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Industrial Resources: Lee County - Beattyville

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ECONOMIC & INDUSTRIAL SURVEY

of

Beattyville, Ky.



Prepared By

BEATTYVILLE CHAMBER OF COMMERCE

— and —

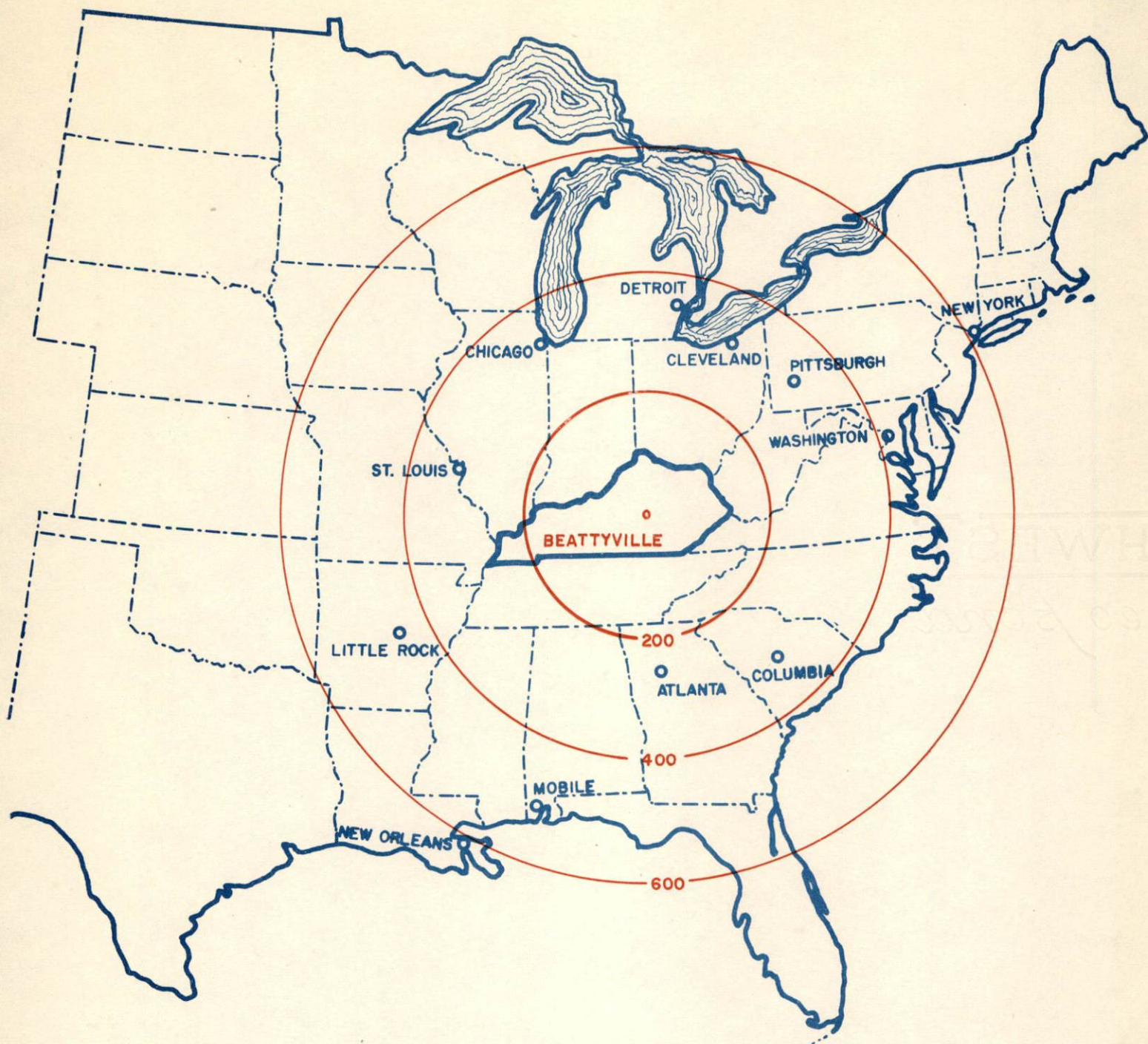
THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
BEATTYVILLE, KENTUCKY

Prepared by
Beattyville Chamber of Commerce
and
The Kentucky Agricultural and Industrial Development Board
August 18, 1952



BEATTYVILLE, KENTUCKY

HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR:	
Population Figures 1870 to 1950; Population Characteristics;	
Labor Supply	1
Existing Industry; Union Affiliations	2
TRANSPORTATION:	
Railroads	2
Highways; Air; Water	3
COMMUNICATIONS:	
Postal Facilities; Telephone	3
UTILITIES:	
Electricity; Water; Sewage	4
CITY GOVERNMENT AND SERVICES:	
Type Government; Tax Rates and Laws	4
Laws Affecting Industry; City Services	5
LOCAL CONSIDERATIONS:	
Health; Schools	6
Churches, Recreation; Tourist Accommodations;	
Newspapers; Radio Stations; Banks; Retail Businesses;	
Service Establishments	7
Retail and Wholesale Sales; Clubs and Organizations;	
Climate	8
RESOURCES:	
Mineral	9
INDUSTRIAL MARKETS	10
AVAILABLE INDUSTRIAL SITES	10
Appendix Following Page	10

BEATTYVILLE, KENTUCKY

Beattyville, located at the confluence of the North and South Forks of the Kentucky River, is 75 miles southeast of Lexington on Kentucky highway #52.

POPULATION AND LABOR:

Population Figures 1870 to 1950

	<u>Beattyville</u>	<u>Lee County</u>
1870	123	3,055
1880	---	4,254
1890	---	6,205
1900	696	7,988
1910	1,360	9,531
1920	1,210	11,918
1930	906	9,729
1940	1,012	10,860
1950	1,042	8,739

Population Characteristics - The population of Beattyville has shown an increase of 3.0% during the past decade, while Lee County has shown a decrease of 19.5% during the same period. 99.1% of the population of the County are native white, and 0.9% negro.

Labor Supply - The Beattyville labor market area includes Lee, Owsley, Estill, and Wolfe Counties. This is the area from which workers could normally be expected to come for jobs in Beattyville or Lee County. Within the Beattyville labor market area, there is an estimated 4,400 persons who would be available for good industrial jobs with 2,400 of these men. However, due to the commuting problems, it is unlikely that more than 2,400 would be available for jobs in Beattyville with about 1,500 of these being men and 900 women. Lee County alone could probably furnish about 1,100 workers, 700 men and 400 women.

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Hobart Brandenburg	Lumber	4	0	4
Chester Brandenburg	Lumber	3	0	3
Jennett Lumber Co.	Lumber	9	0	9
C. C. Mays	Lumber	6	0	6
Pure Ice Co.	Ice	3	0	3

Union Affiliations - None

TRANSPORTATION:

Railroads - Beattyville is served by the L & N Railroad with nearest terminal facilities at Cincinnati. Local freight is received from 2 daily southbound trains and forwarded by one northbound train which operates every other day. There are many through trains both north and south daily and any additional service required can be provided.

Inbound Carloadings per month - 45 with principal commodities consisting of fertilizer, construction materials, and finished lumber.

Outbound carloadings per month - 20 with principal commodities consisting of coal and lumber.

Approximate Transit Times To -

Birmingham, Ala.	53 hrs.	Mobile, Ala.	64 1/2 hrs.
Cincinnati, Ohio	52 1/2	New York, N. Y.	78
Louisville, Ky.	24	Nashville, Tenn.	42 1/2
Knoxville, Tenn.	43	New Orleans, La.	70
		St. Louis, Mo.	53

Highways -

Highway Distances To

Atlanta, Ga.	427	Louisville, Ky.	154
Birmingham, Ala.	488	Nashville, Tenn.	288
Chicago, Ill.	431	Mobile, Ala.	738
Cincinnati, Ohio	151	Pittsburgh, Pa.	400
Detroit, Mich.	403	St. Louis, Mo.	420

Bus Lines Serving Beattyville - Black Bros. Bus Lines with

3 round trips daily to Irvine, Richmond, Jackson, and Booneville.

Truck Lines Serving Beattyville - Hayes Freight Lines, Mattoon,

Illinois with one trip daily from Lexington to Beattyville.

Air - Bluegrass Airport, located at Lexington, 1 hour and 45 minutes distant, is a scheduled stop for Delta, Piedmont, and Eastern Airlines.

Water - Beattyville, located at the confluence of North and South Forks of the Kentucky River, is the southernmost navigable point on the Kentucky River (lock 14).

COMMUNICATIONS:

Postal Facilities - Beattyville is served by a second class post office with 2 employees. There is 1 rural route and 5 star routes. Mail is received and forwarded twice daily. Postal receipts for 1951 totaled \$11,000.

Telephone - Beattyville is served by the Southern Bell Telephone and Telegraph Company with 5 employees and 200 subscribers.

(See Appendix C-1 for rates).

UTILITIES:

Electricity - Beattyville is served by the Kentucky Utilities Company with a 33,000 KVA incoming line. There are 500 subscribers.

(See Appendix D for rates)

Water - Source - Kentucky River. Capacity of filtration plant is 250 gpm. Pressure is maintained at 95 lbs. per sq. in. in downtown area. Average daily pumpage is 65,000 gallons during summer months and 50,000 gallons during winter months. Capacity of reservoir is 85,000 gallons. Pumps running continuously would supply 360,000 gallons. There are 26 fire hydrants. (See Appendix C-2 for rates).

Sewage - 80% of the city is served by sanitary sewers. Raw sewage is discharged into the Kentucky River. The main sewer line is 8".

CITY GOVERNMENT AND SERVICES:

Type Government - Beattyville, a fifth class city, is governed by a mayor and 6 councilmen. The mayor is elected for a four-year term and the councilmen for two-year terms. (See Appendix E for Resolution by City Council favoring industrial development).

Tax Rates and Laws -

Property Tax Rates per \$100 in 1951

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.50	.50
City	.75	
School	1.50	1.50
Other	.20*	.20*
	<u>\$3.00</u>	<u>\$2.25</u>

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

(See Appendix F for Kentucky Corporation Tax Information).

Assessment Practice - City - 33 1/3%
County - 33 1/3%

Total Assessment 1951 - City - \$739, 963
County - \$5, 500, 000

Bonded Indebtedness - City - \$35, 000 revenue bonds for water works to be retired in 20 years.

County - Road and bridge bonds issued on 1/1/40, \$127, 000 at 5%, \$25, 000 outstanding, due 1/1/70; road and bridge bonds issued 1/1/43, \$19, 000 at 4%, all outstanding, due 1/1/75; road and bridge bonds issued 1/1/45, \$18, 000 at 3%, all outstanding, due 1/1/75; road and bridge bonds issued 1/1/49, \$29, 000 at 3 1/2% all outstanding, due 1/1/70.

Annual City Income - \$15, 000

Annual City Expenditures - \$14, 000

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

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

Business License Fees - A business and occupational license is levied.

City Services -

Fire Protection - Volunteer fire department with a chief and 14 volunteers. Equipment includes: 1936 Ford fire truck, 1600' of 2 1/2" hose, and 600' of 1 1/2" hose.

Police Protection - Chief and one patrolman. The patrol car is privately owned.

Streets - The street superintendent employs men as needed. Streets in the downtown area are cleaned daily. There are 93 2-hour parking meters located in the business district.

Garbage - The street department collects garbage daily in the business section.

LOCAL CONSIDERATIONS:

Health -

Doctors - MD's - 3; Dentists - 3

Hospitals - There are no hospitals at Beattyville, but Richmond, Ky., 48 miles distant has 4 hospitals with a total of 174 beds.

Public Health Program - The health program comprises immunizations, tuberculosis and venereal disease control, maternity, infant and pre-school, school health and sanitation services.

<u>Schools</u> -	Grades 1 - 8			Grades 9 - 12		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>County*</u>	1800	at cap.	58	305	at cap.	15

*City and county schools are consolidated.

Colleges - Colleges in the area include: Eastern State College, Richmond; University of Kentucky and Transylvania College, Lexington.

Churches - The following denominations are represented in

Beattyville: Baptist, Christian, Church of God, Episcopal, Nazarene, and Presbyterian.

Recreation - There is one theater in Beattyville, which changes

program 4 times weekly. A 4-acre school playground with swings, slides, softball diamond, basketball court, and tennis court. The Lee County Recreational Park has a new baseball field with seating capacity of 1,000.

Sky Bridge and Natural Bridge State Parks are located 25 and 40 miles away, and offer excellent sight-seeing opportunities. Natural Bridge, with a new lodge and swimming pool, is a favorite spot for vacationers.

Tourist Accommodations -

Hotels - Baker Hotel - 20 rooms; Bowles Hotel - 12 rooms;

Beattyville Hotel - 15 rooms.

Newspapers - Beattyville Enterprise, weekly (Thursday) has a circulation of 1,055.

Radio Stations - Van Cleve (25 miles distant) station WMTC, A.M., 1000 watts (day only), 730 kilocycles.

Banks - Lee County Commercial Bank with total deposits of \$707,000 and total resources of \$769,000; Peoples Exchange Bank with total deposits of \$1,499,000 and total resources of \$1,684,000.

Retail Businesses

Auto Dealers	5
Clothing	8
Drugs-sundries	3
Farm supplies & hdwe.	4
Groceries	11

Service Establishments

Barber Shops	2
Beauty Shops	3
Restaurants	8
Service Stations	8

Retail and Wholesale Sales - According to the 1948 Census of Business, retail sales in Lee County during 1948 aggregated \$1.5 million an increase of 115% over the \$0.7 million in 1939. Wholesale sales reached a total of \$1.0 million in 1948 as compared with \$0.2 million in 1939. Employment in the county also rose over the 9-year period for the above trades. Establishments in these trades reported a combined total of 71 paid employees for the workweek ended nearest November 15, 1948 compared with a total of 56 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Chamber of Commerce, Kiwanis

Fraternal - American Legion, Masonic

Women's - American Legion Auxiliary, Eastern Star, Women's Club, Fine Arts Club, First Aid Club.

Youth - Boy Scouts, FFA, 4-H Club

Other - PTA, Fish and Game Club.

<u>Climate</u>	<u>Temperature</u>	<u>Precipitation</u>	<u>Relative Humidity</u>		
			<u>6:30 a. m.</u>	<u>12:30 p. m.</u>	<u>6:30 p. m.</u>
Jan.	35.7	4.51	83	75	73
Feb.	37.7	3.68	82	70	68
Mar.	45.8	4.92	80	65	65
Apr.	55.3	3.81	75	59	60
May	64.5	4.06	76	59	64
June	72.7	4.52	78	58	66
July	76.2	5.05	78	56	67
Aug.	75.1	4.31	81	58	67
Sept.	69.7	3.07	81	58	65
Oct.	57.6	2.87	79	58	62
Nov.	48.5	2.70	80	66	68
Dec.	37.0	3.86	84	73	70
Ann. Norm.	56.1°F	46.36 in.			

Temperature and Precipitation Figures were taken from Heidelberg, Lee County, Kentucky, averaged over a 30-year period; relative humidity was taken from Lexington, Kentucky 6:30 a.m., 51 yr. period, 12:30 p.m., 21 yr. period, 6:30 p.m. 16 yr. period.

Days Cloudy or Clear (62-yr. record) - 129 clear, 106 partly cloudy, 130 cloudy.

Percent of possible sunshine (34-yr. record) - Annual - 52 percent

Days With Precipitation over 0.01 inch (66-yr. record) - 133

Days with Thunderstorms (62 yr. record) -44

Days with Heavy Fog (44 yr. record) - 11

Prevailing Winds (62 yr. record) - Southwest

Seasonal Heating Degree Days (49 yr. record) - long-term means, 4,763 days.

Frost-free period - April 23 to October 18

Growing Season - 178 days

RESOURCES:

Mineral - The important mineral resources of Lee County are petroleum and natural gas, coal, limestone, clays and shales, and sands. During 1950, Lee County ranked seventh among the oil producing counties of the State, with a production of 317,052 barrels. A considerable amount of natural gas has been produced. The County produced 323,281 tons of coal during 1950 and ranged 28th among Kentucky's coal producing counties. Limestones, which can be used for agricultural lime, building construction, road construction, and railroad ballast, are present. Clays and shales occur which can be used for brick manufacture. Sands suitable for general construction purposes are also available.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

Sites are available in Beattyville with adjacent water, rail, and highway facilities. For further information write the Beattyville Chamber of Commerce, or the Kentucky Agricultural and Industrial Development Board, 415 Ann Street, Frankfort, Kentucky.

APPENDIX

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

HISTORY & GENERAL DESCRIPTION

Beattyville is located in Lee County, founded in 1870 and one of the two smallest counties in the State. The county more than makes up in scenic grandeur for its lack of size. Competent travelers declare its terrain--rugged, carpeted with forests and laced with waterfalls--to rank with any to be found in America.

Lee County possesses the best network of connecting roads of any mountain county. It lies in the eastern part of the state, surrounded by Powell, Wolfe, Breathitt, Owsley and Estill Counties. Through its western half runs the Cumberland National Forest. The county lies on both sides of the Kentucky River and includes a large part of the valleys of the South and Middle Forks. While hilly and mountainous, its valleys enjoy rich soil, where corn, wheat, oats, cattle and hogs are raised.

Iron ore abounds in Lee County, and it lies on the edge of the Eastern Kentucky coal fields. It is at the head of navigation on the Kentucky River.

Beattyville is in the center of the county on the edge of the Cumberland National Forest. It is 75 miles from Lexington, 100 miles from Frankfort, and 25 miles from Irvine. Two state parks are within an hour's drive and to them come thousands of visitors yearly.

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

County	Total Mfg.	Food and Kind. Prod.	Tobacco	Cloth., Text., and Leather	Lbr. & Furn.	Print. Publ. and Paper	Chem. Petr. Coal, Rubber	Stone, Clay and Glass	Pri- mary metals	Mach. Metal Prods. Equip.	Other
Lee	9	0	0	0	9	0	0	0	0	0	0
Owsley	39	0	0	0	39	0	0	0	0	0	0
Estill	332	7	0	237	83	0	5	0	0	0	0
Wolfe	3	0	0	0	3	0	0	0	0	0	0
Totals	383	7	0	237	134	0	5	0	0	0	0

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

County	All. Ind.	Mining and Quar- rying	Contract Con- struction	Mfg.	Transp. Comm. and Util.	Whlse. and Retail Trade	Fin. Ins. & Real Estate	Services	Other
Lee	400	185	0	9	15	158	5	28	0
Owsley	81	25	0	39	0	0	4	13	0
Estill	648	102	11	332	17	148	15	23	0
Wolfe	142	130	0	3	1	8	0	0	0
Totals	1,271	442	11	383	33	314	24	64	0

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-Party</u>	<u>Extension</u>
Business	\$6.00	\$5.25	\$1.25
Residential	2.96	2.36	1.25

(rates include tax).

WATER RATES - Appendix C-2

First	2,500 gallons or less	\$2.50
Next	5,000 gallons	.60 per M gal.
Next	5,000 gallons	.55 per M gal.
Next	5,000 gallons	.50 per M gal.
Next	5,000 gallons	.45 per M gal.
Over	22,500 gallons	.40 per M gal.

Kentucky Utilities Company
Incorporated

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

COMBINED LIGHTING & POWER SERVICE - RATE LP

AVAILABILITY

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

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

RATE

Maximum Load Charge

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

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

Plus an Energy Charge

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

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

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

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

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

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

DETERMINATION OF MAXIMUM LOAD

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

MINIMUM ANNUAL BILL

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

DUE DATE OF BILL

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

RULES AND REGULATIONS

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

PRIMARY DISCOUNT

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

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

RESOLUTION

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

WHEREAS, Beattyville is well situated with an abundant and productive supply of labor, excellent rail and water transportation facilities, electric power, coal and timber resources, and other facilities, and

WHEREAS, it is desirable to acquire industrial employment for our citizens so as to obtain a more favorable balance between agriculture and industry in Beattyville;

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; and it is our belief that the experience of existing industry in this community will be satisfactory and profitable for all concerned;

NOW THEREFORE, by unanimous vote of the City Council this Resolution was passed and approved the 7th day of April, 1952.

ATTEST:

Wallace Stacy
Wallace Stacy, City Clerk

Kelley Hampton
Kelley Hampton, Mayor

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

¹ Temporary rate of 4 1/2% reverts to 4% at expiration of second calendar or fiscal year beginning after January 1, 1950.

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed
by the

Agricultural and Industrial Development Board
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415 Ann Street
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KENTUCKY REVISED STATUTES

1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

103.210 Issuance of Bonds. In order to promote the reconversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body before issuing the bonds.

103.230 Bonds negotiable; disposal; payable only from revenue. Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer, before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the city legislative body deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than 6% except as provided in subsection (2) in KRS 103.220. The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city within the meaning of the Constitution.

It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city within the meaning of the constitution.

103.240 Use of proceeds of bonds. All money received from the bonds shall be applied solely for the acquisition of the industrial building, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during the first three years following the date of the bonds.

103.250 Receiver in case of default. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210.

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account.

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body to the depreciation account, to be used for improvements, extensions or additions to the building.

(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body may designate, and if invested the income from such investment shall be carried into the depreciation account.

103.280 Additional Bonds. (1) If the city legislative body finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

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

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

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

As used in KRS 103.200 to 103.280, "industrial 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.