

4-1953

## Industrial Resources: Johnson County - Paintsville

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# ECONOMIC & INDUSTRIAL SURVEY

of

## Paintsville, Ky.



Prepared By

THE PAINTSVILLE-JOHNSON COUNTY DEVELOPMENT ASSOCIATION

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY  
OF  
PAINTSVILLE, KENTUCKY

Prepared by

The Paintsville-Johnson County Development Association  
and  
The Kentucky Agricultural & Industrial Development Board

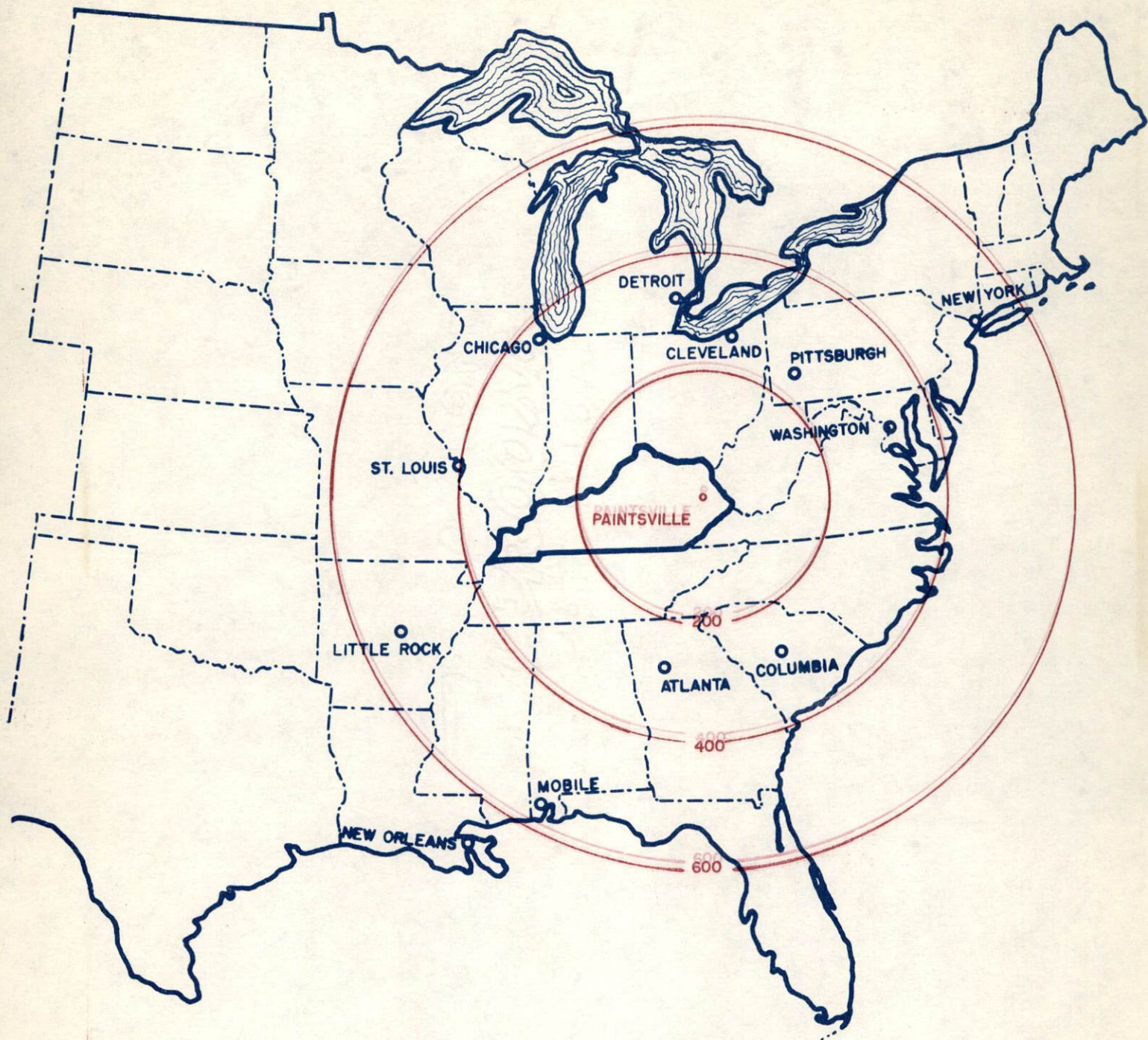
April, 1953





AERIAL VIEW OF PAINTSVILLE, KY.

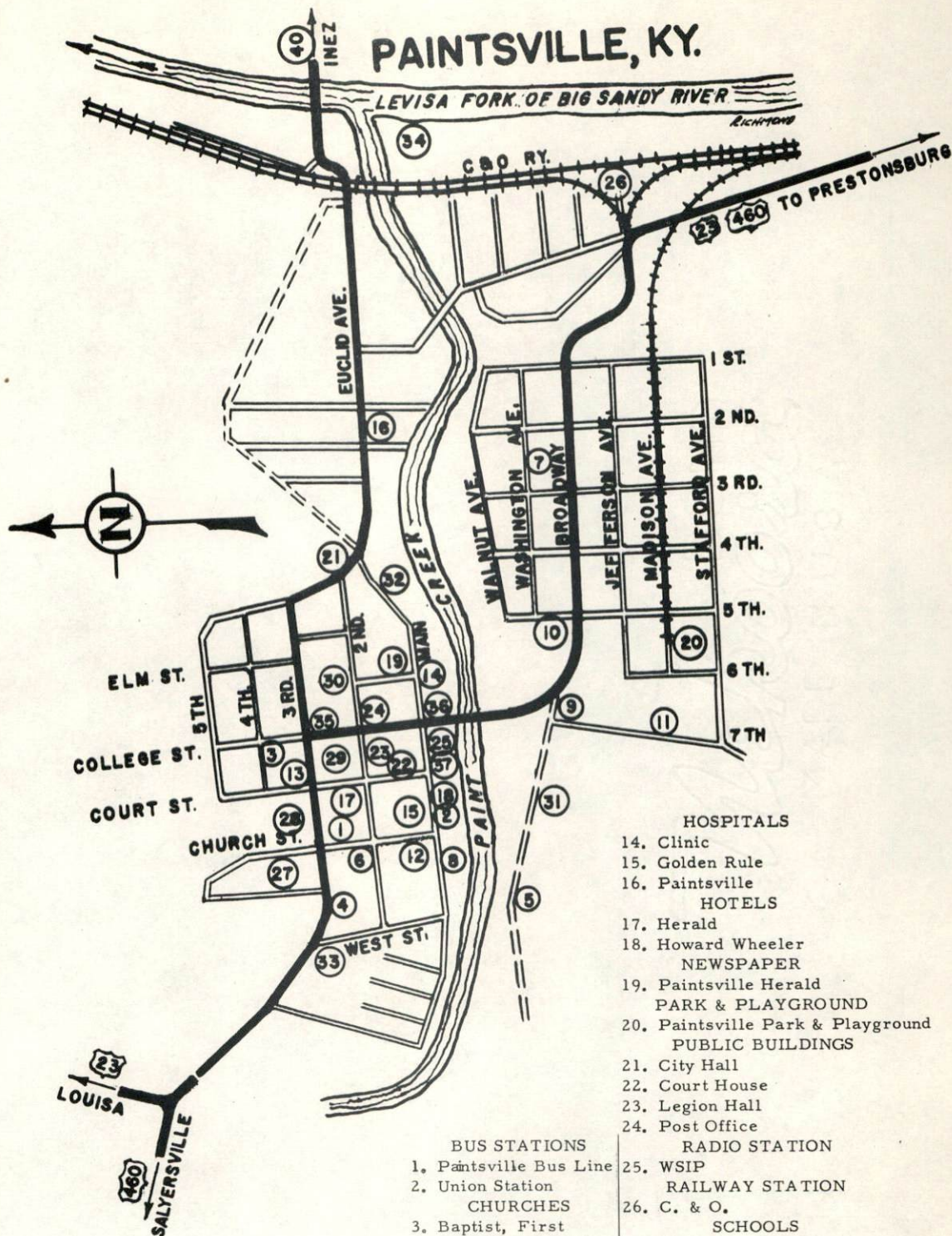




## PAINTSVILLE, KENTUCKY

HAS 50,000,000 CUSTOMERS  
WITHIN ITS MARKET AREA





- HOSPITALS**
- 14. Clinic
  - 15. Golden Rule
  - 16. Paintsville
- HOTELS**
- 17. Herald
  - 18. Howard Wheeler
- NEWSPAPER**
- 19. Paintsville Herald
- PARK & PLAYGROUND**
- 20. Paintsville Park & Playground
- PUBLIC BUILDINGS**
- 21. City Hall
  - 22. Court House
  - 23. Legion Hall
  - 24. Post Office
- RADIO STATION**
- 25. WSIP
- RAILWAY STATION**
- 26. C. & O.
- SCHOOLS**
- 27. Mayo State Vocational
  - 28. Our Lady of the Mountains
  - 29. Paintsville City (Grade)
  - 30. Paintsville City (High)
- STOCKYARD**
- 31. Paintsville
- TOURIST HOMES**
- 32. Cox's
  - 33. Old Kentucky Home
- WATER PLANT**
- 34. Paintsville Water Works

- BUS STATIONS**
- 1. Paintsville Bus Line
  - 2. Union Station
- CHURCHES**
- 3. Baptist, First
  - 4. Baptist, Freewill
  - 5. Baptist, Freewill
  - 6. Baptist, United
  - 7. Catholic
  - 8. Christian
  - 9. Church of Christ
  - 10. Church of God
  - 11. Church of God, Pentacostal
  - 12. Methodist, First
  - 13. Methodist, Mayo



## TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR	
Population Figures 1850 - 1950; Population Characteristics;	
Labor Supply Area	1
Industrial Characteristics; Potential Labor Supply	2
Existing Industry	3
TRANSPORTATION	
Railroads	3
Highways	4
Air	5
COMMUNICATIONS	
Postal Facilities; Telephone & Telegraph	5
UTILITIES	
Electricity; Gas; Water; Sewage	6
CITY GOVERNMENT & SERVICES	
Type Government	6
Tax Rates & Laws	7
Laws Affecting Industry; City Services	8
LOCAL CONSIDERATIONS	
Health	9
Schools	10
Libraries; Churches; Recreation	11
Tourist Accommodations; Newspapers; Radio Stations;	
Banks	12
Retail Businesses; Service Establishments; Retail,	
Wholesale & Service Establishment Sales; Clubs	
and Organizations	13
Climate	14
RESOURCES	
Coal; Oil; Gas; Limestone; Clay	15
INDUSTRIAL MARKETS	16
AVAILABLE INDUSTRIAL SITES	16
Appendix Following Page 16	



## PAINTSVILLE, KENTUCKY

Paintsville is located in the eastern part of Kentucky and is the county seat of Johnson County. Paintsville is 127 miles from Lexington and 69 miles from Ashland.

### POPULATION AND LABOR:

#### Population Figures 1850 - 1950

	<u>Johnson County</u>	<u>Paintsville</u>
1850	3,873	----
1860	5,306	----
1870	7,494	247
1880	-----	----
1890	11,027	----
1900	13,730	1,200
1910	17,482	----
1920	19,622	1,383
1930	22,968	2,411
1940	25,771	2,324
1950	23,846	4,309

Population Characteristics - The population of Johnson County has shown a decrease of 7.5% during the past ten years, while Paintsville has shown an increase of 85.4% during the same period. 99.79% of the population of Paintsville are native-white and 00.21% foreign-born white, while 99.83% of the population of Johnson County are native-white, 00.14% foreign-born white and 00.03% negro.

Labor Supply Area - The Paintsville labor supply area would include Johnson, Floyd, Magoffin, Martin and Lawrence Counties.

Population of this area was 117,280 in 1950 with 23,846 living in Johnson County.



Industrial Characteristics - Employment in agriculture and mining overshadow the other employment in the area. The 1950 Census of Agriculture reported 12,400 working on farms, while in December there were 6,864 employed in mining. Mining employment is concentrated in Floyd County with 5,792 working in December. Mining employment in Johnson County was 669.

Farming in this area is below average in prosperity. In 1949, 7,890 of 9,552 farms in the area had cash incomes below \$600.

Due to the importance of mining in Floyd and Johnson Counties, special attention should be made of this industry. The trend in mining employment in this area has been downward for some time. Mechanization plus marketing difficulties has caused this situation. Unemployment among workers covered by unemployment insurance has been high for some time amounting to 13 unemployed for each 100 employed, compared with a state average of 5.2 unemployed per 100 working. This condition promises to be permanent and there is no doubt that more workers are available than are needed in mining.

Per capita income in this area is low when compared to the 1950 state average of \$959 ranging from \$307 in the low county to \$751 in the high. Johnson County's per capita income was estimated at \$507.

Potential Labor Supply - Within this five-county area, at least 5,000 men and 6,000 women would be available for industrial employment. A portion of these would not be available for jobs in Paintsville due to



commuting problems. An estimated 3,000 women and 3,300 men would probably be available for jobs in Paintsville. The men would be drawn from low income farms, the ranks of the unemployed and the mining industry. The women would come from those not now in the labor force such as housewives, young girls living at home, etc.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Artic Ice Co.	Ice	3	0	3
Big Sandy Cinder Block Co.	Cinder blocks	5	2	7
C. & O. Railroad Yards	Shop repair	116	0	116*
Daniels Dairy	Dairy products	17	6	23
Dr. Pepper Bottling Co.	Soft drinks	8	1	9
E. P. Gilkerson	Stone yard	13	1	14
R. C. Bottling Co.	Soft drinks	11	1	12
Southern Kitchens	Potato chips, candy	7	2	9
Spur Bottling Co.	Soft drinks	8	0	8
		<u>188</u>	<u>13</u>	<u>201</u>

\*This is the number working on the yards each day and does not include crews coming in and going out at different times.

TRANSPORTATION:

Railroads - Paintsville is on the Big Sandy Subdivision of the Ashland Division of the C. & O. Railway System. Terminal facilities are at Ashland (north) and Elkhorn City (south).

Average Car Loadings Yearly - LCL - inbound 602, outbound 492;

CL - inbound 2215, outbound 104; Deadhead - outbound 208.

Local Freight Trains - One southbound local and one southbound through freight - Ashland to Elkhorn City; one northbound local and one northbound through freight - Elkhorn City to Ashland daily.





Highway Scene  
3 Miles Northwest of Paintsville



Passenger Trains - One round trip daily between Ashland and Elkhorn City.

Industrial Spur - An industrial spur almost a mile long has been constructed through an area of industrial sites.

Approximate Transit Times To

Chicago, Ill.	13 hrs.	New York, N. Y.	17 hrs.
Cleveland, Ohio	10 hrs.	Pittsburgh, Pa.	10 hrs.
Detroit, Mich.	12 hrs.	St. Louis, Mo.	13 hrs.
		Washington, D. C.	14 hrs.

Rail Distances and Class Rates to Principal Cities

% of 1st Class (old)	100 1	85 2	70 3	55 R/26	50 4	35 5	27.5 6
Chicago	2.26	1.92	1.58	1.24	1.13	.79	.62
Cleveland	1.90	1.62	1.33	1.05	.95	.67	.52
Detroit	2.06	1.75	1.44	1.13	1.03	.79	.57
New York	2.90	2.47	2.03	1.60	1.45	1.02	.80
Pittsburgh	1.96	1.67	1.37	1.08	.98	.69	.54
St. Louis	2.45	2.08	1.72	1.35	1.23	.77	.61
Washington	2.36	2.01	1.65	1.30	1.18	.83	.65

The above rates were effective May 30, 1952

Highways - U. S. #23 (north and south); U. S. #460 (east and west);  
Ky. #'s 40, 172, and 302.

Highway Distances To

Atlanta, Ga.	453	Knoxville, Tenn.	257
Birmingham, Ala.	519	Louisville, Ky.	201
Chicago, Ill.	490	Nashville, Tenn.	360
Cincinnati, Ohio	189	Pittsburgh, Pa.	299
Detroit, Mich.	382	St. Louis, Mo.	451

Bus Lines - Southeastern Greyhound Lines supply service to principal cities. Service in the Paintsville area is supplied by the Paintsville Bus Line, C & W Bus Lines, and Conley Bus Lines.



Truck Lines - Motor freight service is supplied by the Pinson Transfer Company, the Pikeville Motor Express, and the Hazard Motor Express.

Air - Airports having scheduled airline service are at Huntington, West Virginia, 59 miles from Paintsville, and at Lexington, Kentucky, 126 miles distant.

#### COMMUNICATIONS:

Postal Facilities - Paintsville has a 2nd class post office with 13 employees. Delivery is by carrier in the city. There are 4 star routes in the rural area.

Telephone and Telegraph - The telephone system is a part of the Southern Bell Telephone and Telegraph Company. There are approximately 1800 subscribers and 50 employees. (See Appendix B-1 for rates). A loan in the amount of \$398,000 has been approved for the Foothills Rural Telephone Cooperative Corporation, Inc., Paintsville, under the provisions of the REA act of 1936, as amended. This amount, plus \$32,500 to be supplied from membership fees will be expended in Johnson, Lawrence, Magoffin, and Floyd Counties to provide modern dial telephone service to rural residents of these counties. Also, the properties of the Magoffin Telephone Company are to be acquired and rebuilt. The installation of this telephone system will be a great economic aid to these counties from the standpoint of money spent and services rendered. Telegraph service is provided by the Western Union Office.



#### UTILITIES:

Electricity - Electric power is supplied by the Kentucky & West Virginia Power Company. The district office is at Pikeville.

(See Appendix B-2 for rates),

Gas - Natural gas is distributed by the Paintsville City Gas System which is supplied by the Kentucky & West Virginia Gas Company. The B.T.U. content is 1150. The available supply is adequate for any domestic or industrial usage. Paintsville is on the edge of the Eastern Kentucky Gas Fields. (See Appendix B-3 for rates).

Water - The Paintsville Water Works is owned by the city. Water from the Big Sandy River is treated in a modern plant completed in 1952. The filters are balanced with the pumps to provide capacity of 1,000,000 gallons per day. The pumps are operating at 30% of their capacity. The new plant is designed so it can be enlarged to 1,500,000 gallons per day at a minimum cost. Storage capacity is 335,000 gallons. Pressure is 85 psi. These mains furnish water to fire hydrants. In addition to routine treatments, flourine is added to the water.

(See Appendix B-4 for rates).

Sewage - The city is planning the construction of interceptor sewers and a modern sewage treatment plant. Engineers have been retained and plans are near completion for the project.

#### CITY GOVERNMENT AND SERVICES:

Type Government - Paintsville is governed by a mayor and six councilmen. An assistant mayor acts as supervisor of city departments.





Paintsville City Hall



Paintsville Street Scene



Tax Rates and Laws -

Property Tax Rates per \$100 in 1952

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

(See Appendix C for Kentucky Corporation Tax Information)

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

Total Assessment 1952 - City - \$4,285,000  
County - \$11,401,099

City Income 1952 - (See Appendix D for 1952 Budget)

City Expenditures 1952 - (See Appendix D for 1952 Budget)

Bonded Indebtedness - City - \$40,000 Ad volorem tax bonds, park and playground; \$60,000 street assessment bonds; \$351,000 water revenue bonds.

County - (June 30, 1952) - \$260,000 road and bridge refunding bonds issued 7/1/40 at 5%, \$90,000 outstanding, mature 7/1/70; \$26,000 road and bridge refunding bonds issued 1/1/44 at 3 1/2%, all outstanding, mature 7/1/65; \$20,000 road and bridge bonds issued 1/1/45 at 3%, all outstanding, mature 1/1/65; \$56,000 refunding bonds issued 4/1/37 at 5%, \$21,000 outstanding, mature 4/1/59; \$44,000 refunding bonds, issued 5/1/43 at 4 1/2%, \$30,000 outstanding, mature 5/1/68.



Laws Affecting Industry - (See Appendix E for Statute governing the Bond Issue Plan).

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

City Services -

Police Protection - The police department consists of a chief and 5 full-time patrolmen. Patrol cars are equipped with two-way radios.

Fire Protection - The fire department has 21 men. Three are full-time and 18 are volunteers. Equipment consists of 2 modern fire engines both of which are in one central station at the City Hall. One is a new 1952 Oren Roanoke Triple Combination Pumper with a capacity of 750 gpm, a 600 gallon booster tank, and complete chemical equipment. The other is a 1948 Seagreaves twin stage pumper with a capacity of 500 gpm, a 550 gallon booster tank. Both trucks are equipped with new aluminum ladders and two-way radios. There are 82 standard size 6" fire plugs in the city. The department will respond to calls outside the city under special arrangement. At the present time the city holds a seventh class fire insurance classification. An application for a sixth class rating is now pending. Each year the fire chief and one fireman attend the State Fire School at the University of Kentucky. Mayo State Vocational School conducts a fireman's training program



for volunteer firemen as a part of the regular curriculum.

Estimated fire losses in 1951 were \$1,363.

Streets - The city has approximately ten miles of paved streets.

There are concrete sidewalks, curbs and gutters in both the business and residential sections. The maintenance department consists of a superintendent and 4 men. Street lighting in the downtown area has been modernized by the installation of 20 10,000 lumen lamps.

Garbage - The city garbage department has a superintendent with a five-man crew. The truck is a new 1952 Gar Wood Sanitary Load Packer. Disposal is the sanitary land fill method. Collection is daily in the business and industrial areas, and weekly in the residential areas.

#### LOCAL CONSIDERATIONS:

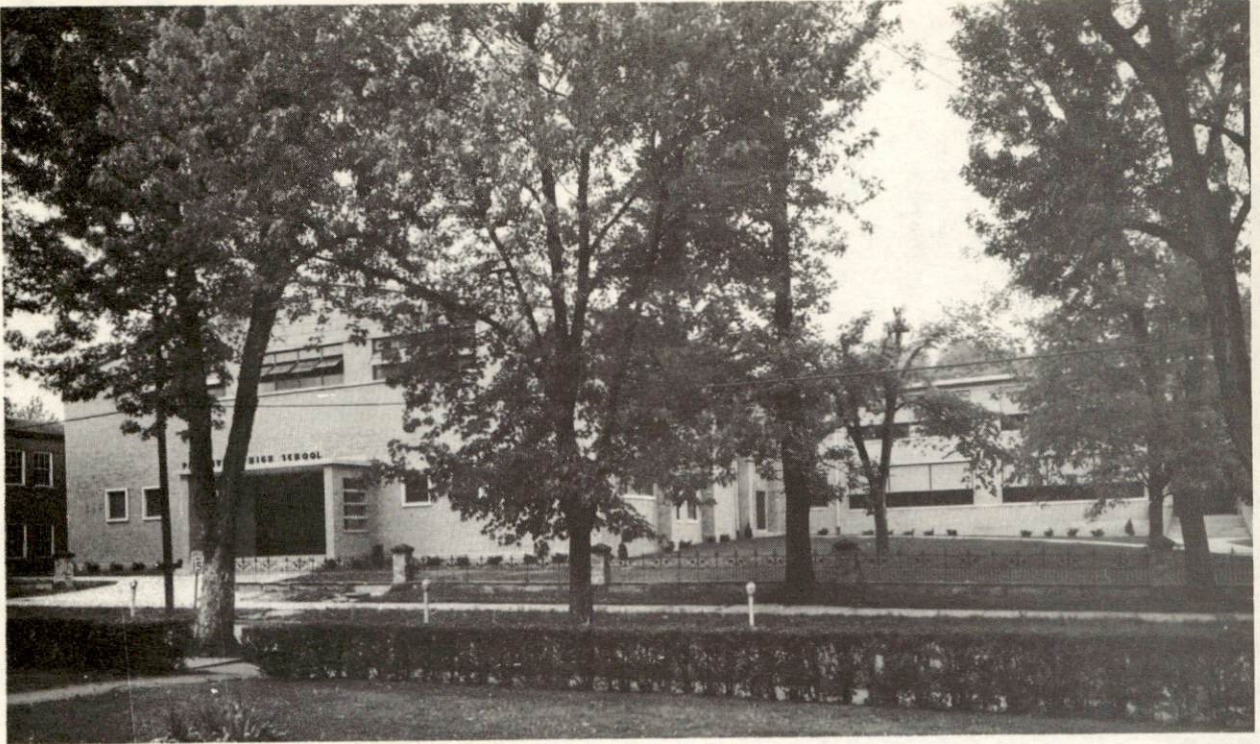
##### Health -

Hospitals - Paintsville Hospital - 95 beds; Paintsville Clinic - 53 beds; Golden Rule Hospital - 15 beds.

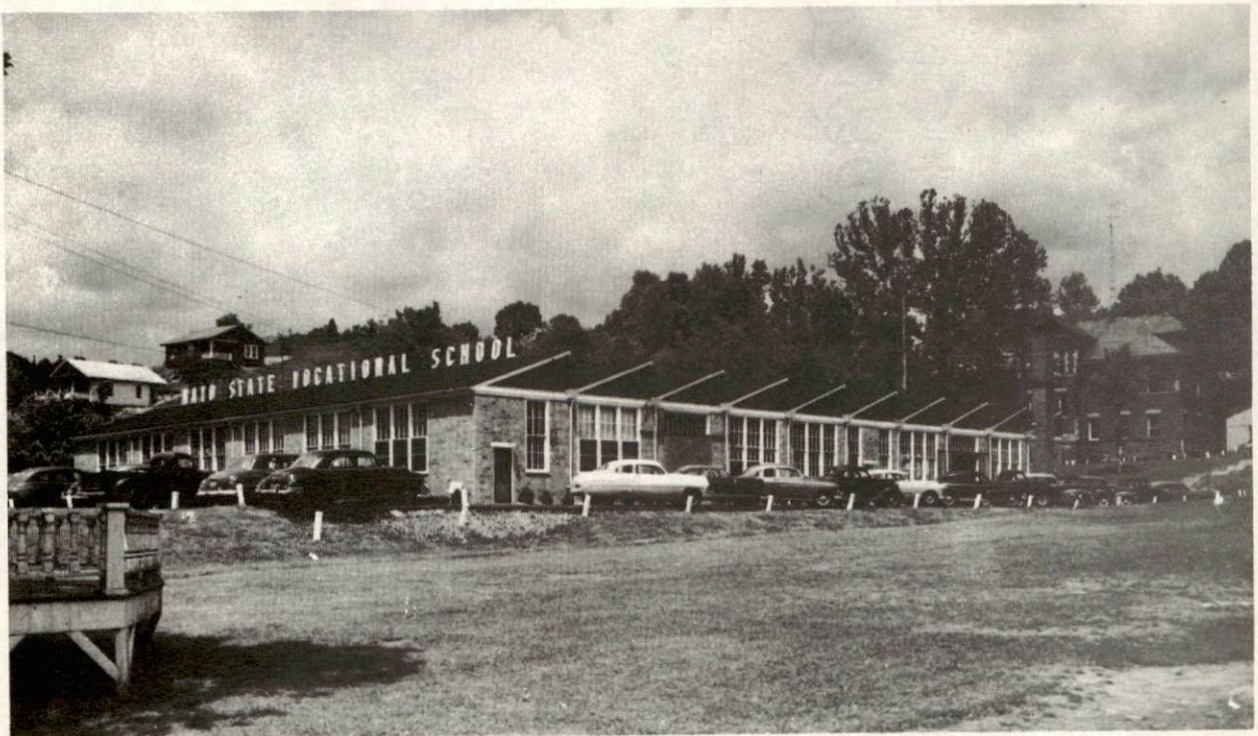
Doctors - 8 MD's; 2 Surgeons; 2 Dentists; 12 RN's.

Public Health Program - The Johnson County Health Department provides services such as water, milk, and food inspection; school health; adult health; sanitary services, immunizations and communicable disease control. The staff includes a doctor, sanitary inspector, 2 nurses and a clerk. School examinations





High School - Paintsville, Ky.



Mayo State Vocational School  
Paintsville



are given by the Medical Society with the cooperation of the health department. The city has a program of spraying to keep the fly count low.

<u>Schools</u> -	Elementary		High	
	<u>Enrollment</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Capacity</u>
<u>City</u>	822	900	250	350
<u>County</u>	3,950	4,250	650	1,200

Private - The Catholic pre-primary, graded and high school has 100 students enrolled and a capacity of 120.

Construction of a modern high school was completed in 1952.

The school is complete with a library and large gymnasium which also serves as an auditorium. The county completed construction of the Oil Springs School, Flat Gap School, and the Meade Memorial School in 1950. These 3 consolidated schools, accounting for 1/3 of the county enrollment, are the most recent additions to the county school system and are served by 9 of 12 modern school busses.

Trade School - Mayo State Vocational School in Paintsville is one of the most progressive technical schools in the state. It has a capacity enrollment of 700 students. Instruction is offered in the following courses: sheet metal work, industrial electricity, air conditioning, general machine shop, auto mechanics, wood-working, carpentry, welding, auto body mechanics, radio,



television, drafting, business administration, retail merchandising, office practices, salesmanship, cosmetology.

Evening courses are offered in all the major trades. Extension programs in business courses or specific skills will be arranged on request by any industry in eastern Kentucky.

Colleges - Colleges in the area include: Ashland Junior College, Ashland; Marshall College, Huntington, W. Va.; Morehead State College, Morehead; Eastern State College, Richmond; Kentucky Wesleyan College, Owensboro; University of Kentucky, and Transylvania College, Lexington.

Libraries - The city school system maintains a library of 4,000 books which are available for lending to any citizen of Johnson County or Paintsville. New books are added to the collection each year.

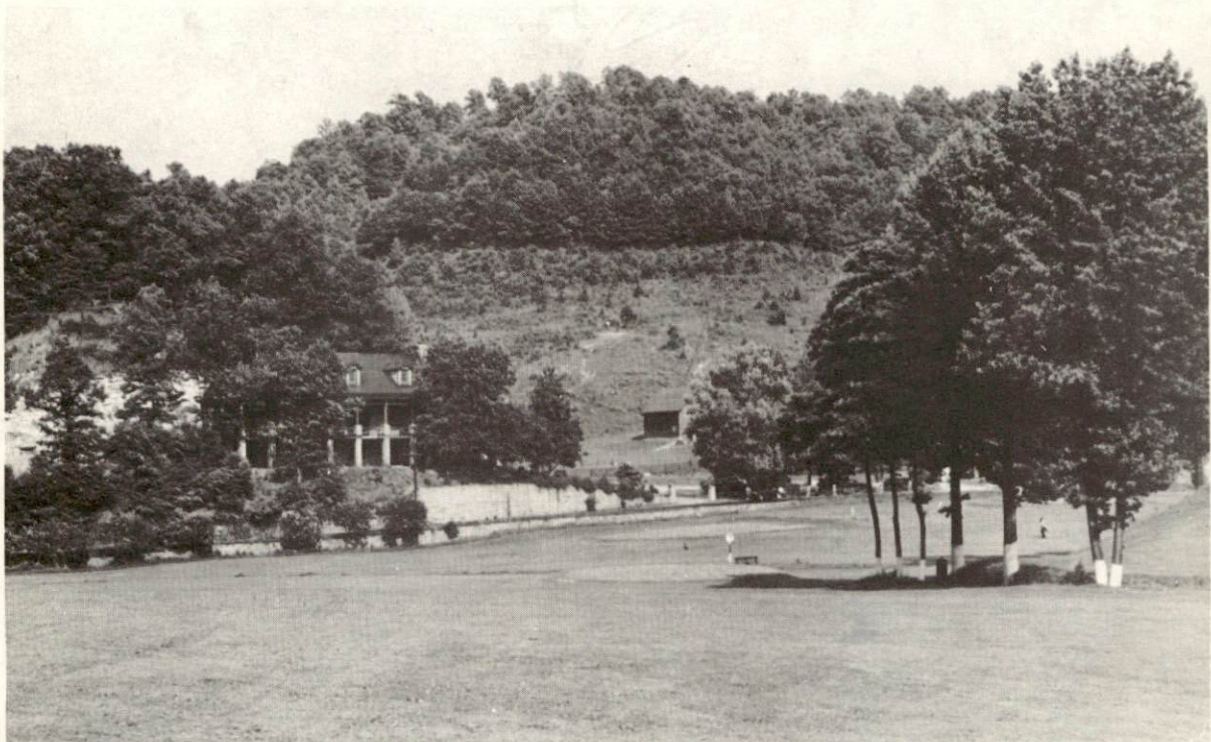
Churches - The following denominations are represented in Paintsville: Church of Christ, Church of God, Free Will Baptist, Christian, Methodist, Missionary Baptist, Pentecostal, Roman Catholic, Presbyterian, and United Baptist. Total active membership is approximately 2,600.

Recreation - A new city park and playground, costing \$200,000 was completed in the summer of 1952. This park covers a seven-acre area inside the city limits and within five block of the main business section of the city. It includes a modern swimming pool with separate wading pool, a brick bath house, and a filtration plant.



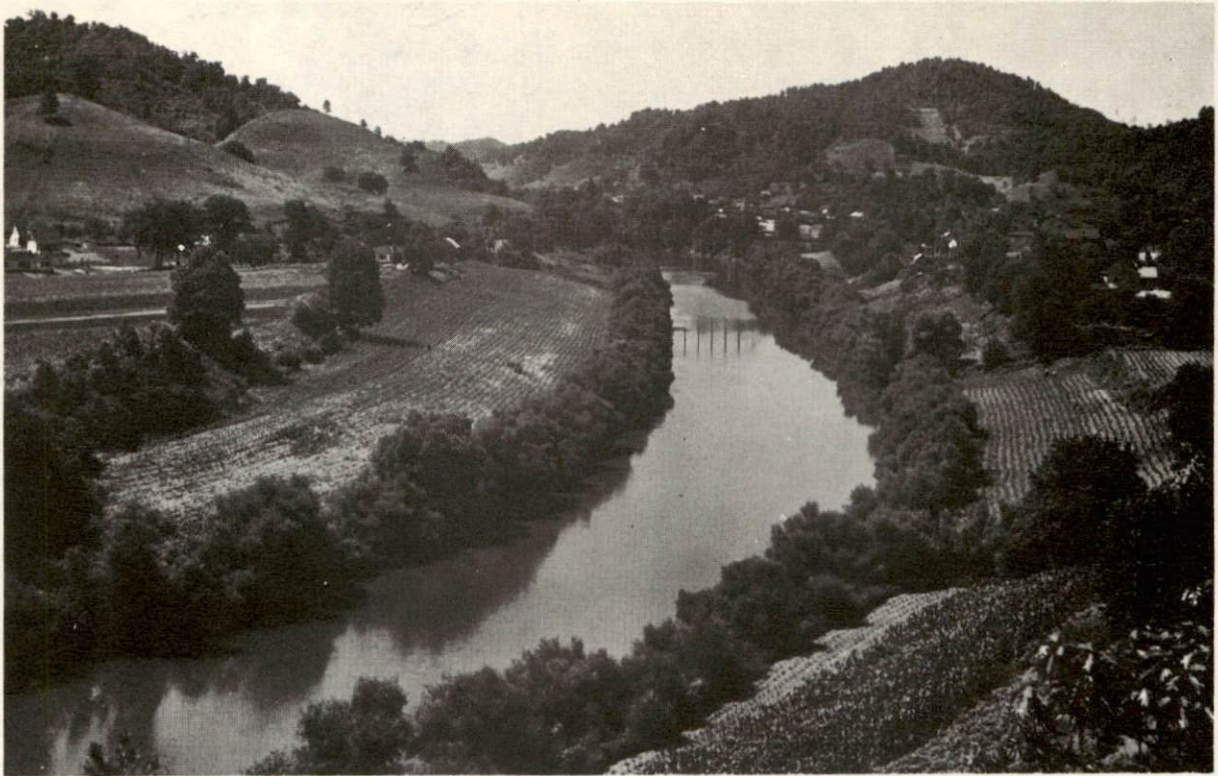


Paintsville Swimming Pool & Playground



Paintsville Country Club





View of Big Sandy River  
Near Paintsville



Scene on Dewey Lake  
Near Paintsville



Other recreational facilities include 3 all-weather tennis courts, all-weather basketball and volleyball courts. Also available are softball and baseball diamonds, croquet and horseshoe courts, and picnic tables with grills. The city also owns and maintains a country club with an 18-hole golf course. The facilities of this club are open to all citizens of Paintsville and neighboring towns for a nominal annual fee or to tourists on a greens fee basis. Excellent fishing and boating is available at Dewey Lake, 12 miles east of the city.

Tourist Accommodations -

Hotels - Howard Hotel - 52 rooms; Herald Hotel - 22 rooms.

Both of these hotels have class A dining rooms with excellent food.

Tourist Homes - The Cox House; The Old Kentucky Home.

Newspapers - The Paintsville Herald (weekly) with a circulation of 3,000. State and national news is provided by the Louisville Courier Journal, Ashland Daily, Huntington Herald-Dispatch, Cincinnati Enquirer and Cincinnati Times-Star.

Radio Stations - WSIP operates in Paintsville on a frequency of 1490 kilocycles with a power of 250 watts. WSIP carries local programs and network programs from the Mutual Broadcasting System.

Banks - First National Bank with assets of \$3,325,627.41 and deposits of \$2,927,756.64; Second National Bank with assets of \$4,486,090.93 and deposits of \$4,033,637.34; First Federal Savings and Loan Assn. with assets of \$2,334,622.20 and loans of \$4,858,513.66.



Retail Businesses

Appliances	6
Clothing	10
Drugs	2
Grocery Stores	20
Household Furnishing	12
Jewelry	3
Variety	3

Service Establishments

Beauty Shops	7
Frozen Food Lockers	1
Funeral Homes	4
Laundry & Dry Cleaning	4
Photographers	2
Restaurants	11
Service Stations	11
Shoe Repair	2

Retail, Wholesale & Service Establishment Sales -

Retail, wholesale and service establishments located in Johnson County, Kentucky, showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to the 1948 Census of Business.

Retail sales in the county during 1948 aggregated \$10.2 million, an increase of 209% over the \$3.3 million in 1939. Wholesale sales in the county reached a total of \$12.5 million in 1948 compared with \$4.1 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$412,000 in 1948 compared with \$55,000 in 1939.

Employment in the county also rose over the 9-year period between 1939 and 1948. Establishments in these trades reported a combined total of 678 paid employees for the workweek ended nearest November 15, 1948, compared with a total of 450 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Chamber of Commerce, Kiwanis Club, Rotary Club, and Toastmaster's Club.



Fraternal - Masonic, Odd Fellows, Elks, Eagles, D.A.V.,  
American Legion.

Women's Clubs - Jr. Women's League, Rebekah, Daughters of  
America, Legion Auxiliary, Eastern Star, Homemakers.

Youth Clubs - Rainbow Girls, 4-H Club, Boy Scouts, Cub Scouts,  
Girl Scouts.

<u>Climate</u> -	Relative Humidity				
	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	7:30 a. m. (3-yr. rec.)	noon (3-yr. rec.)	7:30 p. m. (3-yr. rec.)
Jan.	36.9	3.63	85	67	74
Feb.	38.5	3.39	83	56	62
Mar.	49.0	4.32	79	52	58
Apr.	52.7	3.60	78	53	57
May	67.1	3.78	86	54	65
June	75.0	4.34	87	58	68
July	77.6	4.60	91	60	73
Aug.	77.0	4.19	92	59	75
Sept.	70.6	2.88	92	57	73
Oct.	59.9	2.69	91	53	69
Nov.	47.1	2.78	82	55	66
Dec.	37.8	3.47	82	57	67

Ann. Norm. 57.8°F      43.67 inches.

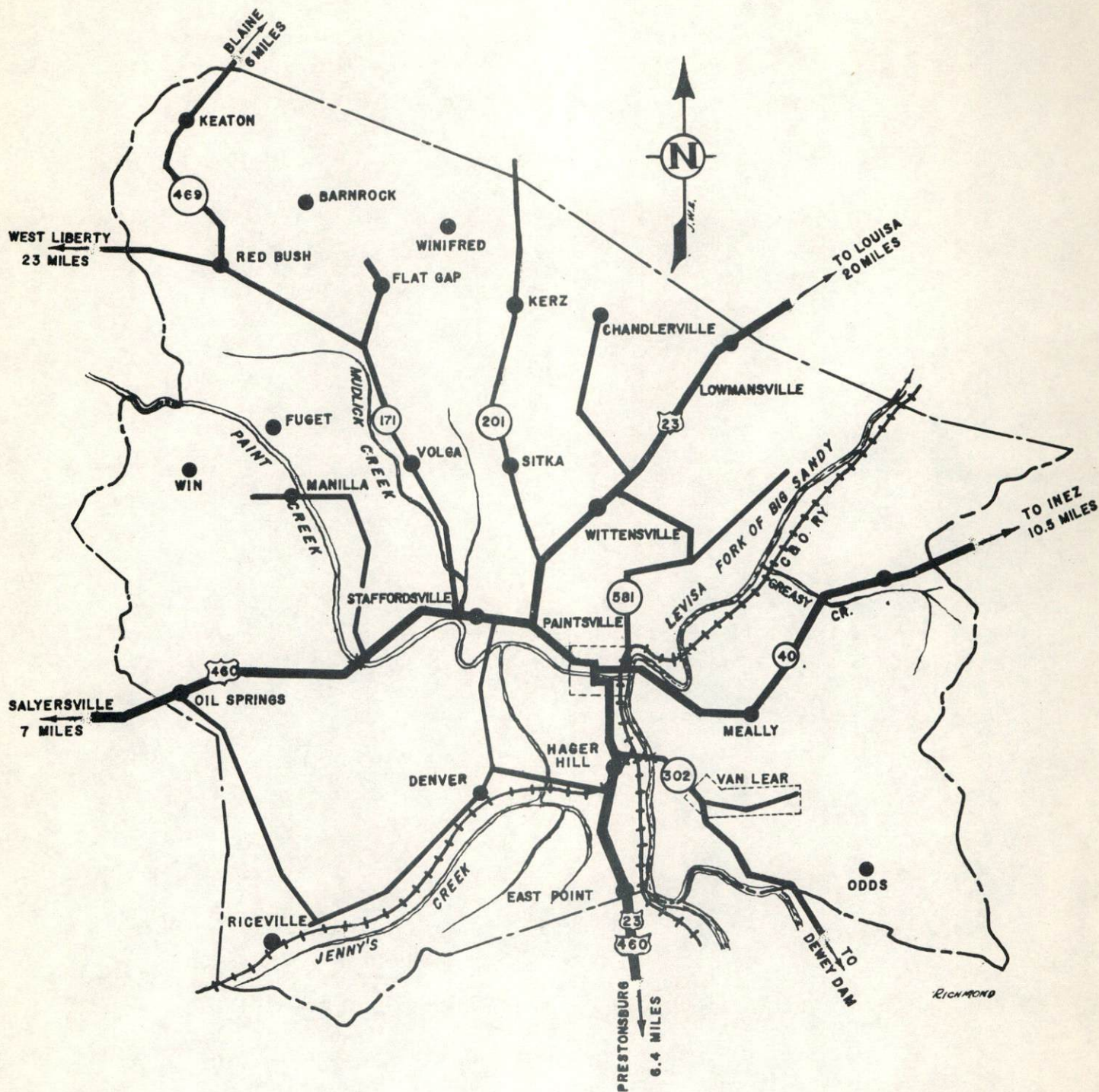
Days Cloudy or Clear (14-yr. rec.) - Clear - 84  
Partly Cloudy - 124  
Cloudy - 156

Number of Days With - Prec. over 0.01 in. (14-yr. rec.) - 134  
1.0 or more snow, sleet, hail (8-yr. rec.) - 3  
Thunderstorms (8-yr. rec.) - 53  
Heavy Fog (8-yr. rec.) - 50

Prevailing Winds - (11-yr. rec.) - from west

Seasonal Heating Degree Days (14-yr. rec.) - approximate long-  
term means 4,272 degree days.







## RESOURCES:

Coal - Coal is the most important economic asset of the Paintsville area. There are 3 coal seams of importance in the area: Miller's Creek or Van Lear Coal, Fire Clay Coal, and Haddix Coal. Of the 3, the Van Lear coal is by far the most important and most extensively mined. The Van Lear coal is low in ash and sulfur and is a desired coal on the market. In 1951, Johnson County produced 846,319 tons of coal, ranking 14th in Kentucky.

Oil - Johnson County produced 233,801 barrels of crude oil in 1950, ranking 8th in Kentucky production.

Gas - Local gas fields produced approximately 100 million cubic feet of gas per year from some 30 wells and 5 different pay zones. Preliminary studies indicate further exploration in this area may be profitable.

Limestone - In the region surrounding Paintsville there are no limestone quarries at the present time. Geologic investigations indicate that in Johnson County along the axis of the Paint Creek Uplift, formations of Mississippian age exist at a depth of approximately 300 feet, and that operations of a limestone mine similar to one at Lexington, Kentucky might prove profitable in this area.

Clay - From recent field investigations and laboratory analyses, it has been determined that there are clay deposits in this area which are best suited for production of brick, drain tile, and similar materials which need not be vitrified. It would also serve for high grade surface brick, roofing and quarry tile, which does not require vitrification.



#### INDUSTRIAL MARKETS:

Fifty million customers are estimated to be within the market area of Paintsville. Some major cities in this area are: St. Louis, Chicago, Detroit, Pittsburgh, Atlanta, and New Orleans.

#### AVAILABLE INDUSTRIAL SITES:

There are many excellent industrial sites available in Paintsville. For specific information write the Paintsville-Johnson County Development Association, Paintsville, Kentucky; or the Kentucky Agricultural and Industrial Development Board, Capitol Annex Office Building, Frankfort, Kentucky.



## APPENDIX

History and General Description	App. A
Telephone Rates	App. B-1
Power Rates	App. B-2
Gas Rates	App. B-3
Water Rates	App. B-4
Kentucky Corporation Taxes	App. C
1952 Budget	App. D
Kentucky Revised Statutes - Bond Issue Plan	App. E
Cooperating State Agencies	App. F



HISTORY AND GENERAL DESCRIPTION

The first settlers to this section were from the older colonies along the Atlantic Coast. They were descendants of the original English, Scotch and Irish settlers of our Southern Sea Board. The first residence in Paintsville was built in 1814 by the Reverend Henry Dixon who had immigrated from North Carolina. He laid out a town site and named it Paintsville for the curious markings painted on the rocks and trees by the Indians. The town was recorded as Paintsville in the Acts of the Kentucky Legislature of 1834, Chapter 554, Page 787.

In 1844, Paintsville was chosen as the County Seat of the recently created Johnson County. By 1900 Paintsville had already enjoyed a substantial growth and was prospering in its first business boom which had started with the development of coal mining in the region in the late 1890's. The population had grown to 1200 by this time. Further growth and additional wealth were brought about in 1917 by the discovery and development of local oil and gas pools.



## TELEPHONE RATES - Appendix B-1

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

## POWER RATES - Appendix B-2

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

## GAS RATES - Appendix B-3

First	3,000 cu. ft. per mo.	\$ .58 per M cu. ft.
Next	17,000 cu. ft. per mo.	.48 per M cu. ft.
Next	30,000 cu. ft. per mo.	.38 per M cu. ft.
Next	50,000 cu. ft. per mo.	.34 per M cu. ft.
Over	100,000 cu. ft. per mo.	.31 per M cu. ft.

Minimum charge per month

1.00 per meter

## WATER RATES - Appendix B-4

First	1,400 gal.	\$1.00 (minimum)
Next	3,000 gal.	.70 per M gal.
Next	7,000 gal.	.65 per M gal.
Next	10,000 gal.	.60 per M gal.
Next	20,000 gal.	.55 per M gal.
Next	10,000 gal.	.50 per M gal.
Next	50,000 gal.	.40 per M gal.
Next	300,000 gal.	.30 per M gal.
Over	300,000 gal.	.25 per M gal.



## KENTUCKY CORPORATION TAXES

### Corporation Organization Tax

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

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

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

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

### Corporation License Tax

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

### Corporation Income Tax

The corporation income tax of 4 1/2% 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.



## BUDGET - 1952

Anticipated Revenue

1952 Property & Franchise Taxes @ .705 per \$100.00	\$29,433.06
1952 Property & Franchise Taxes Sinking Fund Acct. @ .045 per \$100	1,879.70
1952 Property & Franchise Ad valorem Assessment @ .14 per \$100	5,844.80
1951 & Prior Unpaid Property & Franchise Taxes	1,500.00
Fines, Police Court	6,000.00
Licenses (Taxi, Pool Rooms, Theaters, etc.)	1,200.00
Parking Meter Collections	11,500.00
City Gas System Profits	5,725.00
	<u>\$63,082.56</u>
BALANCE ON HAND 12/31/51	13,510.20
TOTAL	<u>\$76,592.76</u>

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Acct. A.	1. Salaries	\$17,400.00
Police Dept.	2. Gas, Oil & Police Car Maintenance	2,000.00
\$20,746.18	3. Telephone Service	219.25
	4. Equipment	1,126.93
Acct. B.	1. Salaries & Commission & Costs	\$ 4,711.30
Police Court	2. Office Supplies & Postage	137.39
\$5,788.83	3. Feeding Prisoners	940.14
Acct. C.	1. Salaries	\$ 4,770.28
Fire Dept.	2. Supplies & Service	592.20
\$6,329.40	3. Equipment	966.92
Acct. D	1. Supplies & Service	\$ 33.40
City Hall	2. Repairs	511.10
Maintenance	3. Equipment	32.45
\$576.95		
Acct. E	1. Salaries	\$ 6,600.00
Street Dept.	2. Supplies & Equipment	471.30
\$7,071.30		
Acct. F.	1. Salaries	\$ 3,401.50
Administration	2. Office Supplies & Printing	1,331.72
\$5,019.16	3. Equipment	150.00
	4. Telephone	135.94
Acct. G.	1. Premiums on Bonds & Insurance & Audit	\$ 1,172.34
Bonds, Insurance & Auditing		
\$1,172.34		



## BUDGET - 1952 (Cont'd)

Acct. H.	1. Refunding Bond Sinking Fund Requirement	\$ 1,796.16
Old Debts	2. Street Improvement Bond Sinking Fund Req.	3,926.96
Interest	3. Park & Playground Bond Sinking Fund Req.	5,585.03
\$11,308.15		
Acct. I	1. Garbage Collection	\$ 159.00
Utility Service	2. Street Lighting & Traffic Lights	4,160.90
Heat & Rent	3. Hydrant Rental & Heating	2,117.09
\$6,676.99		
Acct. J.	1. Health Department	\$ 900.00
Agency		
Contributions		
Acct. K.	1. Supplies & Services	\$ 275.00
revenue Dept.	2. Tax Collection	1,486.30
\$1,761.30		
Acct. L.	1. Payment on Parking Meters & Parts	\$ 2,147.64
Public Works	2. Street, Sewer & Bridge Repair	6,094.52
Mayor's Emergency		
Fund		
\$1,000.00		



**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.