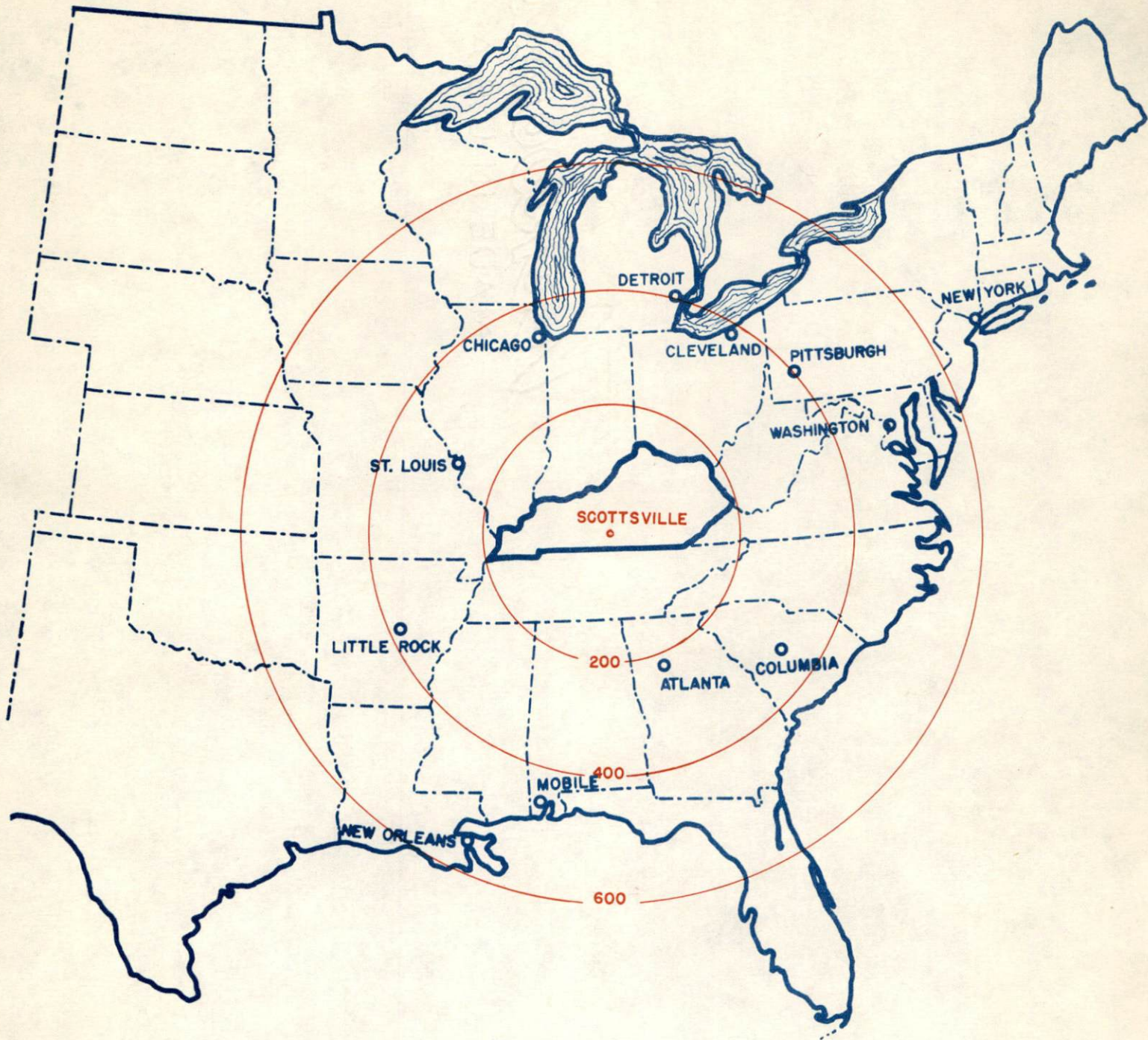
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KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
SCOTTSVILLE, KENTUCKY

Prepared by
The Scottsville Rotary Club
and
The Kentucky Agricultural & Industrial Development Board

July 15, 1953



SCOTTSVILLE, KENTUCKY

HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

WORLD RECORD

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SCOTTSVILLE, KENTUCKY

POPULATION AND LABOR:

Population Figures 1850 - 1950

	<u>Scottsville</u>	<u>Allen County</u>
1850	400	8,742
1860	403	9,187
1870	217	10,296
1880	395	12,089
1890	575	13,692
1900	824	14,657
1910	1,327	14,882
1920	2,179	16,761
1930	1,867	15,180
1940	1,797	15,496
1950	2,060	13,787

Population Characteristics - The population of Scottsville has shown an increase of 14.6% during the past decade, while Allen County has shown a decrease of 11.0% during the same period. 98.05% of the population of Allen County are native white, 0.02% foreign-born white, 0.78% negro, and 0.05% other races.

Labor Market Area - The Scottsville labor supply area includes Allen, Simpson, and Barren Counties, Kentucky. This is the geographical area from which workers could be expected to be drawn to jobs located at Scottsville.

The population of this three-county area was 53,926 in 1950, a drop of about 800 during the preceding ten years. This relatively small decrease in population obscures the fact that between 1940 and 1950 there was a net out-migration of 6,658 persons from the area. Allen County had a net out-migration of 3,190 between 1940 and 1950.

Economic Characteristics - Economically the area is heavily agricultural with 9,545 jobs furnished by this industry according to the 1950 Census of Agriculture. Manufacturing employment in September, 1952 totaled about 2,200 in the area with about two out of each three manufacturing jobs located in Barren County. Area manufacturing employment is heavily dominated by the apparel industry which employs mainly women. Allen County had 2,570 farm jobs in 1950, as compared to 500 manufacturing jobs last September.

Agriculture in these counties is generally prosperous as evidenced by the fact that slightly more than 80% of the farms had 1949 cash income of above \$600. However, in terms of income, the area is well below state and national averages. In 1951, per capita income in the United States was \$1,584, almost 50% above the \$1,071 average for Kentucky. Per capita income estimates for 1951 prepared by the University of Kentucky Bureau of Business Research for these counties were as follows: Allen - \$550; Simpson - \$777; and Barren - \$827.

Estimated Potential Labor Supply - Estimating the number of persons who would be available for jobs located at any particular Kentucky city is a difficult task. The estimates shown below are based on a number of economic factors including (1) population, (2) number of persons of labor force age, (3) labor force participation rates, (4) economic structure of area, (5) per capita income, (6) current manufacturing employment and past trends, (7) observations of availability of labor supply in areas

where new facilities have been located, and (8) estimates of current unemployment. In predominantly rural areas female labor supply will come mainly from those not now in the labor force, while men will represent shifts from low income farming and other low paid jobs. Most of the potential labor supply will be unskilled in factory processes. Estimates are shown for the entire labor market area, the county where the city is located, and the portion of the total we estimate as being available for jobs in the city. All of the area labor supply will not be available for jobs at any specific point because of travel involved. Additional detail as to estimating techniques will be furnished to users of these data on request.

It is estimated that there would be approximately 2,000 men and 2,000 women available for manufacturing jobs in the Scottsville three-county area. If attractive job opportunities were offered in Scottsville, it is estimated that 1,400 men and 1,200 women of the area total would be available for employment. Allen County would furnish about 800 men and 800 women.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
C. G. Bryant	Lumber	Seasonal		
A. L. Bullington & Sons	Lumber	Seasonal		
McLellan Stone Co.	Crushed stone	75	1	76
Macon Lumber Co.	Hardwood flooring	Seasonal		
Henry Rush Sawmill	Lumber	Seasonal		
John N. Simmons	Lumber	1	1	2
W. W. Thompson & Co.	Farm wagon spokes	65	335	400
Washington Overall Co.	Work clothing	32	0	32
Marvin Wood Lumber Co.	Lumber, ties			

Industrial employment for the county is shown on Page 2.

TRANSPORTATION:

Railroads - Scottsville is served by the Louisville & Nashville Railroad Company. No passenger service is provided, but freight service is provided three times per week. Scottsville is on a branch line from Nashville. The line terminates at Scottsville.

Approximate Transit Times To

Atlanta, Ga.	44 hrs.	Louisville, Ky.	17 hrs.
Birmingham, Ala.	40 hrs.	Mobile, Ala.	56 hrs.
Chicago, Ill.	45 hrs.	Nashville, Tenn.	23 hrs.
Cincinnati, O.	31 hrs.	New York, N. Y.	97 hrs.
Cleveland, O.	59 hrs.	Pittsburgh, Pa.	72 hrs.
Detroit, Mich.	65 hrs.	E. St. Louis, Ill.	39 hrs.
Knoxville, Tenn.	34 hrs.	Washington, D. C.	83 hrs.

Highways - U. S. #'s 31E, 231; Ky. #'s 100, 101

Highway Distances To

Atlanta, Ga.	294	Louisville, Ky.	115
Birmingham, Ala.	250	Mobile, Ala.	525
Chicago, Ill.	400	Nashville, Tenn.	38
Cincinnati, O.	250	New York, N. Y.	799
Cleveland, O.	460	Pittsburgh, Pa.	503
Detroit, Mich.	480	St. Louis, Mo.	384
Knoxville, Tenn.	185	Washington, D. C.	700

Bus Lines Serving Scottsville - Southeastern Greyhound Lines and

Trailways, Inc., serve Scottsville. There is one bus north to Louisville (terminal) each morning and each afternoon, and one bus south to Nashville (terminal) each morning and afternoon.

Fuqua Bus Lines provide connecting line service between Scottsville and Bowling Green.

Truck Lines Serving Scottsville - Wheby System, Nashville, Tenn.;

Hayes Freight Lines, Mattoon, Ill.

Air - Nearest commercial airport is the Bowling Green-Warren County Airport, 20 miles northwest of Scottsville. The field is lighted and has hard surface 4,000 foot runways.

COMMUNICATIONS:

Postal Facilities - Scottsville has a second class post office with 9 permanent employees. There are 2 city routes, 4 rural routes, and 1 star route. Mail is received and sent out 5 times daily. Postal receipts for 1952 were \$28,000.

Telephone - Southern Continental Telephone Company with 13 employees serves Scottsville. There are 834 subscribers served by the local office. (See Appendix B-1 for rates).

UTILITIES:

Water - The Scottsville water system is municipally owned and operated. The source of raw water is deep well springs. Water is pumped into two standpipe storage tanks with a total capacity of 417,000 gallons where it is treated with liquid chlorine. Present use by the city is approximately 175,000 gallons daily.

The distribution grid system graduates from 8" lines from the standpipe to 4" lines in the downtown area. A pressure of 65 psi is maintained throughout the system. (See Appendix B-2 for rates).

Gas - The natural gas distribution system is municipally owned and operated. Natural gas is purchased by the municipality from the Texas Gas Transmission Company. The gas, with a BTU content of 1050,

is supplied from Texas Gas Transmission Company's 26" line at Halifax, Kentucky, 11 miles west of Scottsville. The municipal distribution system is through 4", 3", and 1" lines to consumers.

(See Appendix B-3 for rates).

Electricity - The Tri-County Electric Membership Corporation purchases power from the TVA System's 69 KVA line. The power is 3 phase. (See Appendix B-4 for rates).

Sewage - The sewage disposal plant is designed for a capacity flow of 324,000 gallons daily with a present flow of approximately 200,000 gallons per day. The plant is designed for a future population of 3,240, including allowance for storage for industries, etc., and is so arranged that additions can be made in the future to care for any development. The disposal tank is designed for a two-hour detention period and a sludge compartment volume of two cubic feet per capita. The sludge beds are designed for one square foot of area per capita and are also designed for 100 gallons of water per day per capita.

CITY GOVERNMENT AND SERVICES:

Type Government - Scottsville, a fourth class city, is governed by a mayor and 6 councilmen. The mayor is elected for a four-year term and the councilmen for two-year terms.

Tax Rates and Laws -

Property Tax Rates per \$100

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.58	.58
City	1.20	
School	1.50	1.50
	<u>\$3.33</u>	<u>\$2.13</u>

(See Appendix C for Kentucky Corporation Tax Information)

Assessment Practice - City - 25% of true value
County - 25% of true value

Total Assessment 1952 - City - \$2,153,517
County - \$9,781,975

City Bonded Indebtedness - There is a total of \$187,000 in revenue bonds outstanding as of May 1, 1953. Sewer revenue bonds were issued on October 1, 1943 at 4% in the amount of \$38,000, with \$22,000 presently outstanding; Scottsville Gas Company revenue bonds in the amount of \$35,000 were issued on July 1, 1944 at 3% with \$25,000 presently outstanding; Water Works revenue bonds in the amount of \$140,000 were issued July 1, 1952 at 3 1/2 - 3 3/4% with first payment of this issue scheduled for January 1, 1954 and the entire issue to be retired January 1, 1977; Water Works non-revenue bonds in the amount of \$110,000 were issued April 1, 1952 at 3%. Of this issue \$106,000 was outstanding as of April, 1953, and the entire issue is scheduled to be retired April 1, 1972.

County Bonded Indebtedness - The bonded indebtedness of Allen County, \$75,000 in non-revenue funding bonds with \$23,000 outstanding, bearing interest at the rate of 3% from 1937. The date of maturity of this issue is 1957. Non-revenue hospital bonds in the amount of \$80,000, interest of 2 1/2% and 2 5/8% were issued in 1948. Of this amount, \$75,000 remains outstanding and the last bonds of this issue are scheduled to be retired in 1968.

1952 City Income - \$132,849.89

1952 City Expenditures - \$109,725.77

Laws Affecting Industry - (See Appendix D for Statute)

Exemption to Industry - City - 5 years. State law permits the five-year local tax exemption which cannot be extended.

City Services -

Fire Protection - The fire department consists of a Chief, an Assistant Chief, and 16 volunteer firemen. Equipment includes one 1945 Federal pumper with a 500 gpm capacity, one 1951 Ford pumper with a 500 gpm capacity. Each truck is equipped with 1200 feet of 2 1/2 inch hose and booster tank. Scottsville has a sixth class fire insurance rating. There are 75 fire hydrants throughout the city.

Police Protection - The police department consists of a chief, 4 patrolmen, and 1 patrol car. Both residential and business areas are patrolled.

LOCAL CONSIDERATIONS:

Housing - Prevailing type house is five-room, single-story, frame. It is estimated that building cost for this type home would be \$5,500 to \$7,500 depending on specifications. It is estimated that a 3-room unfurnished apartment could be rented for \$35.00 - \$50.00 per month.

Health -

Hospitals - Allen County Hospital with normal capacity of 30 beds.

The hospital was completed in 1952 and is equipped with complete operating rooms, laboratories, X-ray, etc.

Also, the Holcomb-Oliver Clinic with 2 beds.

Doctors - MD's - 5; Dentists - 6; RN's - 8; Chiropractors - 1.

Public Health Program - The public health program comprises communicable disease control, immunizations and tests, venereal disease and tuberculosis control programs, maternal and child health, school health, general sanitation, and general public health activities, such as lectures, movies and interviews.

<u>Schools</u> -	Elementary			High School		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>City</u>	397	360	12			
<u>County</u>	1328	1780	51	478	455	17

Colleges - Colleges in the area include: Western State College, Bowling Green (25 miles); Vanderbilt University, Nashville (61 miles); University of Kentucky and Transylvania College, Lexington (183 miles).

Churches - The following denominations are represented in Scottsville: Baptist, Church of Christ, and Methodist.

Recreation - Scottsville has two playgrounds, one operated by the Lions Club and the other by the municipality. Both have the usual

playground equipment. There is one baseball park with a lighted diamond. The Allen County Fairground is located at Scottsville and is the site of the annual horse show as well as the county fair.

Theaters - Scottsville has one theater which changes billing three times weekly.

Golf Course - A private 9-hole golf course is maintained by a group of local citizens.

Camping, fishing, and boating - Dale Hollow, 60 miles; Cumberland Lake - 80 miles; Pennyriple State Park - 80 miles; Mammoth Cave National Park - 50 miles.

Tourist Accommodations - The Jacksonian Hotel - 55 rooms and dining facilities; Valley View Motor Court - 12 units; Shady Brook Court - 12 units; Johnson Hotel - 12 rooms.

Newspapers - Allen County News, published each Thursday with a circulation of 1900; The Citizens Times published each Thursday with a circulation of 2400.

Banks - The Farmers National Bank with deposits of \$3,168,000 and resources of \$3,370,000; The Kentucky State Bank with deposits of \$1,687,000 and resources of \$1,811,000.

Retail Businesses

Auto Dealers	7
Clothing	7
Drugs	3
Farm supplies	3
Furniture	2
Hardware	2
Variety	2

Service Establishments

Barber shops	4
Beauty shops	4
Dry cleaners	2
Funeral homes	1
Frozen food lockers	1
Restaurants	6
Service stations	6

Retail, Wholesale and Service Establishment Sales -

Retail, wholesale and service establishments located in Allen County, Kentucky, showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to the 1948 Census of Business.

Retail sales in the county during 1948 aggregated \$5.4 million, an increase of 200% over the \$1.8 million in 1939. Wholesale sales in the county reached a total of \$2.1 million in 1948 as compared with \$0.4 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$173,000 in 1948 compared with \$85,000 in 1939.

Employment in the county also rose over the 9-year period between 1939 and 1948 for the above trades. Establishments in these trades reported a combined total of 344 paid employees for the workweek ended nearest November 15, 1948 as compared with a total of 209 employees reported for the week of November 15, 1939.

Climate -

	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	Relative Humidity		
			6:30 a. m. (64-yr. rec.)	12:30 p. m. (34-yr. rec.)	6:30 p. m. (64-yr. rec.)
Jan.	37.6	4.99	84	66	72
Feb.	39.3	4.02	80	62	65
Mar.	49.1	5.22	77	56	59
Apr.	58.2	4.49	75	51	54
May	67.8	4.16	78	52	57
June	76.1	3.84	79	52	60
July	79.4	4.27	81	54	61
Aug.	78.2	3.75	84	55	63
Sept.	72.5	3.18	85	52	61
Oct.	60.3	2.74	84	51	57
Nov.	48.2	3.83	81	58	62
Dec.	38.7	4.29	82	65	69
Ann. Norm.	58.8°F	48.77 inches			

Days Cloudy or Clear -(81-yr. rec.) -clear - 119
partly cloudy - 121
cloudy - 125

Prevailing Wind (8-yr. rec.) - from south

Percent of possible sunshine (55-yr. rec.) - Annual - 59%

No. of Days With - Prec. over 0.01 in. (81-yr. rec.) - 121
1.0 or more snow, sleet, hail (8-yr. rec.) - 36
Thunderstorms (79-yr. rec.) - 52
Heavy Fog (61-yr. rec.) - 10

Seasonal Heating Degree Days (51-yr. rec.) - Approximate long-term
means 3,738 degree days.

Clubs and Organizations -

Civic - Rotary, Lions, Jaycees

Fraternal - Masonic, VFW, American Legion

Women's - Homemakers, Garden Clubs, Mother's Club, PTA,
Eastern Star, DAR.

Youth - Boy and Girl Scouts, FFA, Rainbow Girls.

RESOURCES:

The most important mineral resources of Allen County are oil and limestones. Some natural gas has been produced. Clays, suitable for common brick and tile manufacture, occur, and gravels, for local construction uses, can be obtained along the Barren River and some of the creeks.

In 1951, Allen County was the 16th largest oil producing county in Kentucky, with a production of 66,911 barrels. Limestone deposits are used for roadway construction. One year around quarry is now being operated.

INDUSTRIAL MARKETS:

There are, within the market area of Scottsville, an estimated 50,000,000 customers. Some major cities in the area include: St. Louis, Chicago, Detroit, Atlanta, and New Orleans.

AVAILABLE INDUSTRIAL SITES:

For information on available industrial sites in Scottsville, contact the Scottsville Rotary Club, or the Agricultural and Industrial Development Board, Capitol Annex Office Building, Frankfort.

APPENDIX

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Water Rates	App. B-2
Gas Rates	App. B-3
Power Rates	App. B-4
Kentucky Corporation Taxes	App. C
Kentucky Revised Statutes - Bond Issue Plan	App. D
Cooperating State Agencies	App. E

HISTORY AND GENERAL DESCRIPTION

Allen County, situated in the south central section of Kentucky, was founded January 11, 1815 and named for General Ethan Allen. Scottsville, the county seat, was named for the fourth Governor of Kentucky, Charles Scott.

The economy of Allen County is based primarily on agriculture. Principal crops are tobacco, both burley and dark, small grain, and hay. Production of fescue and other forage crops have been influential in promoting an expanding livestock program, including both dairying and the growing of beef cattle. The latter is attested by the many fine herds of Aberdeen-Angus and Shorthorns to be seen through the county. The large scale raising of turkeys is also an important item of farm production.

Oil and timber resources add to the over-all economy.

Scottsville has been conscious of the value of catering to the traveling public since stage-coach days, when it was a post stop on the Louisville-Nashville line. Today, with an ever-increasing demand for tourist accommodations, the city offers many excellent hotel and motel accommodations, and dining rooms and restaurants specializing in old time southern prepared food.

TELEPHONE RATES - Appendix B-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>
Business	\$5.75	\$5.25	----
Residential	3.25	-----	\$2.50

WATER RATES - Appendix B-2

		<u>In City</u>	<u>Outside City</u>
First	2,000 gal.	\$1.50 per M gal. (Min)	\$2.50 per M gal.
Next	50,000 gal.	.50 per M gal.	.65 per M gal.
Over	50,000 gal.	.25 per M gal.	.60 per M gal.

GAS RATES - Appendix B-3

First	5,000 cu. ft.	\$.85 per M cu. ft.
Next	5,000 cu. ft.	.75 per M cu. ft.
Next	5,000 cu. ft.	.65 per M cu. ft.
Next	10,000 cu. ft.	.55 per M cu. ft.
Next	225,000 cu. ft.	.50 per M cu. ft.
Over	250,000 cu. ft.	.40 per M cu. ft.

Minimum charge - \$2.00

POWER RATES - Appendix B-4

Demand Charge - First 10 KW nc; additional 1 KW @ \$1.00 per KW

Energy Charge - 150 KW @ 3.0¢
 350 KW @ 2.0¢
 1250 KW @ 1.0¢
 13250 KW @ 0.08¢
 Additional 1 KW @ .55¢

Over 40 KW - Demand Charge - 1000 KW @ \$1.00; 1 KW @ .90

Energy Charge - 15,000 @ .80¢
 25,000 @ .60¢
 60,000 @ .40¢
 400,000 @ .30¢

Consumers whose demand exceeds 40 KW receive .05¢ per KWH discount on energy exceeding 360 KWH per KW - plus 10% surcharge on electric charge - plus 1¢ per KWH on first 100 KW.

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

Domestic corporations having capital stock divided into shares are required to pay an organization tax to the Secretary of State at the time of corporation. The tax is based upon the number of shares authorized:

	<u>Rate Per Share (Par Value)</u>	<u>Rate Per Share (No Par Value)</u>
First 20,000 shares	1¢	1/2¢
20,001 through 200,000 shares	1/2¢	1/4¢
Over 200,000 shares	1/5¢	1/5¢

The minimum tax is \$10. If additional shares are authorized the tax is computed on the basis of the total number of shares, as amended, and the tax due in excess of that already paid must be paid at the time the amendment to the articles of incorporation is filed.

The tax applies to the capital of foreign corporations in case of merger or consolidation with a Kentucky corporation.

Corporation License Tax

All corporations except foreign insurance companies, domestic life insurance companies, building and loan associations, banks and trust companies, race track corporations, and franchise paying corporations are liable for the state corporation license tax of 70¢ on each \$1,000 value of capital stock represented by property owned or business transacted in Kentucky. The minimum license tax is \$10. An annual report of facts concerning the corporation and its business is required to be filed with the Department of Revenue not later than the 15th day of the 4th month following the close of the corporation's taxable year. The amount of the tax is computed from this return. The corporation income and license tax returns have been consolidated. Tax payment is due within 30 days after certification of the assessment of its capital stock.

Corporation Income Tax

The corporation income tax of 4 1/2% applies to the entire net income allocable to this state. Federal income taxes are allowed as a deduction. State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year. Payment of one-third of the tax may be deferred until the 15th day

of the seventh month and an additional one-third until the 15th day of the 11th month following the close of the tax year without interest.

Interest, dividends, rents and royalties, and capital gains not received in connection with the regular business of a corporation are subject to taxation by this state only when such income is received from sources within this state.

Kentucky's portion of taxable corporate income derived from public utilities and the manufacture and sale of tangible property is determined by applying to net income an average of the ratios of the value of tangible property, payroll, and amount of sales in this state to the total value of tangible property, payroll, and amount of sales of the corporation.

In general, this same method is used for allocating taxable income of corporations engaged in other types of business.

Franchise Company Taxes

Property of franchise companies (public service companies, railroad companies, common carrier trucking companies, etc.) is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; non-operating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$1.50; and franchise (value over and above the actual value of tangible property), 50¢. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and non-operating intangibles, such property is also subject to local taxation.

Franchise companies must, between January 1 and March 31, file an annual report of its operations during the past calendar year. Assessment of franchise property is made by the Department of Revenue as of December 31 of each year. The total over-all value of the company is fixed by various means, among which are (1) capitalizing net utility operating income and (2) determining the market value of the company's stocks and bonds.

Tax payment is due within 30 days after the department's assessment becomes final.

General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Assessments are required to be at fair cash value. Classification is provided. Kentucky courts have consistently held that uniformity takes precedence over full value. The state-wide assessment level on real estate is not more than 40%, on tangible personalty considerably less than 40% generally, and on intangible personalty approximately full value.

Both foreign and domestic corporations, other than franchise companies, must pay general property taxes on tangible property situated within this state and on intangible property which has acquired a situs in Kentucky at the following rates per \$100 value: real property, 5¢; agricultural products, 25¢; other tangible personalty, 50¢; bank deposits, 10¢; brokers accounts receivable, 10¢; and other intangible property, 25¢. Manufacturing machinery, all intangibles except bank shares, and livestock are exempt from local taxation. Agricultural products in storage may be taxed by counties at the rate of 15¢ per \$100. Real estate and all other tangible personalty are subject to full local levies.

County rates have a maximum of 70¢ but average about 65¢; school rates average \$1.45 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

The Department of Revenue assesses bank deposits in Kentucky banks as of September 1 and distilled spirits and marginal accounts as of January 1. Tax payment is due on bank deposits on or before November 1 following the assessment date and on marginal accounts within 30 days after the department renders its tax bill to the taxpayer. The tax on distilled spirits may be paid tri-annually on January 1, May 1, and September 1, or annually between September 1 and January 1.

Other property is assessed for state, county, and county school taxes by county tax commissioners, and must be listed as of January 1 between January 1 and March 1. Tax payment is due between the following September 15 and January 1; if rendered before November 1 a discount of 2% applies. Exceptions are money in hand, deposits in out-of-state banks, and tobacco, which are assessed as of September 1; tax payments are due the second succeeding September 15.

City and city school assessment and payment dates vary.

Special Taxes

Banks and trust companies, building and loan associations, and insurance companies, which are exempt from corporation license and income taxes, are subject to special taxes.

Banks - Each bank and trust company is required to pay for its stockholders an annual state tax of 50¢ per \$100 value of its capital stock. An annual report to the Department of Revenue and to the assessing officer of the county, city, and school district in which it is located is required by February 1. Tax payment, subject to a 2% discount if paid by November 1, is due between September 15 and December 31 following the assessment date. The assessed value of tangible property may be deducted from the total value of its shares.

Maximum local rates per \$100 are: counties, 20¢; cities, 20¢; and school districts, 40¢.

Building and Loan Associations - A state tax of 10¢ per \$100 is levied on capital stock of domestic building and loan associations in lieu of all other state and local taxes. A report to the Department of Revenue as of January 1 is required by January 31 of each year. Tax payment is due by July 1 of the same year. Shares of borrowing members where the amount borrowed equals or exceeds the amount paid in by those members are exempt from taxation.

Foreign building and loan associations are required to pay an annual tax of \$3 on each \$100 received from shareholders residing in this state, less the amount loaned to shareholders residing in the state. A report must be filed with the Department of Banking on January 1 each year.

**STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS**

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

**This Statute was held constitutional by the Court of Appeals
of Kentucky in a decision rendered on July 14, 1950, in the
case of E. P. Falconer, et. al., vs. the City of Danville,
Kentucky, et. al.**

**Distributed
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**Agricultural and Industrial Development Board
of
Kentucky**

Frankfort, Kentucky

KENTUCKY REVISED STATUTES

1948

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS 103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

103.200 - 103.280

103.200 Definitions for KRS 103.200 to 103.280. As used in KRS 103.200 to 103.280, "industrial building" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, to be rented or leased to an industrial concern by the city by which it is acquired.

103.210 Issuance of Bonds. In order to promote the reversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body before issuing the bonds.

103.230 Bonds negotiable; disposal; payable only from revenue. Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer, before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the city legislative body deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than 6% except as provided in subsection (2) in KRS 103.220. The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city within the meaning of the Constitution.

It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city within the meaning of the constitution.

103.240 Use of proceeds of bonds. All money received from the bonds shall be applied solely for the acquisition of the industrial building, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during the first three years following the date of the bonds.

103.250 Receiver in case of default. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210.

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account.

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body to the depreciation account, to be used for improvements, extensions or additions to the building.

(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body may designate, and if invested the income from such investment shall be carried into the depreciation account.

103.280 Additional Bonds. (1) If the city legislative body finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

The Following Amendment was made to KRS 103.200 to 103.280 by the 1952 Kentucky Legislature.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY:

Section 103.200 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 103.200 to 103.280, "industrial building" or "buildings" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, and/or the necessary operating machinery and equipment, to be rented or leased to an industrial concern by the city by which it is acquired.

COOPERATING STATE AGENCIES

As a state, Kentucky realized the importance of industry in developing her many resources. In addition to the Agricultural and Industrial Development Board, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs, which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year, 1950, 2,461 miles of highway and bridges were placed under contract at a total cost of \$35,000,000. This brings the total of the last three years to more than \$88,000,000 for 7,000 miles of highway construction. In national standing, according to the United States Bureau of Public Roads, Kentucky was 7th in the number of miles of highway construction placed under contract in 1950, and 11th in the amount of money spent. If the national war emergency does not interfere, they expect to exceed this figure in 1951.

The Kentucky Department of Economic Security stands ready at all times to assist new industries in determining sources of various classes of labor, prevailing labor rates, and labor practices throughout the State. In addition, they provide, on request, a labor procurement and counseling service for existing industries.

The Kentucky Department of Industrial Relations has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

The Kentucky Department of Revenue offers the services of its tax consultants to industries seeking locations within the State, as well as to resident industries.

Established industries have found the State to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to their choice of our present family of industries.

The Kentucky Agricultural and Industrial Development Board takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry.