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Industrial Resources: Carter County - Grayson

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ECONOMIC & INDUSTRIAL
SURVEY

of

Grayson, Ky.



Prepared By

THE GRAYSON CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY

OF

GRAYSON, KENTUCKY

Prepared by

The Grayson Chamber of Commerce
and
The Kentucky Agricultural & Industrial Development Board

January, 1953

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GRAYSON, KENTUCKY

Grayson, the county seat of Carter County, is located in northeastern Kentucky on the Little Sandy River. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1850 - 1950

	<u>Grayson</u>	<u>Carter County</u>
1850	---	6,241
1860	---	8,516
1870	---	7,509
1880	---	12,345
1890	---	17,204
1900	---	20,228
1910	---	21,966
1920	---	22,474
1930	---	23,839
1940	1,176	25,545
1950	1,383	22,559

Population Characteristics - The population of Grayson has shown an increase of 17.6% during the past decade, while the population of Carter County has shown a decrease of 11.7% during the same period. 99.73% of the population of Carter County are native-born white, .13% foreign-born, and .13% negro.

Labor Market Area - The Grayson labor market area would include Carter, Boyd, Elliott, Greenup and Lawrence Counties. The population center of each of these counties is within 30 miles of Grayson.

Economic Characteristics - Sharp economic contrasts are shown between the counties in the area. Boyd County is industrial with 10,474 persons employed in covered employment -- 4,621 in manufacturing -- late in 1951. Agricultural employment totaled only 820.

Carter County had 2,191 covered employees -- 1,642 in manufacturing -- as compared to 2,555 in farming. In the other three counties, farm employment totaled 6,101 in 1950 while only about 550 are working in manufacturing.

Per capita income varies widely in the area. Boyd County 1950 per capita income was \$1,239, Carter \$504, Elliott \$387, Greenup \$782, and Lawrence \$413.

Labor Supply - In this area up to 5,000 women and 3,000 men could probably be recruited for factory jobs. However, only about 2,000 of the men and 3,700 of the women would be interested in jobs located in Grayson because of commuting problems. Carter County could probably furnish 800 men and 2,900 women workers. The potential labor supply would be largely unskilled. Men would come mainly from low income farms while women would be primarily new entrants into the labor force.

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Bagbey Lumber Co.	Millwork	6	1	7
Evans Lumber Co.	Lumber, bldg. contr.	19	2	21
R. E. C. C. of Grayson	Power Service	44	4	48
Wolfe & Hall Concrete Block Co.	Concrete blocks	3	0	3
		<u>72</u>	<u>7</u>	<u>79</u>

Union Affiliations - None

TRANSPORTATION:

Railroads - There is no railroad running through Grayson. However, there is a shipping point of the Chesapeake & Ohio Railway at Hitchins, 4 miles away.

Highways - U. S. #60; Ky. #1 and #7.

Highway Distances To

Atlanta, Ga.	522 mi.	Lexington, Ky.	148 mi.
Birmingham, Ala.	579	Louisville, Ky.	230
Chicago, Ill.	437	Mobile, Ala.	829
Cincinnati, O.	152	New York, N. Y.	634
Cleveland, O.	284	Pittsburgh, Pa.	281
Detroit, Mich.	333	St. Louis, Mo.	499
Knoxville, Tenn.	327	Washington, D. C.	442

Truck Lines Serving Grayson - Yeary Truck Lines, Pinson

Truck Lines, and Ford Brothers Lines.

<u>Trucking Rates from Grayson To</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>
Cincinnati	\$1.64	\$1.42	\$1.20 per cwt.
Pittsburgh	2.37	2.03	1.72 per cwt.
Detroit	2.17	1.86	1.58 per cwt.

Bus Lines Serving Grayson - Southeastern Greyhound with 4 northbound and 4 southbound busses daily.

Air - The Ashland, Kentucky airport (Class III), 17 miles distant, with a 5,000 foot graded runway with 4,600 feet surfaced. This airport is a scheduled stop for Delta Airlines.

COMMUNICATIONS:

Postal Facilities - Grayson has a 2nd class post office with 4 permanent employees. Mail is received twice daily from Hitchens. There is 1 rural route and 3 star routes. Annual postal receipts approximate \$10,000.

Telephone - Grayson is served by the Kentucky Telephone Corporation with 6 employees. There are 453 subscribers. (See Appendix C-1 for rates).

UTILITIES:

Electricity - The Kentucky-West Virginia Power Company provides electric power to Grayson from a 33,000 volt line from the Hitchins sub-station; distribution is 6900/12,000 volts; 3 phase; 13.2 KV line. (See Appendix D for rates).

The rural areas of Carter County are served by the Grayson Rural Electric Cooperative Corporation - 7200 KVA.

Natural Gas - Tennessee Gas Transmission Company lines 6 miles south of Grayson.

Water - Source of supply of the Grayson Water System is the Little Sandy River. Type Plant - filtration; pumping capacity - 500 gpm (2 pumps, 250 gpm each); 1 circulator storage tank - 100,000 gallon capacity; pressure - 93 lbs. psi; water mains - 8", 6", 4"

Sewage - Sewage disposal is provided by separate storm and sanitary 6" and 8" mains which flow into two 15" mains which empty raw sewage into the Little Sandy River. Grayson is planning a sewage disposal plant which will be built in the immediate future.

CITY GOVERNMENT AND SERVICES:

Type Government - Grayson, a 5th class city, is governed by a mayor and 6 councilmen. The mayor is elected for 4 years and the councilmen for 2-year terms.

Tax Rates and Laws

Property Tax Rates per \$100

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

(See Appendix E for Kentucky Corporation Tax Information).

Assessment Practice - City - 40%
County - 35%

Total Assessment 1951 - City - \$7,450.00
County - \$14,496,808.00

1951 City Income - \$21,873.36

1951 City Expenditures - \$21,873.36

Bonded Indebtedness - City - None

County - \$50,000, 5% road and bridge bonds dated October 1, 1929, \$40,000 outstanding, mature October 1, 1955; \$40,000, 2 1/2% road and bridge bonds dated September 1, 1946, \$25,000 outstanding, mature September 1, 1956; \$54,000, 5 1/2% general funding bonds dated November 1, 1937, \$36,000 outstanding, mature November 1, 1961; \$27,000, 3 3/4% funding bonds dated July 1, 1948, all outstanding, mature July 1, 1957. Total outstanding bonds 6/30/52 \$128,000.

City Services

Fire Protection - Provided by a 1946 Chevrolet 500 gpm pumper, 1942 Mack 750 gpm pumper, 750 gpm auxiliary tank, 2500 feet of 2 1/2 inch hose, and 500 feet of 1 1/2 inch hose. Grayson has a policy of furnishing fire protection to industries outside the city.

Police Protection - Police protection is furnished by two policemen. Equipment consists of one police cruiser.

Streets - At present, Grayson has 3 1/2 miles of paved streets and has let bids for paving 1 1/2 miles more. The streets are lighted by an entirely new lighting system.

Garbage - Municipal collection once per week; rates - \$1.00 per month.

LOCAL CONSIDERATIONS:

Health -

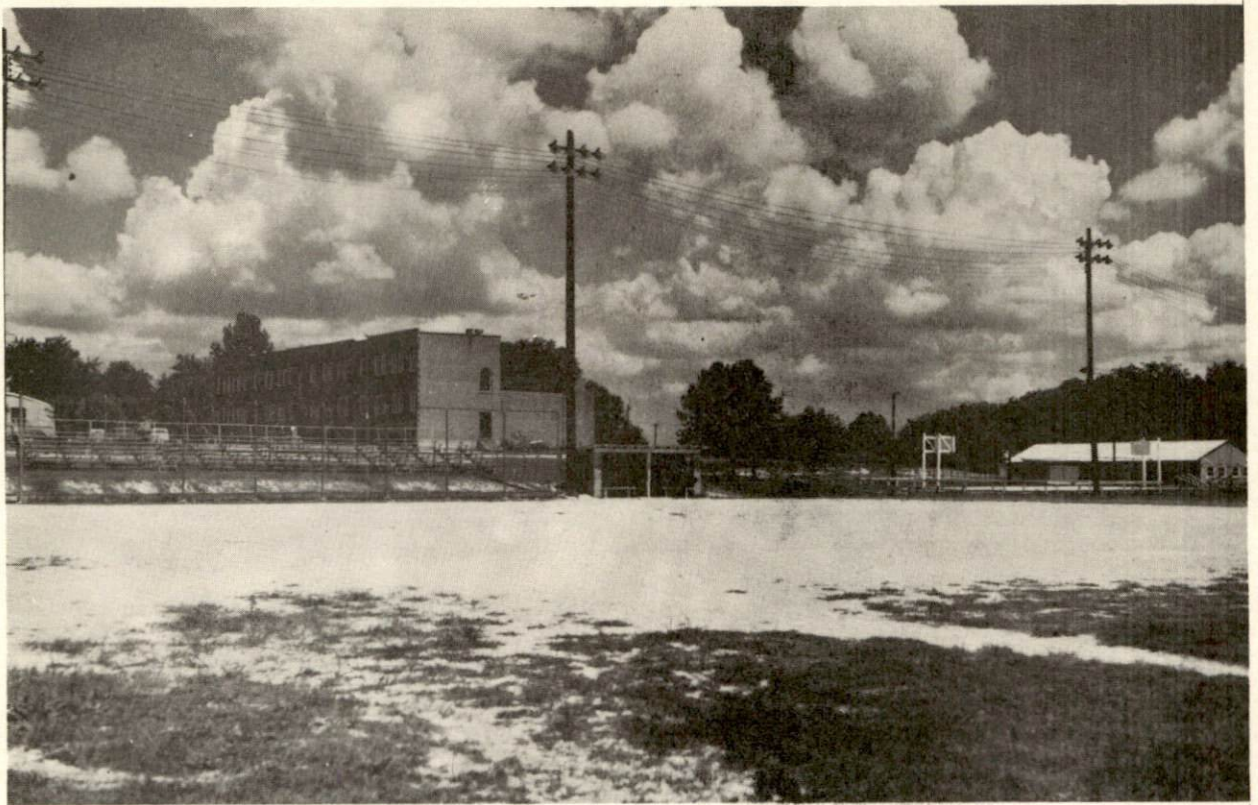
Hospitals - J. Q. Stovall Memorial Hospital - 20 beds.

Doctors - MD's 6; Dentists - 3.

Public Health Program - Immunizations, venereal disease and tuberculosis control, maternity, infant and pre-school services, adult examinations, school health, sanitation services, health education.

Schools -

	Grade School			High School		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>City</u>	353	at cap.	8	422	at cap.	12
<u>County</u>	4,560	5,000	145	973	1,100	30



PRICHARD HIGH SCHOOL



MEN'S DORMITORY
KENTUCKY CHRISTIAN COLLEGE

Colleges - Kentucky Christian College in Grayson has an enrollment of 130.

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

Libraries - Prichard High School Library.

Recreation - Grayson has a community playground lighted for night sports, and tennis courts. Basketball is played at the high school.

Tourist Accommodations - The Grizzell Hotel - 5 rooms and 3 cabins; Huff's Tourist Camp - 8 units; 4 Tourist Homes.

Newspapers - The Journal Enquirer, weekly (Thursday) with a circulation of 2,210. The Courier-Journal and Louisville Times are circulated in the area.

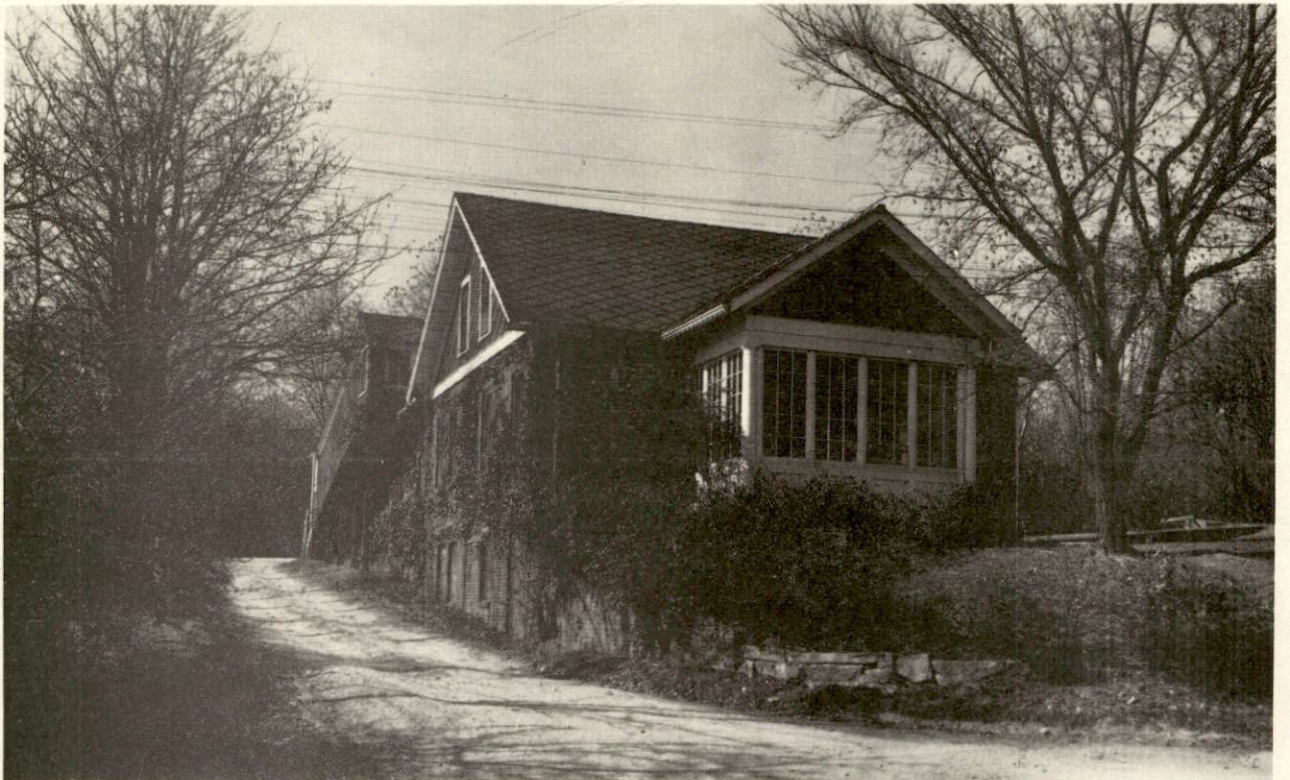
Banks - The Commercial Bank of Grayson with total deposits of \$2,939,000 and total resources of \$3,293,000; The First National Bank with total deposits of \$2,339,000 and total resources of \$2,604,000.

<u>Retail Businesses</u>		<u>Service Establishments</u>	
Auto Dealers	7	Barber Shops	3
Clothing	6	Beauty Shops	3
Drugs-sundries	2	Frozen Food Lockers	1
Farm Supplies & Hdwe.	7	Laundries	1
Groceries	11	Restaurants	6
Electrical Appliances	10	Service Stations	11

Retail, Wholesale and Service Establishment Sales - Retail, wholesale and service establishments located in Carter County, Kentucky, showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to the 1948 Census of Business.



GRAYSON COMMUNITY BUILDING



STOVALL MEMORIAL HOSPITAL

Retail sales in the county during 1948 aggregated \$6.1 million, an increase of 190% over the \$2.1 million in 1939; wholesale sales reached a total of \$2.3 million in 1948 as compared with \$1.0 million in 1939. The service trades included in the Census of Business reported receipts totaling \$120,000 in 1948 compared with \$42,000 in 1939.

Employment in the county also rose over the 9-year period for the above trades. Establishments in these trades reported a combined total of 285 paid employees for the workweek ended nearest November 15, 1948 as compared with a total of 146 employees for the week of November 15, 1939.

Clubs and Organizations -

Civic - Rotary, Chamber of Commerce

Fraternal - Masonic, American Legion

Women's Clubs - Eastern Star, American Legion Auxiliary, Homemakers, Garden Club, Young Women's Club, REA Ladies Club.

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

Climate -

Frost-free Period - April 22 - October 17; growing season - 178 days

Days Cloudy or Clear (63-yr. rec.) - Clear - 110
Partly Cloudy - 104
Cloudy - 151

Percent of Possible Sunshine - (54-yr. rec.) - Annual 48%

Prevailing Winds - from west.

Number of Days With - Precipitation over 0.01 inch (63-yr. rec.) - 144
 1.0 or more snow, sleet, hail (63-yr. rec.) - 5
 Thunderstorms (63-yr. rec.) - 43
 Heavy Fog (60-yr. rec.) - 11

Seasonal Heating Degree Days (51-yr. rec.) - approximate long-term means 4,906 degree days.

	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	Relative Humidity		
			7:30 a. m. (60-yr. rec.)	noon (31-yr. rec.)	7:30 p. m. (60-yr. rec.)
Jan.	35.8	3.99	82	66	64
Feb.	37.0	3.30	81	63	71
Mar.	46.9	4.32	79	56	64
Apr.	55.4	3.59	74	49	58
May	65.0	4.00	74	51	60
June	73.3	4.21	78	56	66
July	76.7	4.18	80	52	67
Aug.	75.6	3.67	83	57	71
Sept.	70.3	2.56	84	51	71
Oct.	58.1	2.48	84	52	70
Nov.	46.8	2.99	81	57	71
Dec.	37.8	3.17	81	64	76
Ann. Norm.	56.6 °F	42.46 inches			

RESOURCES:

The mineral resources of Carter County are coal, fireclays, limestones, sands, and common clays and clay shales. Small commercial amounts of oil and natural gas have been produced. Sandstones suitable for local building construction are present. Gravels can be obtained and used for some construction purposes.

During 1950, Carter County ranked 21st among the coal counties of the state, with a production of 573,582 tons.

Several well developed deposits of fireclays are present. These have had extensive use in the refractory industry and form an important resource for the county and state.

Several quarries of limestone are operated. Limestones suitable for various uses, such as building construction, roadway construction, fluxing purposes, etc., are present. Some high calcium limestone occurs. The Olive Hill district, which includes Carter and Rowan Counties, has been an important locality for glass sand production. Several deposits in Carter County have been worked. Carter County sands have also been used for mortar, plaster, cement and concrete. Several deposits good for metal moulding purposes are reported. Deposits of common clays and clay shales are suitable for common brick manufacture.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites adjacent to highway facilities. For detailed information write the Grayson Chamber of Commerce, or the Kentucky Agricultural and Industrial Development Board, Capitol Annex Office Building, Frankfort, Kentucky.

APPENDIX

History and General Description	App. A
Table Showing Number of Workers Covered by Kentucky Unemployment Insurance Law	App. B
Telephone Rates	App. C-1
Water Rates	App. C-2
Power Rates	App. D
Kentucky Corporation Taxes	App. E
Kentucky Revised Statutes (Bond Issue Plan)	App. F
Cooperating State Agencies	App. G

HISTORY AND GENERAL DESCRIPTION

The recorded history of Carter County, Kentucky dates back to June 25, 1795 when Isaac Shelby, the Governor of the new State of Kentucky issued to General William Grayson a patent to 70,000 acres of land. Then shortly after the turn of the 19th Century, the four Carter Brothers, William, Robert Grayson, Landon, and Alfred, received this grant of 70,000 acres in the section that is now Carter County.

The first settlement in Carter County is not known, but it is generally believed to have been built in 1808 at the Sandy Salines by persons engaged in salt manufacture.

Grayson, the county seat of Carter County, is located in the northeast quarter of the county, approximately 25 miles south of Ashland, Kentucky, the nearest city of size. Grayson was founded in 1837 and incorporated into the Acts of the Legislature in the year 1844.

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR CARTER AND ADJOINING COUNTIES

County	Total Mfg.	Food and Prods.	Tobacco	Cloth. Text. and Leath.	Lbr. and Furn.	Print. and Paper	Chem. Petr. Coal & Rubber	Stone, Clay and Glass	Mach. Pri-ary Metal Prods. Equip.	Other	
Carter	1,423	4	0	95	33	88	2	1,201	0	0	0
Boyd	4,770	144	1	133	157	73	966	228	2,925	143	0
Elliott	24	0	0	0	24	0	0	0	0	0	0
Greenup	318	6	0	0	12	4	139	157	0	0	0
Lawrence	177	10	0	123	38	6	0	0	0	0	0
Totals	6,712	164	1	351	264	171	1,107	1,586	2,925	143	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR CARTER AND ADJOINING COUNTIES

County	All Ind.	Mining and Quar-rying	Contract Con-struction	Mfg.	Trans. Comm. and Util.	Whlse. and Retail Trade	Fin. Ins., Real Estate	Services	Other
Carter	1,994	238	9	1,423	73	180	25	46	0
Boyd	10,693	853	638	4,770	913	2,486	286	704	43
Elliott	29	0	0	24	0	5	0	0	0
Greenup	615	8	61	318	51	151	17	9	0
Lawrence	519	83	6	177	72	137	8	36	0
Totals	13,850	1,182	714	6,712	1,109	2,959	336	795	43

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Extension</u>	<u>Rural (8 party)</u>
Business	\$6.25	\$5.50	\$1.50	\$4.00
Residential	3.50	3.00	1.00	2.75

WATER RATES - Appendix C-2

First	2,000 gal. per mo.	\$1.75 (minimum)
Next	2,000 gal. per mo.	.875 per M gal.
Next	3,000 gal. per mo.	.83 per M gal.
Next	5,000 gal. per mo.	.50 per M gal.
Over	12,000 gal. per mo.	.35 per M gal.

POWER RATES - Kentucky & West Virginia Power Co.

General Service

Kwhrs equal to first 50 times kw of monthly billing demand:

First 30 kwhrs	5.0¢ per kwhr
Over 30 kwhrs	4.0¢ per kwhr

Kwhrs equal to next 150 times kw of monthly billing demand:

First 3,000 kwhrs	2.4¢ per kwhr
Over 3,000 kwhrs	1.5¢ per kwhr

Kwhrs in excess of 200 times kw of monthly billing demand 1.0¢ per kwhr

Minimum Charge - \$1.00

Capacity Power - Optional

Kwhrs equal to first 30 times the kva of monthly billing demand 4.25¢ per kwhr

Kwhrs equal to next 170 times the kva of monthly billing demand:

First 2,000 kwhrs	2.5¢ per kwhr
Next 8,000 kwhrs	2.0¢ per kwhr
Next 90,000 kwhrs	1.4¢ per kwhr
Over 100,000 kwhrs	1.0¢ per kwhr

Kwhrs in excess of 200 times the kva of monthly billing demand: 0.6¢ per kwhr

Minimum Charge - \$2.00 per kva of monthly billing demand

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

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

**KENTUCKY REVISED STATUTES (1948)
Sec. 103.200 - 103.280**

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

Distributed
by the

**Agricultural and Industrial Development Board
of
Kentucky**

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.

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

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

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

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

COOPERATING STATE AGENCIES

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

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

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

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

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

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

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