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Industrial Resources: Calloway County - Murray

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ECONOMIC & INDUSTRIAL
SURVEY

of

Murray, Ky.



Prepared By

MURRAY CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

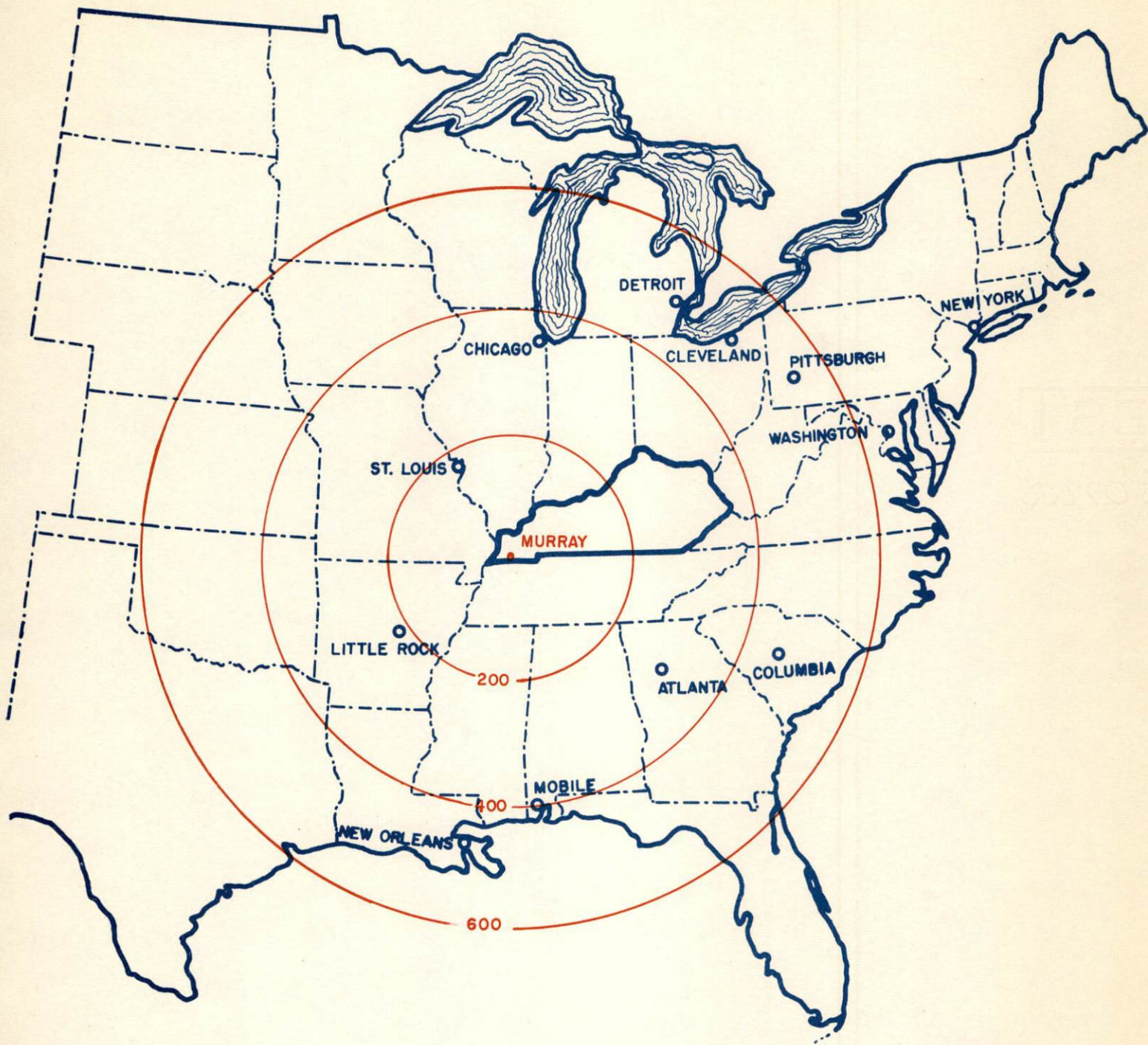
— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
MURRAY, KENTUCKY

Prepared by
Murray Chamber of Commerce
and
Kentucky Agricultural and Industrial Development Board

April 3, 1952



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

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MURRAY, KENTUCKY

Murray, the county seat of Calloway County, is 43 miles south of Paducah, 29 miles south of Kentucky Dam, and 8 miles from Kentucky Lake. It is located in the southeastern corner of an area that is commonly known as "Jackson Purchase." This area includes the eight western-most counties of the State, lying west of the Tennessee River-Kentucky Lake. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1860 to 1950

	<u>Murray</u>	<u>Calloway County</u>
1860	218	9,915
1870	179	9,410
1880	636	13,295
1890	518	14,675
1900	1,822	17,633
1910	2,089	19,867
1920	2,415	20,802
1930	2,891	17,662
1940	3,773	19,041
1950	6,035	20,147

Population Characteristics - The population of Murray has shown an increase of 60% during the past decade, and Calloway County has shown an increase of 5.8% during the same period. 95% of the population of Calloway County are native white, 0.1% foreign-born, and 4.9% negro.

Labor Supply - The labor market area of Murray, which would include Calloway County and most of Graves and Marshall Counties in Kentucky and Henry County, Tennessee, has a labor supply of 2,800 (1,800 men and 1,000 women). (See Appendix B for table showing number of workers covered by unemployment insurance).

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Murray Mfg. Co.*	Tappan Gas Ranges	506	14	520
Murray Hosiery Mills	Knit socks, hose and T-shirts	15	95	110
Ryan Milk Co.	Dairy Products	29	5	34
		<u>550</u>	<u>114</u>	<u>664</u>

Union Affiliations - * A.F. of L. local #16 - United Moulders and Foundry Workers of America.

<u>Wage Rates -</u>	<u>Male</u>			<u>Female</u>		
	<u>Start</u>	<u>High</u>	<u>Avg.</u>	<u>Start</u>	<u>High</u>	<u>Avg.</u>
Industry #1	\$.93	\$1.43	\$1.52	\$.90	\$1.43	\$1.52**
Industry #2	.75	1.25	.89	.75	1.25	.89
Industry #3	.75	1.40	1.00	.75	1.40	1.00
Over-all Avg.	\$.81	1.36	1.14	\$.80	1.36	1.14

** Incentive basis accounts for average hourly wage exceeding high hourly wage.

TRANSPORTATION:

Railroads - Paducah-Bruceton Division of the N. C. & St. L. Railroad, connects with the Illinois Central at Paducah, and the L & N at Paris, Tennessee. Switching is done by local freight. Both local and through freights daily between Paducah and Bruceton. There is no passenger service. P. U. & D. service is provided. Nearest terminals are at Paducah and Bruceton.

Inbound loads per month - 165 to 170, consisting principally of pig iron, steel, coke, coal, and feed.

Outbound loads per month - 65 to 70, consisting principally of stoves, popcorn, and tobacco.

Approximate Transit Times from Murray (for example, leaving

Murray on Monday the arrival day would be as shown below)

Atlanta, Ga.	Tues. P.M.	Mobile, Ala.	Wed. A.M.
Birmingham, Ala.	Wed. A.M.	New Orleans, La.	Wed. A.M.
Chicago, Ill.	Wed. P.M.	New York, N. Y.	Fri. A.M.
Cleveland, Ohio	Thurs. A.M.	Pittsburgh, Pa.	Thurs. A.M.
Detroit, Mich.	Thurs. P.M.	St. Louis, Mo.	Tues. P.M.
		Washington, D. C.	Thurs. A.M.

Highways

Highway Distances to -

Atlanta, Ga.	365	Knoxville, Tenn.	288
Birmingham, Ala.	322	Louisville, Ky.	234
Chicago, Ill.	470	Nashville, Tenn.	109
Cincinnati, Ohio	357	New York, N. Y.	1000
Detroit, Mich.	611	Pittsburgh, Pa.	619

Truck Lines - Southeastern Motor Truck Lines, Inc., Nashville,

Tennessee; Hayes Freight Lines, Inc., Mattoon, Illinois; Wehby

System Mohawk Motor Lines, Nashville, Tennessee. Daily service

from Paducah is provided by all three lines.

Bus Lines - Western Kentucky Stages - Paducah to Clarksville,

Tennessee via Hopkinsville 4 round trips daily; Clarksville to

Marion 2 round trips daily; Clarksville to Mayfield 3 round trips

daily.

Air - The Paducah Airport, 43 miles northwest of Murray, is

served by Chicago & Southern Airlines (passenger and freight service)

and Ozark Airlines (passenger).

Water - Nearest ports at Paducah, Kentucky and Cairo, Illinois with truck service from both ports. Paducah - American Barge Lines, Pittsburgh, Pa.; Cairo - American Barge Lines, Pittsburgh; Federal Barge Lines, St. Louis; and Mississippi Valley Barge Lines, St. Louis.

COMMUNICATIONS:

Postal Facilities - Murray has a 1st class post office with 25 employees, one delivery daily in city, 6 rural routes, and 1 star route. Mail is received and sent out by truck 5 times daily - 3 to Paducah and 2 to Paris, Tennessee. Annual revenue is approximately \$80,000.

Express Facilities - The railway express agency offers pick-up and delivery service. Express is received and forwarded once daily.

Telephone - Murray is served by the Southern Bell Telephone and Telegraph Company, with 42 employees and 3,000 subscribers.

(See Appendix C-1 for rates).

Telegraph - Western Union Telegraph Company maintains an office in the Bank of Murray Building.

UTILITIES:

Water - Source of supply for the Municipal Water Works is 2 deep wells (250'). Pumping capacity is 650 gpm, storage capacity is 75,000 gallon elevated tank, 1,250,000 gallon standpipe, and 60,000 gallon clear well. Average daily use is 600,000 gallons, in summer 750,000 gallons. Pressure is maintained at 55 pounds per square inch. (See Appendix C-2 for rates).

Electricity - The Murray Electric Plant Board purchases power from TVA. There are three 66,000 volt transmission lines, broken down to 2400/4160 volts for the city. (Power rates will be supplied upon request).

Sewage - The disposal plant which was built in 1948 at a cost of \$250,000 has a high rate filtering system. Daily flow is 300,000 gallons. Sanitary sewers are from 6" to 12". Sewage rates for industry are subject to negotiation.

CITY GOVERNMENT AND SERVICES:

Type Government - Murray, a 4th class city, has a mayor, elected for a 4-year term, and 5 councilmen, elected for 2-year terms. (See Appendix D for Resolution by City Council).

Tax Rates and Laws -

Property Tax Rates per \$100 in 1951

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.70	.70*
School	1.50	1.50
City	.75	
Other	.25	
Total	\$ 3.25	\$ 2.25

*20¢ earmarked for retirement of road and bridge bonds.

(See Appendix E for Kentucky Corporation Tax laws).

Assessment Practice - City - 30%
County - 25%

Total Assessment - City - \$5,587,855
County - \$15,050,664

Bonded Indebtedness - City - revenue bonds outstanding on water and sewage system \$600,000 to be retired in 1972.

County - Road and bridge bonds \$171,000 to be retired in 1958.

1950 City Income - \$110,730.01

1950 City Expenditures - \$93,352.36

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

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

Business License Fees - All professions and vocations are required to pay a license fee. Fees range from \$5.00 to \$200.00.

City Services -

Fire Protection - The fire department consists of 1 chief, 1 assistant chief, 1 captain, 4 full-time men, and 12 volunteers. Equipment includes: 1951 750 gpm Central pumper; 1927 600 gpm Seagreaves; 1946 500 gpm Ford; 2,000' of 2 1/2" hose; 600' of 1 1/2" hose. Murray has a 7th class fire insurance rating. Industrial sites will be given full fire protection.

Police Protection - The police department consists of a chief and 6 patrolmen. Equipment includes 1 squad car. The Kentucky State Police Headquarters are at Mayfield.

Streets - The street crew consists of a foreman and 4 men. Equipment includes 1 grader and 3 trucks.

Garbage - a garbage crew of 5 men with 1 truck collect garbage daily in the business area. The residential area is served by private collection.

LOCAL CONSIDERATIONS:

Housing - During 1951, 87 building permits were issued totaling \$725,000. Average sale price of 5-room house is from \$7,000 to \$10,000. Average rental price of 5-room house is from \$40 to \$60 per month. There are 7 building contractors located in Murray.

Health -

Hospitals - The Murray Hospital with 69 beds.

Doctors - 13 physicians; 6 dentists

Health Program - The Calloway County Health Department is located in Murray. It offers communicable disease control, venereal disease and tuberculosis control programs, maternity, infant and pre-school, school health and sanitation services, adult examinations and health education.

<u>Schools</u> -	Grade			High		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>County</u> (W)	1,690	1,000	44	372	300	26
(C)	12		1	---	---	---
<u>City</u> (W)	510	350	11	376	250	15
(C)	120	110	3	40	40	3

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

Churches - Murray is represented by the following denominations: Baptist, Christian, Church of Christ, Methodist, Pentecostal, Roman Catholic, and Presbyterian. Total active membership is 3,143.

Libraries - Murray State College Library has 44,278 volumes and an annual circulation of 48,782.

Recreation - The city park, consisting of 18 acres, has a baseball diamond, picnic shelters and fireplace, children's equipment. There is an indoor swimming pool at Murray College which is available to residents 2 nights a week. There are 6 tennis courts at the college, 4 in the city park, and 2 at the hospital. Kentucky Lake is 8 miles east of Murray. There are 2 indoor theaters and 1 drive-in, all of which change programs 4 times weekly.

Tourist Accommodations -

Hotels - National Hotel - 47 rooms; Beale Hotel - 22 rooms; Freeman House - 10 rooms; Kentucky Lake State Park Hotel - 58 rooms.

Motels - 2 at Murray. Many at Kentucky Lake.

Newspapers - Ledger & Times (daily) with a circulation of 2,055; The Murray-Democrat (Sun., Tues., Thurs.) with a circulation of 2,807.

Banks - Bank of Murray with total deposits of \$6,818,477.78 and total resources of \$7,430,424.91 (Dec. 31, 1951); Peoples Bank with total deposits of \$2,554,026.87 and total resources of \$2,701,539.59 (Dec. 31, 1951).

Radio Stations - Murray Station WNBS, AM, 250 watts, 1340

kilocycles.

Retail Businesses

Auto Dealers	8
Clothing	11
Drugs	4
Farm supplies & hdwe	8
Furniture	5
Groceries	16
Jewelry	3
Variety	3

Service Establishments

Bakeries	2
Barber shops	6
Frozen Food lockers	1
Laundry & cleaning	7
Service stations	11

Clubs and Organizations -

Civic - Kentucky Lake Assn., Lions Club, Chamber of Commerce,

Rotary Club, Sportsmen's Club, Young Business Men's Club.

Fraternal - American Legion, Masonic, VFW, Woodman of the World

Women's - Business and Professional Women's Club, Homemakers,
and Woman's Club.

Youth - Boy and Girl Scouts

Climate

	<u>Temperature</u>	<u>Pricipitation</u>	<u>Humidity</u>		
			<u>6:30 A.M.</u> <u>64-yr. rec.</u>	<u>12:30 P.M.</u> <u>34-yr. rec.</u>	<u>6:30 P.M.</u> <u>64 yr. rec.</u>
Jan.	37.8	5.22	84	66	72
Feb.	40.9	3.99	80	62	65
Mar.	48.7	5.55	77	56	59
Apr.	58.2	4.41	75	51	54
May	67.3	4.16	78	52	57
June	75.3	4.03	79	52	60
July	79.1	3.26	81	54	61
Aug.	78.0	3.32	84	55	63
Sept.	71.9	3.38	85	52	61
Oct.	60.5	3.00	84	51	57
Nov.	47.7	3.31	81	58	62
Dec.	39.7	3.79	82	65	69
Ann. Avg.	58.8	47.42			

Temperature and Precipitation figures were taken from the Murray weather station over a 23-year period. Humidity was taken from the Nashville weather station, 109 miles distant.

RESOURCES:

Mineral - Clays occur which are suitable for pottery and brick manufacture. Both ball and sagger clays are available. Gravels are available locally, which can be used for road and building construction. Molding sands and sands useful for building construction occur.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

A 7-acre site on the east side of Murray and on the north side of Kentucky highway #94, adjoining the NC&StL Railroad and city line, with sewer and water lines to the property. An additional 10 acres adjoining this site is under option. Also, there are another 200 acres available on the north side and adjoining this property. All of this is level and near grade with the railroad.

A 3-acre level tract of land, south of Kentucky highway #94 and adjoining the right-of-way of the NC&St L Railroad is available. (owner - NC&St. L Railroad.)

For further information write the Murray Chamber of Commerce or the Kentucky 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
Telephone Rates	App. C-1
Water Rates	App. C-2
Resolution	App. D
Kentucky Corporation Taxes	App. E
Kentucky Revised Statutes - Bond Issue Plan	App. F
Cooperating State Agencies	App. G

HISTORY & GENERAL DESCRIPTION

Murray was incorporated as a town in 1844 and is the county seat of Calloway County, Kentucky. The town was named for John L. Murray, an early member of Congress, and the county for Col. Richard Calloway. Murray is in the region of Kentucky known as the Jackson Purchase, since it was with the aid of General Andrew Jackson that Governor Isaac Shelby negotiated the purchase of the area from the Chickasaw Indians in 1818. A thriving village in 1900, Murray's population has grown rapidly in the past fifty years. A pleasing climate and an expanding agricultural economy have joined to promote a sound and orderly growth. The founding of a state college in Murray in 1923 has influenced both the physical and cultural growth of the community. Murray College is now established as one of the leading educational institutions of the South.

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR THE LABOR MARKET AREA OF MURRAY

	Total Mfg.	Food and Kind. Prod.	Tobacco	Cloth., Tex., Leather	Lbr. and Furn.	Print., Publ., Paper	Chem., Petr., Coal, Rubber	Stone, Clay, Glass	Pri- mary Met.	Mach., Metal Prod., Equip.	Other
Calloway	773	44	0	91	32	10	8	40	0	548	0
Graves	3,144	209	0	2,650	72	37	7	145	0	24	0
Hickman	76	28	0	0	38	4	6	0	0	0	0
Fulton	601	87	0	474	15	16	0	9	0	0	0
Total	4,594	368	0	3,215	157	67	21	194	0	572	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR THE LABOR MARKET AREA OF MURRAY

	All. Ind.	Mining and Quar- rying	Con- tract Constr.	Mfg.	Trans., Comm., and Util.	Whlse. & Re- tail Trade	Fin., Ins., Real Estate	Services	Other
Calloway	1,491	0	34	773	101	465	26	92	0
Graves	4,944	82	173	3,144	170	969	46	325	35
Hickman	210	15	0	76	17	62	13	27	0
Fulton	1,587	16	100	601	103	531	27	209	0
Total	8,232	113	307	4,594	391	2,027	112	653	35

Appendix C

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Eight-party (rural)</u>
Business	\$7.25	\$6.50	\$5.75	\$3.50
Residential	3.50	3.00	2.75	2.50

WATER RATES - Appendix C-2

	<u>Within City Limits</u>	<u>Outside City Limits</u>
First 2,000 gal. per mo., per M gal.	.625	.75
Next 2,000 gal. per mo., per M gal.	.55	.675
Next 2,000 gal. per mo., per M gal.	.475	.60
Next 2,000 gal. per mo., per M gal.	.40	.55
Next 2,000 gal. per mo., per M gal.	.35	.45
Next 25,000 gal. per mo., per M gal.	.275	.40
Next 25,000 gal. per mo., per M gal.	.20	.30
Next 240,000 gal. per mo., per M gal.	.15	.175
Next 300,000 gal. per mo., per M gal.	.125	.125
Next 400,000 gal. per mo., per M gal.	.10	.10
Over 1,000,000 gal. per mo., per M gal.	.075	.075

RESOLUTION

WHEREAS, it is desirable to attract new industrial enterprises to the City of Murray in order to employ surplus labor, and

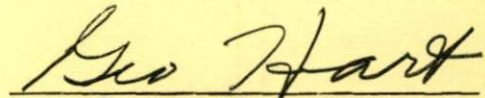
WHEREAS, the city and the surrounding area would greatly benefit from the said location of new industrial enterprises, and

WHEREAS, the Murray Chamber of Commerce and other civic-minded groups are actively engaged in the industrial development of this city, and

WHEREAS, the City of Murray is well situated with an abundant and productive supply of labor, electric power, excellent transportation facilities, water and other facilities:

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Murray endorses the efforts of these groups to secure the location of suitable industries to this city and extends a cordial invitation to industrial and business concerns to locate in this city and pledge wholehearted cooperation and assure them of the good will and assistance of our officials in this program.

WHEREFORE BY unanimous vote of the City Council this resolution was passed and approved the 4th day of January, 1952.


George Hart, Mayor

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.

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 buildings" or "building" 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.