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Industrial Resources: Caldwell County - Princeton

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ECONOMIC & INDUSTRIAL
SURVEY

of

Princeton, Ky.



Prepared By

CALDWELL COUNTY CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY

OF

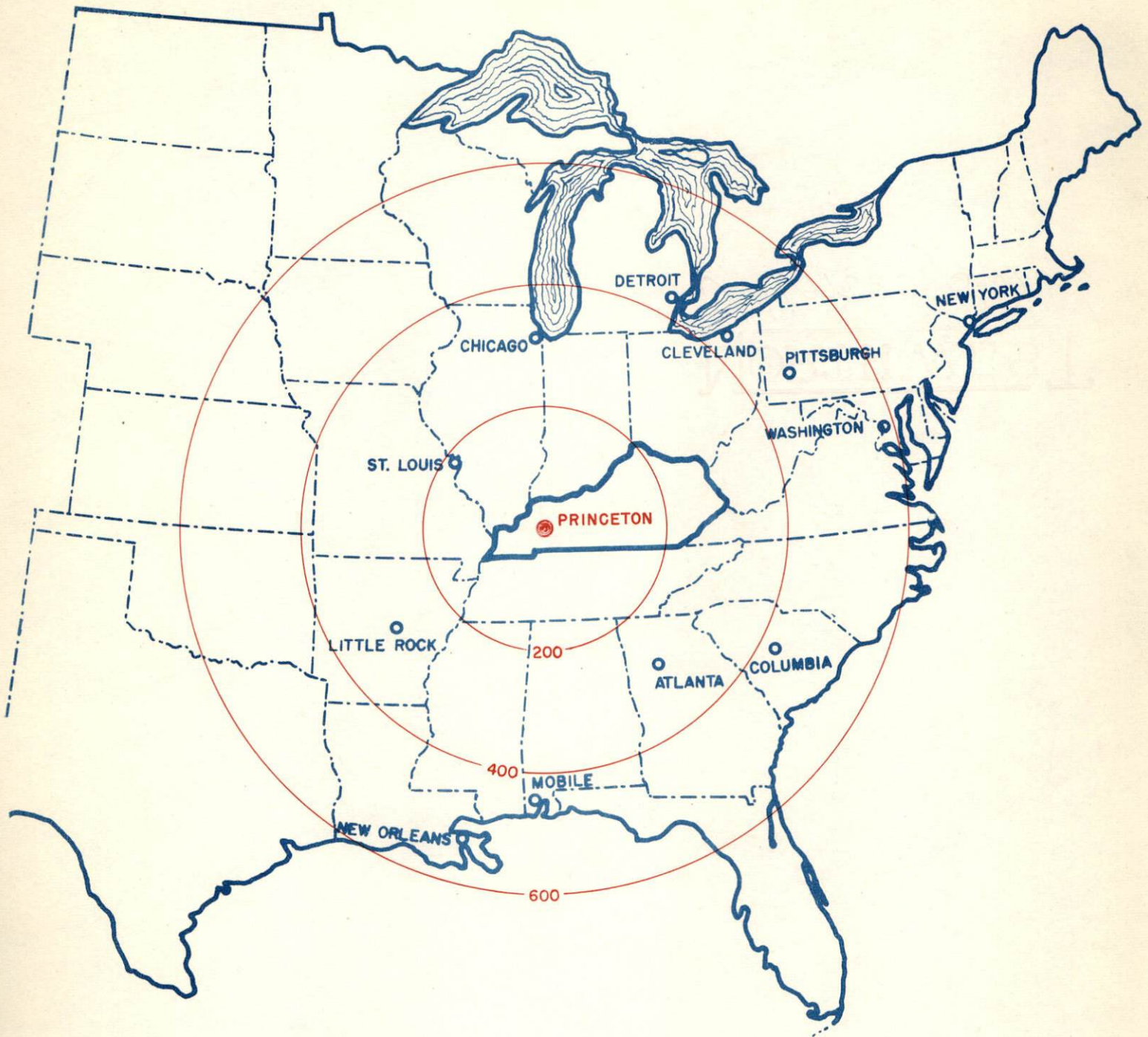
PRINCETON, KENTUCKY

Prepared by

The Caldwell County Chamber of Commerce
and

The Kentucky Agricultural and Industrial Development Board

November 16, 1951



PRINCETON, KENTUCKY

HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

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PRINCETON, KENTUCKY

Princeton, the county seat of Caldwell County, is located in the western part of the State, about halfway between the Illinois and Tennessee lines, 17 miles east of Kentucky Dam, and 184 miles southwest of Louisville on U. S. 62.

(See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1860 to 1950

	<u>Princeton</u>	<u>Caldwell County</u>
1860	494	9,318
1870	1,012	10,826
1880	1,234	11,282
1890	1,857	13,186
1900	2,556	14,510
1910	3,015	14,063
1920	3,689	13,975
1930	4,764	13,781
1940	5,389	14,499
1950	5,388	13,199

Population Characteristics - Caldwell County had a population decrease of 9.0% during the past decade, while the population of Princeton stayed about the same. 89.8% of the population of the county are native-born white, 0.1% foreign-born white, and 10.1% negro.

Labor Market - The Princeton labor market area would include Caldwell, Lyon, Crittenden and Hopkins Counties, and parts of Christian and Trigg Counties.

Industrial Pattern - There are no coal mines in Caldwell County, but the principal employment of male labor in the area is in mining in Hopkins and other counties to the East. About 25% of the employed persons are engaged in agriculture. Christian County has a large manufacturing employment.

The entire area had 13,664 persons covered by unemployment insurance in March, 1951, with 2,590 in manufacturing and 4,621 in mining.

Manufacturing was in clothing and textiles, lumber and furniture, and food industries.

Caldwell County had a manufacturing covered employment of 595 out of a total covered employment of 1,243. The principal manufacturing industry was in clothing and textiles, with 465 employees. (See Appendix B for table showing number of workers covered by unemployment insurance law).

Labor Supply - It is estimated that between 3,000 and 4,000 persons could be recruited within commuting distance of Princeton, with about 40% of this total being women. Most of these people would be unskilled with farm background.

Wage Rate Data - Limited wage rate data available for this area indicates that the average hourly wage for manufacturing production workers is around 90¢.

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
J. O. Beshear Lumber Yard	Lumber	12	0	12
W. K. Beshear Sawmill	Lumber	7	0	7
Cedar Bluff Stone Co.	Crushed rock	52	2	54
Citizens Ice Co.	Ice	3	0	3
*Cumberland Mfg. Co.	Clothing	25	110	135
Highway Asphalt Materials, Inc.	Plantmix	3	0	3
Kentucky Whip and Collar Co.	Saddlery goods	35	5	40
Princeton Cream & Butter Co.	Milk products	27	9	36
**Princeton Hosiery Mills, Inc.	Hosiery	129	331	460
United Furniture Mfg. Co.	Furniture	2	1	3
		<u>295</u>	<u>458</u>	<u>753</u>

Union Affiliations - *Clothing Workers Union (A. F. of L.)

**U. M. W. District 50.

TRANSPORTATION:

Railroads - Two lines of the Illinois Central Railroad, the Louisville-Memphis Line and the Peoria-Hopkinsville Line, intersect at Princeton.

Switching for the area is operated out of the Princeton terminal.

Major points served by the I. C. - Louisville, Indianapolis, Chicago, Evansville, Omaha, Peoria, St. Louis, Memphis, Birmingham, and New Orleans.

Number of trains that pick up and set off freight daily - 2 to Louisville, 2 to Memphis, 2 to Evansville, and one to Hopkinsville.

Outbound freight - 2,783 carloads in 1950; crushed rock, limestone, staves, logs, cross ties, hay, wheat, and livestock.

Inbound freight - 583 carloads in 1950; lumber, cement, plaster lime, roofing, sand, fertilizer, agricultural implements, petroleum products, livestock, feed, plaster board, asphalt, and poles.

Approximate transit times to

Atlanta, Ga.	3 days	New Orleans, La.	3 days
Chicago, Ill.	2 days	New York, N. Y.	5 days
Detroit, Mich.	4 days	Pittsburgh, Pa.	4 days
Memphis, Tenn.	2 days	St. Louis, Mo.	2 days

Highways - U. S. #62; Ky. #91, #128, #139, #278, #293

Highway Distances to -

Atlanta, Ga.	359	Lexington, Ky.	230
Birmingham, Ala.	316	Louisville, Ky.	184
Chicago, Ill.	371	Mobile, Ala.	566
Cincinnati, Ohio	290	Nashville, Tenn.	103
Detroit, Mich.	553	Pittsburgh, Pa.	573
Knoxville, Tenn.	296	St. Louis, Mo.	206

Bus Lines Serving Princeton - Kentucky Bus Lines operating between Louisville and Paducah with 3 eastbound and 3 westbound stops at Princeton daily .

Truck Lines Serving Princeton - Hayes Freight Lines, Matton, Ill. ; Arnold-Ligon Truck Line has a general office at Princeton. They interchange with other lines at Louisville, Evansville, Henderson, Madisonville, Hopkinsville, Princeton and Paducah.

Air - Nearest commercial airport is at Paducah, 50 miles distant, which is a scheduled stop for Chicago and Southern Airlines. Evansville, Indiana, 70 miles north is a scheduled stop for Eastern Airlines, and Chicago and Southern Airlines.

COMMUNICATIONS:

Postal and Express Facilities - Princeton has a first class post office with 30 employees. There are 12 incoming and outgoing mail deliveries per day (4 by train and 8 by star route), 3 city routes, 3 rural routes and 3 star routes. The Railway Express Agency is located in the city.

Telephone and Telegraph - The Southern Bell Telephone and Telegraph Company serves Princeton with a dial system, 22 employees, and 1,927 stations. (See Appendix C-1 for rates).

UTILITIES:

Electricity -Princeton is served by the Kentucky Utilities Company. (See Appendix D for rates).

Gas - Natural gas facilities are provided Princeton by the Western Kentucky Natural Gas Company which is served by a 4" line from Texas Gas Transmission's 8" line located near Earlington, Kentucky. Highest daily peak consumption for 1950 was 1,500,000 cu. ft. - lowest 33,000 cu. ft. The estimated daily supply available for additional industrial use is 750,000 cu. ft. Plans have been made for the construction of a 6" or 8" line in 1952 from Princeton to connect with Texas Gas Transmission 26" line which is only six miles northwest of Princeton.

(See Appendix C-2 for rates).

Water - The water system, which is municipally owned, is supplied water from springs. The plant, built in 1928, has a daily capacity of 800,000 gallons, and is now processing about 400,000 gallons per day. There is a 150,000 gallon standpipe, a 100,000 gallon settling basin, and a 150,000 gallon clear well. Pressure is maintained at 65 pounds per square inch in the downtown area. (See Appendix C-3 for rates).

Sewage - Princeton is provided with separate storm and sanitary sewers. The sewage disposal plant, built in 1928, has a capacity of 400 gallons per minute in liquid flow. Average daily flow of sewage is 5,200 gallons.

Coal - Caldwell County adjoins the Western Kentucky Coal Field. Current coal prices will be furnished on request by the A&ID Board.

Fuel Oil - The nearest refineries are located at Louisville, 184 miles away. Delivery prices on fuel oil in tank car lots will be supplied on 24 hour notice by the A&ID Board.

CITY GOVERNMENT AND SERVICES:

Type Government - Princeton is governed by a mayor and 6 councilmen.

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	.50	.50
School	1.60	1.30
City	.65	
Hospital	.08	.08
Road	<u>.12</u>	<u>.12</u>
Total	\$ 3.00	\$ 2.05

(See Appendix E for Kentucky Corporation Tax information).

Assessment Practice - City - 40% of true value
County - 40% of true value

Total Assessment 1950 - City-\$3, 737, 012
County - \$13, 200, 000

Bonded Indebtedness - City -\$59, 000 in water works improvement bonds issued in 1935 at 3 1/2% are to be retired in 1955; \$120, 000 in water works improvement bonds issued in 1949 at 3% on one half and 3 1/4% on last half are to be retired in 1969.

County - \$300, 000 in road and bridge bonds issued in November, 1919 at 5% are to be retired in November 1960; \$101, 000 in road and bridge refunding bonds issued December, 1949 at 5% are to be retired in December, 1953; \$45, 000 in road and bridge refunding bonds issued in June, 1945 at 3% to be retired in June, 1966; \$14, 500 road and bridge refunding bonds issued in December, 1946 at 2 1/2% to be retired in December, 1969; \$11, 500 road and

bridge refunding bonds issued in December, 1947 at 3% to be retired in December, 1969; \$100,000 in hospital bonds issued in January, 1948 at 2 3/4% to be retired in January, 1971; \$60,000 in hospital bonds issued in January 1951 at 2 1/2% to be retired in January, 1977

Annual City Income 1950 - \$119,967.66 (2-yr. avg. \$101,123.42)

Annual City Expenses 1950 - \$90,427.65 (2-yr. avg. \$79,708.64)

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

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

City Services -

Fire Protection - Personnel consists of 13 volunteers and equipment includes one 1950 Ford 500 gpm pumper, one American LaFrance 500 gpm pumper, and one utility and first aid truck. There are 125 fire hydrants all of which are on 4" mains or larger. Princeton has a 7th class fire insurance rating.

Police Protection - The police department consists of 5 officers equipped with one patrol car.

Streets - The street department has personnel of 5 men and one superintendent.

Garbage - Princeton has municipal garbage collection twice weekly.

LOCAL CONSIDERATIONS:

Housing - There are 4 real estate agencies and 5 construction companies in Princeton.

Health -

Hospitals - The Caldwell County Memorial Hospital, which was recently completed has 37 beds.

Doctors - 9 MD's, 2 of which are surgeons, in Princeton; 5 RN's in Caldwell County.

Health Program - Immunizations and tests given, venereal disease and tuberculosis control program, maternal and child health services including pre-school and school examinations, general sanitation services, and general laboratory services.

Schools -

	<u>Enroll.</u>	<u>Grade</u> <u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>High</u> <u>Cap.</u>	<u>Teachers</u>
<u>City</u> (W)	673	at cap.	21	593	at cap.	24
(C)	108	140	3	89	100	4
<u>County</u> (W)	852	990	33	195	240	8
(C)		None			none	

There is under construction a new County elementary school sufficient for 700 pupils. This school will be ready in September, 1952. It will be used by both the city and county and will give room for more pupils in both the city elementary and high school.

Parochial - St. Paul Catholic elementary school with enrollment of 26.

Trade Schools - Madisonville Area Trade School, 29 miles northeast of Princeton with instruction at the school itself and in extension activities in the following subjects: industrial electricity, sheet metal work, air conditioning, general machine shop, auto mechanics, auto body mechanics, woodworking, welding, radio, retail merchandising, office practice, drafting and cosmetology. Present enrollment is 267 with facilities for additional students.

Colleges - Colleges in the area include: Western State College and Bowling Green College of Commerce, Bowling Green; Murray State College, Murray; Bethel College, Hopkinsville; St. Joseph Women's College, Owensboro; Evansville College, Evansville, Ind.

Churches - Princeton is represented by the following denominations: Baptist, Presbyterian, Church of Christ, Methodist, Christian, Roman Catholic, Cumberland Presbyterian, Holiness, and Sanctified. Total active membership in the city of Princeton is 3,500.

Libraries - The George Coon Memorial Library, maintained by a trust fund, has 9,000 volumes with a circulation of 30,000 in 1950.

Recreation - There are, in Princeton, 3 playgrounds, 1 baseball park, 1 high school stadium, 1 tennis court, 1 bowling alley, and 2 theaters (one downtown and one drive-in). There is also a Country Club with a 9-hole golf course, swimming pool, and skeet shoot.

Tourist Accommodations - The Princeton Hotel - 58 rooms;
Heneretta Hotel - 33 rooms; 8 tourist homes; one motel with 6 units.

Radio Stations - WPKY 250 watts, 1580 kilocycles. No chain
affiliations.

Banks - Farmers National Bank of Princeton with total deposits of
\$2,792,000 and total resources of \$3,010,000; First National Bank with
total deposits of \$2,980,000 and total resources of \$3,275,000.

Retail Businesses

Auto Agencies	8
Drugs-sundries	5
Food-groceries	20
Furniture	4
Hardware	6

Service Establishments

Barber Shops	6
Filling Stations	18
Frozen Food Locker	1
Insurance Agencies	7
Restaurants	12

Retail Sales - 1948 Census of Business - Caldwell County had 150
establishments with \$6,833,000 sales receipts; Princeton had 99
establishments with \$5,120,000 sales receipts.

Wholesale Sales - 1948 Census of Business - 11 establishments
with \$6,019,000 sales receipts.

Clubs and Organizations -

Civic - Jr. Chamber of Commerce, Kiwanis Club, Rotary Club,
Retail Merchants Association, Caldwell County Chamber of
Commerce, Band Boosters.

Fraternal - Elks, Masonic, Odd Fellows, American Legion,
VFW.

Women's Clubs - Woman's Club, Homemakers Club, Eastern
Star, American Legion Auxiliary, UDC, DAR, DAV.

Youth Clubs - Girl and Boy Scouts, FFA, 4-H Club, Teen Club.

C l i m a t e -

	Temperature (50-yr. rec.) <u>(Princeton)</u>	Precipitation (46-yr. rec.) <u>(Princeton)</u>
Jan.	36.5	4.53
Feb.	38.8	3.35
Mar.	46.0	4.96
Apr.	57.8	4.23
May	66.8	4.14
June	75.6	4.02
July	78.6	3.47
Aug.	77.6	3.51
Sept.	71.5	3.06
Oct.	59.4	2.79
Nov.	47.1	3.67
Dec.	38.7	3.84
Ann. Avg.	58.0	45.57

Prevailing Winds - from southwest

Frost Free Period - April 20 to October 20

Average Length of Frost - free period (days) - 200

RESOURCES:

Mineral - Caldwell County's mineral resources are limestone, fluorspar and calcite, oil and gas, coal, and clay.

Limestone: Limestone is the principal mineral resource. A considerable area of the county lies within a high calcium limestone belt.

Limestone ledges which have a calcium carbonate content in excess of 95% are common in this belt.

Fluorspar and calcite: Fluorspar has been produced along several mineralized faults which cut Caldwell County. Production has mainly been in the area northwest of Princeton, in the vicinity of Crider.

Small deposits of calcite occur along these faults also.

Oil and Gas: Small amounts of oil and gas have been produced in Caldwell County.

Coal: Some coal seams occur in northeastern Caldwell County, but they are, apparently, of minor importance.

Clay: Clays, which are suitable for making ordinary brick, are present.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites available in Princeton. For detailed information write the Caldwell County Chamber of Commerce, Princeton, Kentucky; or, the Agricultural and Industrial Development Board, 415 Ann Street, Frankfort, Kentucky.

APPENDIX

History and General Description	App. A
Table Showing Number of Workers Covered by Kentucky Unemployment Insurance	App. B
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Gas Rates	App. C-2
Water Rates	App. C-3
Power Rates	App. D
Kentucky Corporation Tax Information	App. E
Kentucky Revised Statutes - Bond Issue Plan	App. F
Cooperating State Agencies	App. G

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR CALDWELL AND 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
Caldwell	595	50	0	465	58	16	2	4	0	0	0
Crittenden	110	6	0	0	21	52	0	19	0	12	0
Lyon	171	0	0	142	29	0	0	0	0	0	0
Trigg	111	13	0	13	85	0	0	0	0	0	0
Christian	1,131	310	0	614	155	29	14	9	0	0	0
Hopkins	472	68	0	63	290	45	3	3	0	0	0
Totals	2,590	447	0	1,297	638	142	19	35	0	12	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR CALDWELL AND 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
Caldwell	1,243	63	44	595	141	312	22	66	0
Crittenden	687	347	27	110	34	130	19	20	0
Lyon	247	0	1	171	10	35	5	22	3
Trigg	292	28	18	111	34	67	12	22	0
Christian	4,339	63	474	1,131	460	1,631	116	428	36
Hopkins	6,856	4,120	56	472	263	1,501	76	356	12
Totals	13,664	4,621	620	2,590	942	3,676	250	914	51

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Extension</u>	<u>Rural</u>
Business	\$6.75	\$6.00	\$5.25	\$1.50	\$3.50
Residential	3.25	2.75	2.50	1.00	2.25

GAS RATES - Appendix C-2

First	1,000 cu. ft. per mo.	\$1.50
Next	1,000 cu. ft. per mo.	.75
Next	1,000 cu. ft. per mo.	.75
Next	97,000 cu. ft. per mo.	.45 per MCF
Next	100,000 cu. ft. per mo.	.40 per MCF
Over	200,000 cu. ft. per mo.	.37 1/2 per MCF

Attractive seasonal prices on request for large users.

WATER RATES - Appendix C-3

First	400 cu. ft. per mo.	\$2.18
Next	200 cu. ft. per mo.	.60 per c. cu. ft.
Next	500 cu. ft. per mo.	.50 per c. cu. ft.
Next	1,500 cu. ft. per mo.	.40 per c. cu. ft.
Next	2,500 cu. ft. per mo.	.30 per c. cu. ft.
Next	20,000 cu. ft. per mo.	.25 per c. cu. ft.
Next	25,000 cu. ft. per mo.	.20 per c. cu. ft.

Kentucky Utilities Company
Incorporated

Revised 2/1/46
Reworded 3/1/48

COMBINED LIGHTING & POWER SERVICE - RATE LP

AVAILABILITY

This rate schedule is available for secondary or primary service on an annual basis for lighting and/or heating and/or power where no class rate is available.

It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customers having selected this schedule will continue to be billed under it for not less than twelve (12) consecutive months, unless there should be a material and permanent change in the customer's service.

RATE

Maximum Load Charge

\$1.75 per kilowatt for the first 25 kilowatts of the maximum load in the month, but not less than \$105.00 per year.

\$1.50 per kilowatt for all in excess of 25 kilowatts per month.

Plus an Energy Charge

2.5¢ per kilowatt-hour for the first 1,000 kilowatt-hours used per month

1.5¢ per kilowatt-hour for the next 9,000 kilowatt-hours used per month

1.0¢ per kilowatt-hour for the next 40,000 kilowatt-hours used per month

.9¢ per kilowatt-hour for the next 50,000 kilowatt-hours used per month

.8¢ per kilowatt-hour for the next 400,000 kilowatt-hours used per month

.7¢ per kilowatt-hour for all in excess of 500,000 kilowatt-hours per month

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kilowatt load used by the Customer during the 15 minute period of maximum used during the month.

MINIMUM ANNUAL BILL

Service under this schedule is subject to an annual maximum of \$21.00 per kilowatt for each yearly period based on the highest monthly maximum load during such yearly period, but not less than \$105.00 per year. Payment to be made monthly of not less than 1/12 of the Annual Minimum, until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during the contract year. A new customer or an existing customer having made a permanent change in the operation of his electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine his new service requirements, in order to select the most favorable contract year period and rate applicable.

DUE DATE OF BILL

Customer's monthly bill will be due within 10 days from date of bill.

RULES AND REGULATIONS

Service will be furnished under the company's general RULES AND REGULATIONS OR TERMS AND CONDITIONS.

PRIMARY DISCOUNT

Applicable to customers having a maximum load of 50 kilowatts or more.

At the option of the customer there will be a discount of 5% of the energy charge only on all monthly bills, in which there is a maximum load charge for 50 kilowatts or more, provided the Customer owns and maintains all facilities (including transformers, if necessary) for taking service from the primary distribution or transmission system from which line the customer is served, and where the service is metered at the primary voltage.

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 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.

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.