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Industrial Resources: Breckinridge County - Cloverport

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ECONOMIC & INDUSTRIAL
SURVEY

of

Cloverport, Ky.



Prepared By

CLOVERPORT INDUSTRIAL FOUNDATION

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

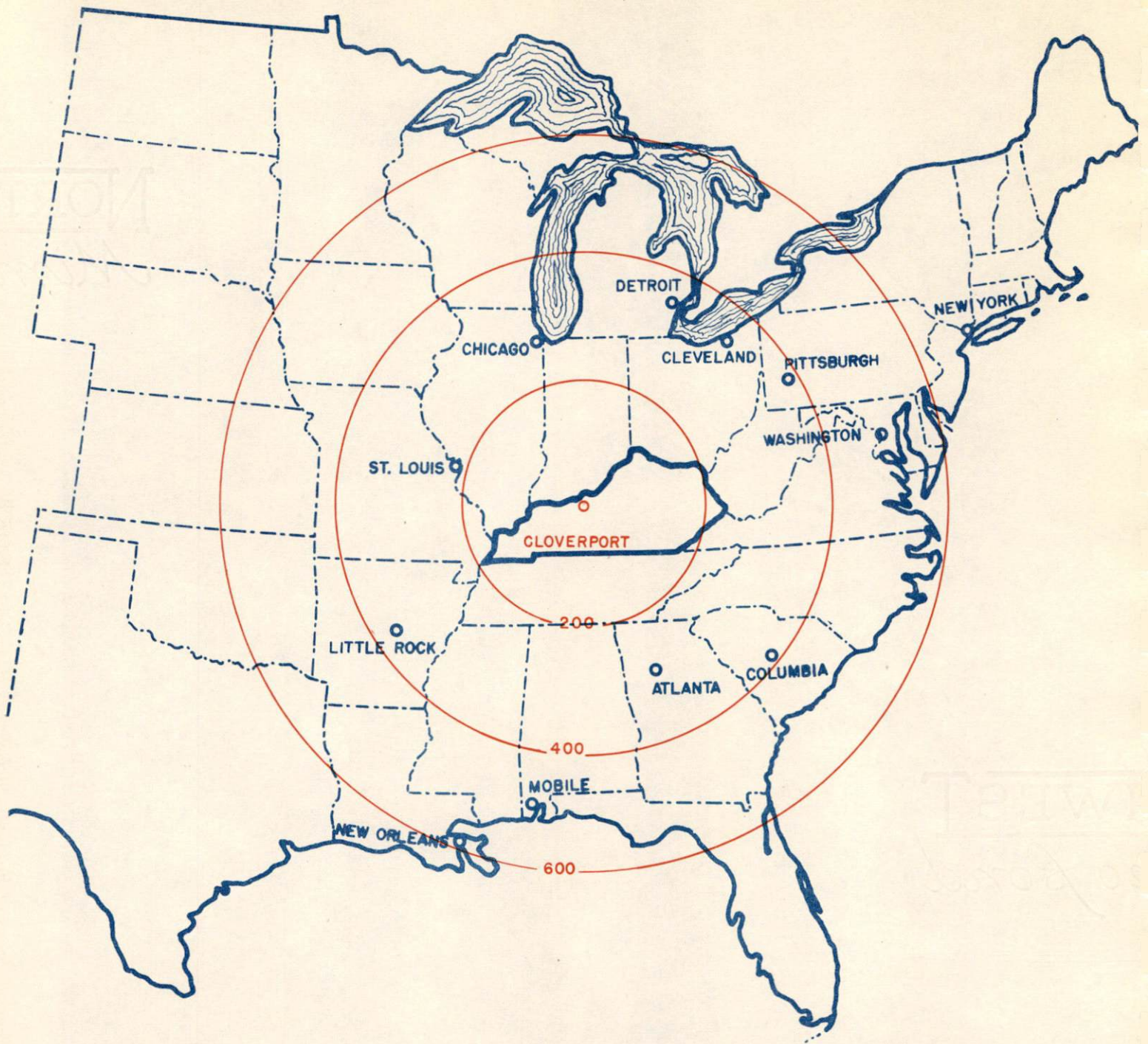
ECONOMIC & INDUSTRIAL SURVEY
OF
CLOVERPORT, KENTUCKY

Prepared by
Cloverport Industrial Foundation
and
The Kentucky Agricultural and Industrial Development Board

January 10, 1952



AERIAL VIEW OF CLOVERPORT



CLOVERPORT, KENTUCKY
HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

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CLOVERPORT, KENTUCKY

Cloverport is located in Breckinridge County, in the northwest portion of the State, 84 miles from Louisville. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1860 - 1950

	<u>Cloverport</u>	<u>Breckinridge County</u>
1860	920	13,236
1870	849	13,440
1880	1,056	17,486
1890	1,527	18,976
1900	1,656	20,534
1910	1,403	21,034
1920	1,509	19,652
1930	1,324	17,368
1940	1,402	17,744
1950	1,357	15,528

Population Characteristics - The population of Cloverport has decreased 3.2% during the past decade, while the population of Breckinridge County has decreased 12.5% during the same period. 95.4% of the population of the county are native white, 0.1% foreign born white, and 4.5% negro.

Labor Market Area - The Cloverport labor market (commuting) area includes Hancock and Breckinridge Counties in Kentucky, and Perry County in Indiana.

Industrial Pattern - The Kentucky portion of the area is heavily agricultural with 4,766 persons listed as working on farms by the 1950 Census of Agriculture. In contrast, employment covered by unemployment insurance totaled only 519 (427 in Breckinridge County) in June, 1951 with 243 employed in manufacturing.

Labor Supply - It is estimated that at least 1,400 workers could be recruited for factory jobs in this area with 800 being men and 600 women.

Most of the male workers would come from (1) shifts from farm to factory, (2) shifts from low paying non-farm jobs, and (3) new entrants into the labor market. Undoubtedly, there would be a considerable number of workers available from the 900 farms in the Kentucky counties with less than \$600 cash income in 1949.

The female labor supply would come largely from new entrants into the labor market from homes, although there would be some shifting from other jobs. In the two Kentucky counties, not more than 15% of the women of working age are in the labor market as compared to 33% nationally. Assuming a very conservative labor force participation rate of 25%, about 550 women (400 in Breckinridge County) would be available in the Kentucky counties, while from 50 to 200 would probably come across the river from Perry County, Indiana, if jobs were available.

Wage Rates - The only wage data available for this area are average wages of workers covered by unemployment insurance. During April to June, 1951, the average weekly wage per covered job in Breckinridge County was \$35.67 and the average wage for manufacturing jobs was \$36.61. The average weekly wage for covered jobs in the State was \$56.80, below the average manufacturing wage of \$60.96.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Murray Tile Co.	Floor & wall tile	105	25	130
Wilson Mfg. Co.	Industrial ovens	3	1	4
		<u>108</u>	<u>26</u>	<u>134</u>

Union Affiliations - None

TRANSPORTATION:

Railroads - Cloverport is served by the Louisville-Evansville Division of the Louisville & Nashville Railroad, with local freight operating between Louisville and Evansville daily. Six through freights from Cincinnati to St. Louis will stop if required. There are 215 inbound carloads per year, and 400 outbound carloads per year. Principal inbound commodities are boxes, coal, oil, fertilizer, and machinery. Principal outbound commodities are tile and merchandise.

Approximate Transit Times To -

Atlanta, Ga.	42 hrs.	Mobile, Ala.	41 hrs.
Chicago, Ill.	38 hrs.	New Orleans, La.	48 hrs.
Cleveland, Ohio	47 hrs.	New York, N. Y.	82 hrs.
Detroit, Mich.	66 hrs.	Pittsburgh, Pa.	52 hrs.
E. St. Louis, Ill.	17 hrs.	Washington, D. C.	81 hrs.

Highways - U. S. #60

Highway Distances To -

Ashland, Ky.	308	Louisville, Ky.	84
Atlanta, Ga.	450	New York, N. Y.	850
Chattanooga, Tenn.	325	Paducah, Ky.	138
Chicago, Ill.	358	Philadelphia, Pa.	765
Cincinnati, Ohio	206	Detroit, Mich.	386

Truck Lines - Armes Motor Line, Hardinsburg, Kentucky, operates between Louisville and Owensboro with daily LTL service in Cloverport and TL service on demand. Equipment includes 6 tractors, 7 van trailers, 1 flat trailer, 2 straight trucks. Terminals at Louisville and Owensboro, as well as Hardinsburg, 9 miles from Cloverport.

Bus Lines - Greyhound Bus Lines operating between Louisville and Owensboro with 4 round trips daily.

Water - The Ohio River with 3 barge lines: American Barge Lines, Pittsburgh; Mississippi Valley Barge Lines, St. Louis; Union Barge Lines, Pittsburgh.

Air - The Owensboro Airport, 40 miles west, is served by Eastern Airlines; Standiford Field at Louisville 84 highway miles northeast, is served by American, Eastern, Piedmont, and TWA; Evansville Airport, 70 miles west, is served by Chicago & Southern, and Eastern Airlines.

COMMUNICATIONS:

Postal Facilities - Cloverport has a third class post office with 4 office employees, 1 city carrier and 2 star routes. Mail is received 5 times daily (3 by rail and 2 by truck), and forwarded 4 times daily (2 by rail and 2 by truck). Annual revenue is approximately \$6,500.00. The Railway Express Agency operates from the railroad station.

Telephone and Telegraph - Cloverport is served by the Southern Bell Telephone and Telegraph Company, with the office at Hardinsburg. Cloverport, the first town in Kentucky to have the dial system, has 360 subscribers. (See Appendix C-1 for rates).

UTILITIES:

Electricity - The Meade County Rural Electric Co-op, at Brandenburg, Kentucky, serves Cloverport. There is a 33,000 volt line from the Louisville Gas and Electric Company line near Tip Top. Present source is the Louisville Gas and Electric generating plant. Future source will be from the REA generating plant at Ford, Kentucky, at which time the line into Cloverport will be increased to 66,000. Present power is 3 phase, 60 cycle. There are three 500 KVA transformers at Cloverport. Present use is about 800 KVA; 700 to 1,000 additional KVA can be supplied with present facilities. Additional power can be made available if required. (See Appendix C-2 for rates).

Gas - Cloverport is served by the Western Kentucky Gas Company at Owensboro, Kentucky, which is supplied by a 4" line from Texas Gas Transmission Company. (See Appendix C-3 for rates).

Water - The Cloverport Municipal Water Works obtains water from two 800-foot wells. The water is treated with chloride of Lime. Pumping capacity is 300 gpm, storage reservoir capacity is 75,000 gallons, standpipe 75,000 gallons plus 10,000 gallons in riser, present daily use is 75,000 gallons, and minimum pressure is maintained at 90 pounds per square inch. Temperature at well head delivery at local ice plant is a constant 58 degrees the year round. (See Appendix C-4 for rates).

Sewers - There are no city sanitary or storm sewers. They do have individual septic tanks.

Coal - Cloverport is 75 miles distant from the heart of the Western Kentucky Coal Fields. Bituminous coal is available from the Daviess County and Hancock County mines, 40 miles distant, or by barge from the Kentucky-West Virginia mines along the Ohio River. Delivery prices will be quoted on request.

Oil - Since the delivery price of fuel oil varies from day to day, and since there is such a variety of types and grades, no prices are given in this report. Delivery prices of any grade of fuel oil in tank car lots will be furnished within 24 hours.

CITY GOVERNMENT AND SERVICES:

Type Government - Cloverport is governed by a mayor and 6 councilmen, the mayor being elected for 4 years, and the councilmen for 2 years.

Tax Rates and Laws -

Property Tax Rates per \$100 in 1950

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.70	.70
City	.75	
School	<u>1.50</u>	<u>1.50</u>
Total	\$ 3.00	\$ 2.25

(See Appendix D for Kentucky Corporation Tax information).

Assessment Practice - City - 25%
County - 25%

Total Assessment in 1950 - City - \$554,059.00
County - \$9,726,404.00
Cloverport Independent School District - \$650,000.00

Bonded Indebtedness - City - waterworks bonds issued in 1932 in amount of \$65,000, refunded in amount of \$44,000 July, 15, 1939, will mature in 1971. They are 4% refunding water revenue bonds. \$36,000 outstanding, \$12,000 on deposit in bank to pay. There is no other city debt.

County - \$40,000 in road and bridge bonds issued in January, 1927 at 4 3/4%; \$79,000 in road and bridge bonds issued in October, 1941 at 4 1/2%; \$30,000 in road and bridge bonds issued in April, 1943 at 3 1/3%; \$15,000 in funding bonds issued in January, 1943 at 4 1/4%; Total \$164,000 outstanding, current, no defaults.

1950 City Income - \$8,854.44 (avg. last 5 yrs. \$8,669.33).

1950 Expenditures - \$8,645.10 (avg. last 5 yrs. \$8,186.26).

Cash Balance - \$2,686.72

Laws Affecting Industry - (See Appendix E for statute governing the bond issue plan).

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

Business License Fees - Minimum \$5.00; maximum \$25.00

City Services -

Fire Protection - Cloverport has 26 volunteer firemen. Equipment includes one 400 gpm pumper with 100 gallon tank on truck, 1,500' of 2 1/2" hose, 300' of 1 1/2" hose, and 100' of 1" hose.

There are 19 fire hydrants served by a 6" line. Pressure is maintained at 90 pounds minimum; on top of hill pressure is maintained at 45 pounds minimum. Cloverport has a 7th class fire insurance rating, with losses in 1950 of only \$500.00.

Police Protection - Cloverport has a police force of 2 men. There is no mobile equipment or radio.

Streets - Cloverport's 1 1/2 miles of paved streets are maintained by a crew of 3 men. There are also 2 1/2 miles of unpaved streets.

Garbage - Cloverport has free weekly collection by 4 men with 1 truck.

LOCAL CONSIDERATIONS:

Housing - Construction cost of average 5-room house is from \$7,000 to \$8,000. Purchase price of some older 5-room houses is approximately \$5,500; rental rates are from \$35.00 to \$40.00 per month.

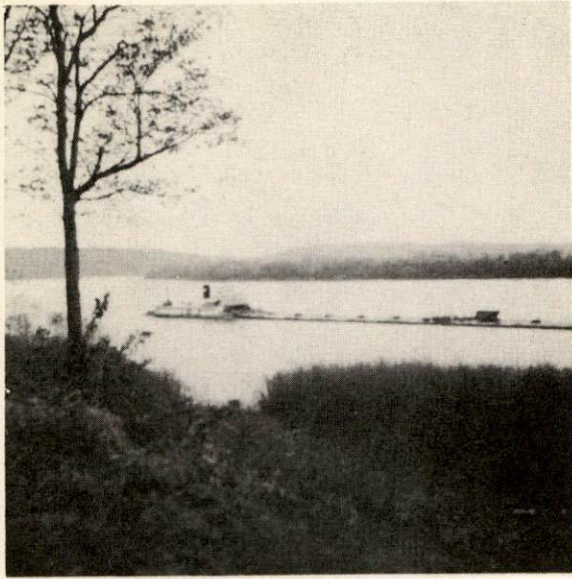
Health -

Hospitals - Breckinridge County Hospital at Hardinsburg has 18 beds.

Doctors - MD's - 1 in Cloverport and 2 in Hardinsburg; Dentists - 2 at Hardinsburg; RN's - 3 at Hardinsburg and 1 in Cloverport.

Clinics - Dr. J. C. Denniston operates a clinic in Cloverport, which employs 2 technicians and 1 RN, does all laboratory and technical work ordinarily done in a hospital.

Health Program - The Breckinridge County Health Department has headquarters in Hardinsburg, and has a full-time health program which comprises immunizations and tests, tuberculosis and venereal disease control, general sanitation, etc.



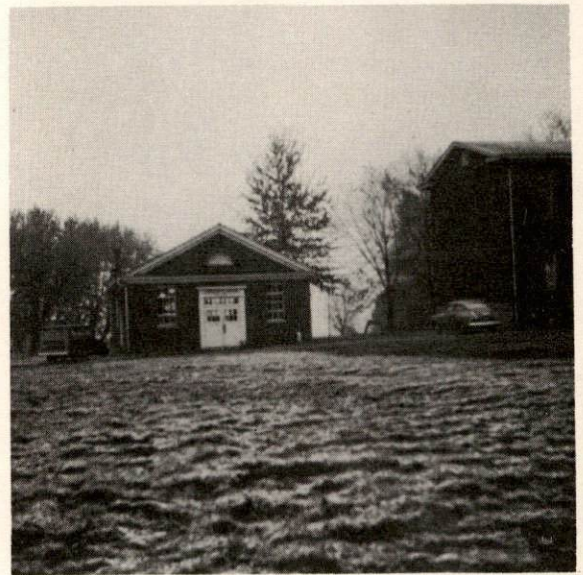
Tow Passing Cloverport Landing



Breckinridge Bank of Cloverport



Cloverport Grade & High School



Frederick Fraize Trade School

<u>Schools</u> -	Grade			High		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
City	270	290	8	80	100	4
County	2,400	2,500	66	600	660	24
Parochial	54	70	2			

Trade Schools - The Frederick Fraize Trade School with an enrollment of 80 and capacity of 90 and one teacher, was established with a \$100,000 trust fund, and teaches industrial arts, woodworking, and mechanical drawing.

Colleges - Colleges in the area include: Western State College and Bowling Green College of Commerce, Bowling Green; Kentucky Wesleyan College, Owensboro; Murray State College, Murray; University of Louisville, Louisville.

Churches - Cloverport has represented the following denominations: Baptist, Church of Christ, Evangelical United Brethren, Methodist, Presbyterian, and Roman Catholic. Total active membership is 990.

Libraries - The Lions Club established a library July 1, 1951. There are a total of 1,500 volumes; annual circulation based on figures from July 1 to November 1 was 4,000.

Recreation - Cloverport has 1 theater which changes program 4 times weekly. The Ohio River affords good fishing and swimming facilities.

Tourist Accommodations - The Pate House with 25 rooms serves excellent meals. There are several tourist homes in Cloverport.

Newspapers - The Breckinridge News (weekly Thursday) has a circulation of 1,780.



Presbyterian Church



Baptist Church



Grant Memorial Methodist Church



St. Rose Roman Catholic Church

Radio Stations - The nearest radio stations are located at Louisville and Owensboro.

Banks - The Bredkinridge Bank of Cloverport with total deposits of \$1,140,000 and total resources of \$1,254,000.

<u>Retail Businesses</u>		<u>Service Establishments</u>	
Building Supplies	1	Barber shops	3
Clothing	1	Beauty shops	3
Drugs	1	Filling stations	6
Electrical appliances	2	Laundry & cleaning	1
Farm supplies & hdwe.	2		
Furniture	1		
Groceries	10		
Lumber	1		
Restaurants	4		
Variety	2		

Retail, wholesale and service trade sales - According to the 1948 Census of Business, retail sales in the county during 1948 aggregated \$4.7 million, an increase of 213% over the \$1.5 million in 1939. Wholesale sales in the county reached a total of \$832,000 in 1948 as compared with \$181,000 in 1939. The service trades included in the Census of Business recorded receipts totaling \$187,000 in 1948 as compared with \$46,000 in 1939.

Clubs and Organizations -

Civic - Lions Club and Cloverport Industrial Foundation.

Fraternal - Masonic, American Legion, VFW.

Women's Clubs - Eastern Star, PTA, Homemakers.

Youth - Girl and Boy Scouts, Boys Club which is sponsored by the Lions Club.

Climate -

	Prec. (30-yr. norm)	Temp. (30-yr. norm)	Relative Humidity		
			6:30 a. m. (63-yr. rec.)	12:30 p. m. (33-yr. rec.)	6:30 p. m. (63-yr. rec.)
Jan.	4.36	35.5	77	67	69
Feb.	3.22	36.9	76	63	65
Mar.	4.97	46.9	74	57	60
Apr.	4.02	56.1	71	54	56
May	4.02	65.8	73	54	56
June	3.91	74.1	75	54	59
July	3.40	77.7	77	52	57
Aug.	3.17	76.2	80	54	60
Sept.	3.11	70.5	81	54	60
Oct.	2.59	58.8	80	53	59
Nov.	3.03	46.6	77	60	63
Dec.	3.21	37.0	78	63	69
Ann. Norm.	43.01	56.8			

Prevailing Winds - from southwest

<u>Average Number of Days With</u> - Thunderstorms	42
Snow	4
Dense Fog	10

Source of Information - Prec. - data for Addison Dam #5 on Ohio River 3 miles northeast of Cloverport.

Temp. - data for Irvington, Ky., 15 miles east of Cloverport

Hum. - data for Louisville, Ky., 50 airline miles northeast of Cloverport.

RESOURCES:

Mineral - Limestones, which can be used for building and construction purposes, cement manufacture, and agricultural lime, are present in Breckinridge County. A portion of the county lies within a high calcium limestone belt. Limestones in this belt often have 95% or more calcium carbonate content. Several quarries are operated in this County.

This County has important deposits of rock asphalt. It is one of the six rock asphalt producing counties in western Kentucky. Production of this valuable mineral resource is from the Cypress sandstones.

Clays which are suitable for cement and brick and tile manufacture are present in quantity.

During 1950, Breckinridge County produced about 4,547 barrels of crude oil and ranked thirty-third among the oil producing counties of Kentucky. A number of wells have been productive. Natural gas has had considerable production and use in the Cloverport area.

Cannel coals have been produced in the area adjacent to Hancock County.

Breckinridge and Hancock are the only two western Kentucky counties which have important deposits of this resource.

INDUSTRIAL MARKETS:

There are, within the market area of Cloverport, an estimated 50,000,000 customers. Cities in the area include: St. Louis, Chicago, Detroit, Pittsburgh, and Atlanta.

AVAILABLE INDUSTRIAL SITES:

Cloverport has one 30-acre site, perfectly level, adjoining the western city limits, lying between the Ohio River and the L & N Railroad, and about 300 yards from U. S. #60. This tract is above any recorded flood level. There is also a 14.5-acre tract, within the city limits, which is owned by the city and adjoins the above described site.

A third site of about 4 acres lies within the western city limits with U. S. #60 on two sides and the L & N Railroad on a third side. This tract is reasonably level and is free from high water.

APPENDIX

History and General Description	App. A
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Power Rates	App. C-2
Gas Rates	App. C-3
Water Rates	App. C-4
Kentucky Corporation Taxes	App. D
Statute Governing Bond Issue Plan	App. E
Cooperating State Agencies	App. F

HISTORY AND GENERAL DESCRIPTION

Cloverport owes its origin and original name to an adventurous pioneer of Kentucky. Tradition and records establish the fact that Joe Huston was the first man to make a permanent home on the bank of the Ohio River, where Clover Creek, which divides the town, finds its outlet to the river.

The River at this point indents the border of Kentucky in the form of a horse shoe bend. An unobstructive view of the almost straight course of the wide river for two miles in each direction furnished a degree of security against concealment and surprise from hostile visits, and the creek permitted easy exploration, for many miles inland, of the hills and valleys that surround Cloverport and country beyond.

Joe Huston built a cabin and established a trading point in the late 1790's.

At first the trading point was called Joeville; however, in the 1820's immigration and settlement of the area had increased to an extent that there were two towns divided by the Creek. A dispute arose about which side of the Creek should be called Joeville. The argument was amicably settled by adopting the name Cloverport. Another story has it that river men referred to the point as Clover Port, because of the large shipments of clover from the locality and the name Cloverport gradually superseded that of Joeville.

Luxuriant growth of clover in and around the place suggested the name.

Because of the importance as a point for river transportation Cloverport rapidly grew in population and business ventures. Steamboating on the Ohio River developed into an enormous business and reached its height in the 70's.

In 1887 a railroad was constructed out of Louisville passing through Cloverport connecting with St. Louis. This railroad is now part of the Louisville & Nashville Railroad.

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR BRECKINRIDGE & ADJOINING COUNTIES

County	Total	Food & Kindred Products	Tobacco	Clothing, Textiles, Leather	Lumber & Furniture	Printing, Publishing & Paper	Chemicals, Petroleum, Coal & Rubber	Stone, Clay, Glass	Pri- mary metals	Mach., Metal Prod., Equip.	Other
Breckinridge	234	5	0	114	21	4	0	90	0	0	0
Hancock	9	0	0	0	9	0	0	0	0	0	0
Ohio	153	39	0	0	100	14	0	0	0	0	0
Grayson	321	31	0	221	54	0	0	15	0	0	0
Hardin	478	72	0	150	22	28	28	61	0	117	0
Meade	40	29	0	0	11	0	0	0	0	0	0
Totals	1,235	176	0	485	217	46	28	166	0	117	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR BRECKINRIDGE & ADJOINING COUNTIES

County	All Industries	Mining & Quarrying	Contract, Con- struction	Manufac- turing	Transpor- tation, Com- munication & Utilities	Whole- sale & Retail Trade	Finance, Insurance & Real Estate	Services	Other
Breckinridge	427	34	0	234	32	113	14	0	0
Hancock	92	5	30	9	11	20	7	10	0
Ohio	1,288	657	131	153	43	206	36	62	0
Grayson	732	10	56	321	24	297	18	6	0
Hardin	2,692	53	314	478	276	1,104	71	396	0
Meade	1,407	0	1,162	40	96	72	7	30	0
Totals	6,638	759	1,693	1,235	482	1,812	153	504	0

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Eight-party (rural)</u>
Residential	\$3.00	\$2.50	\$2.25
Business	6.25	5.50	3.25

POWER RATES - Appendix C-2

Large Power Service - \$ 1.25 per mo. per KW of billing demand
plus energy charges of
2.5¢ per KWH for the first 50 KWH used per mo.
per KW of billing demand
1.5¢ per KWH for the next 100 KWH used per mo.
per KW of billing demand
0.0¢ per KWH for all remaining KWH used per mo.

GAS RATES - Appendix C-3

First	1,000 cu. ft.	\$1.50 per M cu. ft.
Next	2,000 cu. ft.	.75 per M cu. ft.
Next	97,000 cu. ft.	.45 per M cu. ft.
Next	100,000 cu. ft.	.40 per M cu. ft.
Excess		.375 per M cu. ft.

WATER RATES - Appendix C-4

First	3,000 gal. or less	\$1.75 (minimum bill)
Next	5,000 gal.	.55 per M gal.
Next	5,000 gal.	.50 per M gal.
Next	5,000 gal.	.45 per M gal.
Next	10,000 gal.	.40 per M gal.
Next	10,000 gal.	.35 per M gal.
Next	10,000 gal.	.30 per M gal.
Next	10,000 gal.	.25 per M gal.
Next	30,000 gal.	.20 per M gal.
Next	88,000 gal.	.15 per M gal.

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%¹ 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

¹ Temporary rate of 4 1/2% reverts to 4% at expiration of second calendar or fiscal year beginning after January 1, 1950.

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. Faulconer, et. al., vs. the City of Danville, Kentucky, et. al.

Distributed
by the

Agricultural and Industrial Development Board
of
Kentucky

415 Ann Street
Frankfort, Kentucky

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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 reconversion 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.

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.