

12-2-1953

## Industrial Resources - Cumberland County

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ECONOMIC & INDUSTRIAL  
SURVEY

of

Burkesville, Ky.



Prepared by

CUMBERLAND COUNTY DEVELOPMENT ASSOCIATION

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

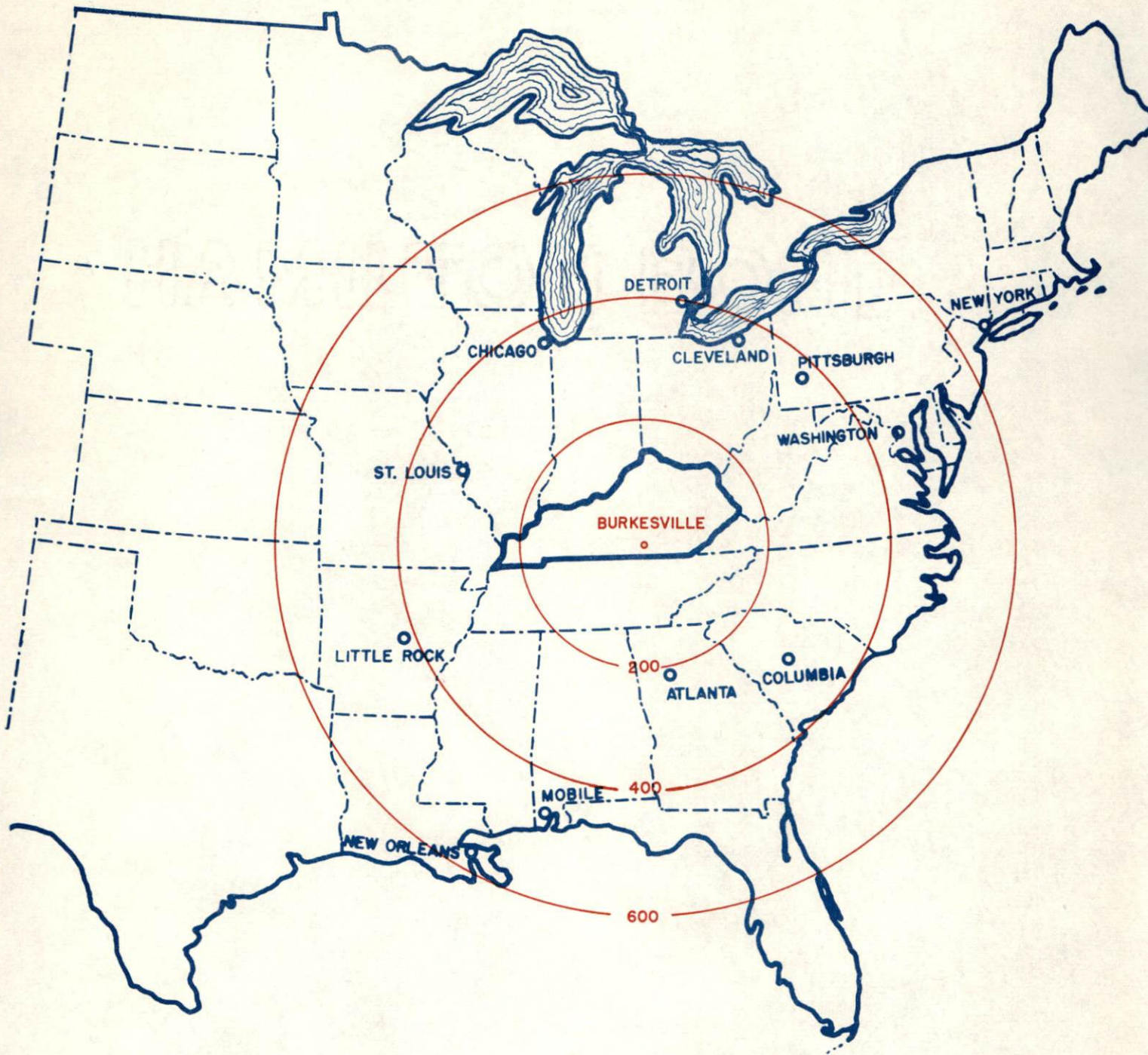
KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY  
OF  
BURKESVILLE, KENTUCKY

Prepared by

The Cumberland County Development Association  
and  
The Kentucky Agricultural & Industrial Development Board

December 2, 1953



**BURKESVILLE, KENTUCKY**  
HAS 50,000,000 CUSTOMERS  
WITHIN ITS MARKET AREA

## FOREWORD

This report sets forth industrial location data which manufacturers will find useful in considering expansion possibilities at Burkesville, Kentucky.

General Setting: Burkesville is the county seat of Cumberland County, and is located in the south-central section of the state 16 miles from the Tennessee line. Within a few miles of Burkesville are Lake Cumberland, Dale Hollow Reservoir, Cumberland National Forest, Mammoth Cave National Park, Lake Cumberland State Park -- comprising one of Kentucky's largest tourist and recreational areas. Facilities for camping, swimming, fishing, boating, sports and sightseeing are extensive.

Production Materials: Cumberland County is more heavily forested than any of the counties adjacent to it and can support substantial industrial activity in lumber and woodworking. Minerals available in the county include petroleum, limestone deposits and clays.

Labor Supply: Nearly all manufacturing in the county is in sawmills producing rough lumber and employing 174 men. An estimated 1300 men and 900 women are available for new factory jobs at Burkesville. Since males make up the bulk of the employed labor force, a special opportunity exists for female employing industries.

Industrial Water Supply: The Cumberland River, a major navigable tributary of the Ohio, makes available a supply of water adequate for a major industrial use.

Power and Fuel: Burkesville is within the TVA power distribution system. There are two 7200 volt lines into the community, and TVA has planned further developments there.

Transportation & Markets: The Cumberland River is navigable from Burkesville to Nashville (236 miles) and to the Ohio River (427 miles). State highway No. 90 connects the community with US 31-E to Louisville and Nashville and US 27 to Cincinnati and Chattanooga. Bus and truck transportation is provided by the Short Way Lines, Southeastern Greyhound, the Burkesville Transfer Company, and the Wehby System Mohawk Motor Lines. The sizeable industrial and consumer markets of Kentucky and Tennessee, plus major parts of neighboring states are within 300 miles of the area. Many of the principal market points within the area can be reached from Burkesville by barge transportation on the Cumberland, Ohio, Tennessee and Mississippi rivers. Highway distances from Burkesville to nearby market centers are: Nashville, 130; Louisville, 138; Cincinnati, 210; Atlanta, 263; Birmingham, 290; and St. Louis, 460.

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## BURKESVILLE, KENTUCKY

### POPULATION AND LABOR:

#### Population Figures 1850 - 1950

|      | <u>Burkesville</u> | <u>Cumberland County</u> |
|------|--------------------|--------------------------|
| 1850 | 368                | 7,005                    |
| 1860 | *                  | 7,340                    |
| 1870 | *                  | 7,690                    |
| 1880 | 434                | 8,894                    |
| 1890 | *                  | 8,452                    |
| 1900 | *                  | 8,962                    |
| 1910 | 817                | 9,846                    |
| 1920 | 798                | 10,648                   |
| 1930 | 886                | 10,204                   |
| 1940 | 1,092              | 11,923                   |
| 1950 | 1,278              | 9,309                    |

Population Characteristics - The population of Burkesville has shown an increase of 17.0% during the past decade, while the population of Cumberland County has shown a decrease of 21.9% during the same period. 93.77% of the population of Cumberland County are native-born white, 6.17% negro, and .06% foreign-born white.

The median school years completed for Cumberland County are: Male - 5.8; female - 7.4.

Definition and Population Trend - The Burkesville labor supply area is defined to include Cumberland, Clinton, Metcalfe, and Monroe Counties, Kentucky. This is the geographic area from which workers would normally be attracted to jobs located at Burkesville.

The population of the entire labor supply area was 52,842 in 1950, about 5,700 lower than in 1940. There was a substantial net outmigration of 10,853 persons from this area during the 1940's. Cumberland County had a net outmigration of 4,150 persons between the census years.

Economic Characteristics - Agriculture completely dominates the economic life of this labor supply area furnishing jobs for about 8,700 persons, according to the 1950 Census of Population. There were only 1,619 jobs covered by unemployment insurance in the area in March, 1953 with only 462 of these in manufacturing. The area's farm economy is apparently not uniformly prosperous as about 40% of the farms had 1949 cash income of below \$600. In Cumberland County, agriculture furnishes employment for about 1,850 people, as contrasted to 823 jobs in industries covered by unemployment insurance. In March, 1953, there were only 128 jobs in this county heavily concentrated in the low-paying lumbering industry. This combination of below average farm income and a scarcity of manufacturing opportunities has resulted in a very low per capita income for counties in this area. Nationally, per capita income was \$1,584 in 1951, while in Kentucky it was \$1,071, and in Cumberland County only \$577.

Based on a comparison of the average weekly wage in industries covered by unemployment insurance during the first quarter of 1953, this is a very low wage area. The average weekly covered wage in that county was \$30.82, and was only \$19.19 in the manufacturing industries. This very low average weekly manufacturing wage is undoubtedly a reflection of the dominance of the low-paying lumbering industry. These average wages can be contrasted to the Kentucky average of \$63.92 in all industries and \$65.83 in manufacturing which was well below the U. S. average of \$74.32 in all industries and \$79.70 in manufacturing.



Potential Labor Supply for Industrial Jobs - In the entire Burkesville labor supply area it is estimated that 2,200 women and 2,500 men are currently available for industrial employment. However, all of this labor supply would not be available for jobs located at any single point in the area. It is estimated that 900 of the women and 1,300 of the men would be available for jobs located at Burkesville. Cumberland County could furnish about 500 of the women and 700 of the men included in this total. Current labor supplies will be replenished during the next 10 years by the aging of 998 men and 926 women in Cumberland County into the 18-year and above group. An additional 1,300 men and 1,000 women from this same category should also be available for jobs in Burkesville from other counties in the labor supply area.

Existing Industry

| <u>Industry</u>                       | <u>Product</u>      | <u>M</u>   | <u>F</u> | <u>T</u>   |
|---------------------------------------|---------------------|------------|----------|------------|
| Anderson Bros. (Dubre)                | Sawmill, rough lbr. | 10         | 0        | 10         |
| John Anderson & Co.<br>(Marrowbone)   | Sawmill, rough lbr. | 10         | 0        | 10         |
| R. E. Anderson & Bryant<br>(Mud Camp) | Sawmill, rough lbr. | 8          | 0        | 8          |
| Cumberland Constr. Co.                | Crushed limestone   | 20         | 0        | 20         |
| Albert Gibson                         | Sawmill, rough lbr. | 8          | 0        | 8          |
| A. C. Murray (Dubre)                  | Sawmill, rough lbr. | 8          | 0        | 8          |
| W. C. Stalcup                         | Sawmill, rough lbr. | 80         | 0        | 80         |
| D. O. Stapp                           | Sawmill, rough lbr. | 30         | 0        | 30         |
| Thurman & Sandusky (Bow)              | Sawmill, rough lbr. | 8          | 0        | 8          |
| E. K. Traylor                         | Sawmill, rough lbr. | 5          | 0        | 5          |
| John L. Vibbert & Sons                | Sawmill, rough lbr. | 4          | 0        | 4          |
| Fred York                             | Sawmill, rough lbr. | 3          | 0        | 3          |
|                                       |                     | <u>194</u> | <u>0</u> | <u>194</u> |

Union Affiliations - None

TRANSPORTATION:

Railroads - There are no rail facilities at Burkesville.

Highways - Ky. #'s 61 and 90.

Highway Distances To

|                  |     |                   |     |
|------------------|-----|-------------------|-----|
| Atlanta, Ga.     | 263 | Louisville, Ky.   | 138 |
| Birmingham, Ala. | 290 | Mobile, Ala.      | 470 |
| Chicago, Ill.    | 495 | Nashville, Tenn.  | 130 |
| Cincinnati, O.   | 210 | New York, N. Y.   | 870 |
| Cleveland, O.    | 535 | Pittsburgh, Pa.   | 580 |
| Detroit, Mich.   | 560 | St. Louis, Mo.    | 460 |
| Knoxville, Tenn. | 85  | Washington, D. C. | 775 |

Truck Lines Serving Burkesville - Burkesville Transfer Company,

Burkesville, operates between Burkesville and Louisville, and Burkesville and Nashville, with terminals at each point. Equipment includes 1 straight truck, 3 tractors, and 3 van trailers. The Wehby System Mohawk Motor Lines, Nashville, also serves Burkesville.

Bus Lines Serving Burkesville - Short-Way Lines, Inc., operating between Somerset and Glasgow, 1 round trip daily; Southeastern Greyhound Lines, 1 round trip daily from Louisville to Burkesville on Friday, Saturday, and Sunday.

Air - The nearest commercial airport is the Bowling Green-Warren County Municipal Airport, Bowling Green, 70 miles distant. This airport has 4 runways, each 4,000 feet long and 150 feet wide, and is served by Eastern Airlines which has 3 departures daily from Bowling Green.

COMMUNICATIONS:

Postal Facilities - Burkesville has a second class post office with 4 employees and 11 star routes. Mail is sent out and received 4 times daily by star route and truck. Postal receipts for 1952 totaled \$12,000.

Telephone - The Southern Continental Telephone Company serves Burkesville with 3 employees and 250 subscribers. (See Appendix B-1 for rates).

UTILITIES:

Electricity - Burkesville is served by the Tri-County Electric Membership Cooperative, whose source of supply is T.V.A. There are two 7,200 volt lines serving the town. T.V.A. plans a substation at Burkesville to tie in transmission lines from Wolfe Creek, Dale Hollow, and Summer Shade. (See Appendix C for rates).

Water - Burkesville Municipal Water Works, whose source of supply is the Cumberland River. Pumping capacity is 720,000 gpm, storage capacity is 75,000 gallons, maximum daily use is 75,000 gallons. Type plant and treatment - settling, filtering, chlorination. Mains range in size from 2" to 8", and pressure is 70 pounds psi. (See Appendix B-2 for rates).

Sewage - Separate storm and sanitary sewers. Raw sewage is discharged into the river. Lines range in size from 6" to 10". Rates are 60% of water bill, minimum charge \$2.08.

CITY GOVERNMENT AND SERVICES:

Type Government - Burkesville, a 5th class city, is governed by a mayor, elected for 4 years, and 6 councilmen, elected for 2 years.

(See Appendix D for Resolution).

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   | .65                       |                            |
| School | 1.50                      | 1.50                       |
| Other  | <u>.35*</u>               | <u>          </u>          |
| Total  | \$3.25                    | \$2.25                     |

\*Voted sewer bonds.

(See Appendix E for Kentucky Corporation Tax Information).

Assessment Practice - City - 33%  
County - 33%

Total Assessment - City - \$771,818  
County - \$4,582,689

1952 City Income - \$13,316.59

1952 City Expenses - \$16,039.03

1952 County Income - \$25,812.83

1952 County Expenses - \$21,533.61

City Bonded Indebtedness - Voted sewer bonds (35¢ levy) \$23,000 issued in April, 1951 @ 3%, \$22,000 outstanding, mature in 1971; Revenue sewer and water bonds \$165,000 issued in April, 1951 @ 3 3/4% and 4%, all outstanding, mature in 1981.

County Bonded Indebtedness - Road and bridge bonds \$100,000 issued in 1927 @ 4 3/4%, \$20,000 outstanding, mature in 1957; Funding bonds \$30,000 issued in 1937 @ 5%, \$15,000 outstanding, mature in 1966.

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

Business License Fees - \$15.00 - \$150.00

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

City Services

Fire Protection - 16-man volunteer department. Equipment includes a 1935 Ford 700 gpm pumper, with 500 gallon booster tank, 1400' of 2 1/2" hose, and 360' of 1 1/2" hose. There are 27 fire hydrants, 70 pound pressure, 6" mains. Burkesville has a 7th class fire insurance rating. Losses for 1952 totaled \$10,000.

Police Protection - 2-man department equipped with 2 cars.

Streets - Burkesville has 5 miles of paved streets and 5 miles of unpaved streets. A maintenance crew is hired as needed. Streets are cleaned twice weekly.

Garbage - Private collection; type disposal - city dump.

LOCAL CONSIDERATIONS:

Housing - There are an estimated 12 rental units available. Two-bedroom houses rent for from \$30 to \$50 per month. Construction cost of a two-bedroom house is approximately \$6,000.

Health -

Hospitals - The nearest hospital is located at Glasgow, 38 miles distant. This hospital has 75 beds, 14 registered nurses, 35 aids, 1 nurse superintendent, 1 business manager, and 1 house physician. This hospital which cost \$500,000 is now being enlarged to 110 rooms.

Doctors - MD's 3; Dentists - 1; Chiropractors - 1.

Public Health Program - Health Department personnel include: health officer, registered nurse, sanitarian (shared with another county), and clerk. Health services include: communicable disease, venereal disease, and tuberculosis control; maternal and child health; school health; vital statistics; and sanitation.

Schools - The County school system includes 2 combined grade and high schools, 9 two-room schools, and 29 one-room schools. Elementary white enrollment is 1,695 with 59 teachers; elementary colored enrollment is 98 with 5 teachers. High school white enrollment is 230 with 12 teachers; high school colored students attend Lincoln Ridge in Shelby County, Kentucky.

Vocational Schools - The nearest vocational school is at Bowling Green, 70 miles distant.

Colleges - Colleges in the area include: Lindsey Wilson Junior College, Columbia; Western State College, Bowling Green.

Churches - The following denominations are represented in Burkesville: Baptist, Christian, Church of Christ, and Nazarene.

Tourist Accommodations -

Hotels - Parkway - 25 rooms.

Motels - McCoy Motor Court - 18 units (plan to add an additional 18 units by the Spring of 1954); Alpine Motel - 22 units.

Libraries - Cumberland County Public Library with 3, 150 volumes and 1952 circulation of 3, 179.

Newspapers - Cumberland County News (weekly) with a circulation of 1, 100.

Recreation - Veterans Park with a baseball diamond (softball league and baseball league). The County Fair is held at this park each year.

There is one indoor theater which changes programs 4 times weekly.

Drive-in theaters are located in neighboring towns.

Banks - The Bank of Cumberland with total deposits of \$2, 671, 000 and total resources of \$2, 898, 000.

Retail Businesses

|                   |   |
|-------------------|---|
| Auto Dealers      | 3 |
| Building supplies | 3 |
| Clothing          | 4 |
| Drugs             | 2 |
| Hardware          | 4 |

Service Establishments

|                    |   |
|--------------------|---|
| Barber shops       | 4 |
| Beauty shops       | 4 |
| Laundry & cleaning | 1 |
| Machine shops      | 5 |
| Restaurants        | 6 |

Wholesale Groceries - 1

Clubs and Organizations -

Civic - Lions Club, Cumberland County Development Association.

Fraternal - Masonic, VFW, American Legion.

Women's Clubs - Eastern Star, VFW Auxiliary, Women's Club.

Youth - Girl Scouts.

Other - Farm Bureau, FFA, 4-H, Cumberland County Sportsmen's Club.

| <u>Climate</u> - | Temperature<br>(30-yr. rec.) | Precipitation<br>(30-yr. rec.) | Relative Humidity           |                             |                             |
|------------------|------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                  |                              |                                | 7:30 a. m.<br>(64-yr. rec.) | 1:30 p. m.<br>(34-yr. rec.) | 7:30 p. m.<br>(64-yr. rec.) |
| Jan.             | 35.6                         | 4.93                           | 83                          | 65                          | 69                          |
| Feb.             | 37.1                         | 3.61                           | 81                          | 60                          | 64                          |
| Mar.             | 46.6                         | 5.32                           | 78                          | 54                          | 59                          |
| Apr.             | 55.4                         | 3.88                           | 75                          | 49                          | 53                          |
| May              | 65.0                         | 4.23                           | 78                          | 51                          | 58                          |
| June             | 75.6                         | 4.47                           | 80                          | 53                          | 63                          |
| July             | 76.9                         | 4.09                           | 83                          | 55                          | 66                          |
| Aug.             | 75.7                         | 4.09                           | 86                          | 57                          | 68                          |
| Sept.            | 69.8                         | 3.14                           | 86                          | 53                          | 66                          |
| Oct.             | 57.4                         | 2.89                           | 86                          | 52                          | 63                          |
| Nov.             | 45.8                         | 3.57                           | 83                          | 57                          | 64                          |
| Dec.             | 37.2                         | 4.07                           | 84                          | 65                          | 69                          |

Ann. Norm. 56.3°F 48.29 inches

Prevailing Wind (33-yr. rec.) - From southwest

Possible Sunshine - Annual 57%

No. Days With - Prec. over 0.01 inch (81-yr. rec.) - 133  
 1.0 or more snow, sleet, hail (68-yr. rec.) - 3  
 Thunderstorms (71-yr. rec.) - 48  
 Heavy Fog (71-yr. rec.) - 18

Days Cloudy or Clear - (81-yr. rec.) - Clear - 120  
 Cloudy - 124  
 Partly Cloudy - 121

Seasonal Heating Degree Days (51-yr. rec.) - Approximate long-term means 3,777 degree days.

Frost-free period - April 21 to October 16; growing season 178 days.

**RESOURCES:**

Petroleum - The most important mineral resource of Cumberland County is petroleum. During the years, 1949 through 1951, the county produced over 28,000 barrels per year. The major producing formations are the Stones River, Sunnybrook, Trenton, and Granville.



Limestones - Limestone deposits, suitable for ordinary construction purposes are available. Some grades are probably suitable for agricultural lime and other uses.

Sands and Gravels - Can be obtained from along the Cumberland River and some other streams. These can be used for local construction purposes.

Clays - Local clays might be used for ordinary brick and tile manufacture.

Bituminous Shale - deposits occur which possibly afford a future resource as raw material for synthetic liquid fuel manufacture.

#### INDUSTRIAL MARKETS:

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

#### AVAILABLE INDUSTRIAL SITES:

There are, within the city limits, four or five tracts, averaging from 5 to 15 acres each, which would be particularly suitable and adaptable to usage for industrial sites. In addition, there is almost unlimited acreage, suitable and obtainable for industrial purposes, within a radius of three miles from the center of town.

APPENDIX

|                                 |          |
|---------------------------------|----------|
| History and General Description | App. A   |
| Telephone Rates                 | App. B-1 |
| Water Rates                     | App. B-2 |
| Power Rates                     | App. C   |
| Resolution                      | App. D   |
| Kentucky Corporation Taxes      | App. E   |
| Kentucky Revised Statutes       | App. F   |
| Cooperating State Agencies      | App. G   |

HISTORY AND GENERAL DESCRIPTION

Burkesville was laid out and marked off on a plat of land given by Ishum Burkes on February 27, 1798. Burkes and John Thurman, both of whom belonged to the "land gentry" campaigned for the name of the town, but Burkes received a few more votes than Thurman - hence, Burkesville was born. The town was incorporated in 1810. It is situated in a picturesque valley on the west bank of the Cumberland River, where Kentucky state highways 61 and 90 join, nearly midway between Dale Hollow Reservoir and Lake Cumberland, both famous fishing meccas. Three miles north of the city is the site of the First Oil Well in America.

## TELEPHONE RATES - Appendix B-1

|             | <u>Individual</u> | <u>Two-party</u> | <u>Four-party</u> | <u>Rural</u> | <u>Extension</u> |
|-------------|-------------------|------------------|-------------------|--------------|------------------|
| Business    | \$5.00            | \$4.50           | ----              | \$4.00       | \$1.25           |
| Residential | 2.50              | 2.15             | \$1.75            | 2.00         | .75              |

## WATER RATES - Appendix B-2

|       |                     |                  |
|-------|---------------------|------------------|
| First | 2,000 gal. per mo.  | \$2.50 (minimum) |
| Next  | 3,000 gal. per mo.  | .75 per M gal.   |
| Next  | 5,000 gal. per mo.  | .50 per M gal.   |
| Next  | 5,000 gal. per mo.  | .45 per M gal.   |
| Next  | 5,000 gal. per mo.  | .40 per M gal.   |
| Next  | 5,000 gal. per mo.  | .35 per M gal.   |
| Next  | 5,000 gal. per mo.  | .30 per M gal.   |
| Over  | 30,000 gal. per mo. | .25 per M gal.   |

POWER RATES

Availability - Available to all commercial, industrial, governmental and other customers except those to whom service is available under the Residential or Street Lighting Schedules.

Character of Service - Alternating current, single or three-phase, 60 cycles. Voltage supplied will be at the discretion of the Distributor and will be determined by the voltage available in the vicinity and/or other conditions.

Rate - If the customer's demand for the month is less than 50 kilowatts:

Demand Charge: First 10 kilowatts of demand per month, no demand charge.  
Excess over 10 kilowatts of demand per month, at \$1.00 per kilowatt.

Energy Charge: First 150 kwh per mo. @ 3.0¢ per kwh  
Next 350 kwh per mo. @ 2.0¢ per kwh  
Next 1,250 kwh per mo. @ 1.0¢ per kwh  
Next 13,250 kwh per mo. @ 0.8¢ per kwh  
Additional Energy @ 0.6¢ per kwh

If the customer's demand for the month is 50 kilowatts or more:

Demand Charge: \$1.00 per month per kilowatt of demand.

Energy Charge: First 15,000 kwh per mo. @ 0.8¢ per kwh.  
Next 25,000 kwh per mo. @ 0.6¢ per kwh  
Next 60,000 kwh per mo. @ 0.4¢ per kwh  
Next 400,000 kwh per mo. @ 0.3¢ per kwh  
Additional Energy @ 0.275¢ per kwh.

The rate for the final block of the energy charge will be increased or decreased by 1/8 mill per kwh for each full cent or major fraction thereof that the average cost per million BTU of all coal received by TVA at its steam plants during the last 6 months ending with June or December exceeds 20¢ or is less than 16¢.

Determination of Demand - Distributor will measure the demands in kilowatts of all customers having a connected load in excess of 10 kilowatts. The demand for any month shall be the highest average load measured in kilowatts during any 30 consecutive minute period of the month. However, if 85% of the highest average KVA measured during any 30 consecutive minute period for any load of 5,000 KVA or less (or 85% of the first 5,000 KVA plus 95% of the remainder of any load over 5,000 KVA) is higher than the kw demand, such amount will be used as the billing demand.

— RESOLUTION —

**CITY OF BURKESVILLE**

WHEREAS, it is highly desirable that new industrial and business enterprises be induced to locate in our City, and;

WHEREAS, Burkesville is well located with an abundant and productive supply of labor, excellent transportation facilities, electric power, and other facilities, and;

WHEREAS, it is desirable to acquire additional industrial employment for our citizens so as to obtain favorable balance between agriculture and industry in Burkesville and Cumberland County:

BE IT RESOLVED, that a cordial invitation be and is hereby extended to acceptable industries to locate in our community, and we pledge the wholehearted cooperation and assistance on the part of the City Council and the citizens to interested concerns;

NOW THEREFORE, by unanimous vote of the City Council this Resolution was passed and approved the 3rd day of August, 1953.

W. C. Stearns, Mayor

Copy Attest:

Lou Anna Simpson, Clerk

The resolution was passed by each member voting aye.

Lou Anna Simpson, Clerk

## 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<br/>(Par Value)</u> | <u>Rate Per Share<br/>(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.