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Industrial Resources: Marshall County - Benton

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ECONOMIC & INDUSTRIAL SURVEY

of

Benton, Ky.



Prepared By

BENTON CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
BENTON, KENTUCKY

Prepared by

The Benton Chamber of Commerce
and
The Kentucky Agricultural and Industrial Development Board

July 15, 1952



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

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BENTON, KENTUCKY

Marshall County, of which Benton is the seat of government, is in the southeastern corner of an area commonly known as the "Jackson Purchase." This area includes 8 Kentucky counties lying between the Tennessee and Mississippi Rivers. Benton is 25 miles southeast of Paducah, 11 miles southwest of Kentucky Dam, 19 miles northeast of Mayfield, and 14 miles from Kentucky Lake State Park. (See Appendix A for History and General Description).

LABOR AND POPULATION:

Population Figures 1870 to 1950

	<u>Benton</u>	<u>Marshall County</u>
1870	158	9,455
1880	277	9,647
1890	344	11,287
1900	664	13,692
1910	824	15,771
1920	897	15,215
1930	1,021	12,889
1940	1,906	16,602
1950	1,980	13,387

Population Characteristics - The population of Benton has shown an increase of 3.9% during the past decade, while Marshall County has shown a decrease of 19.4% during the same period. 99.5% of the County population are native white, and 0.5% negro.

Labor Market Area - The Benton labor market area includes all of Marshall County and the major portions of Graves, McCracken, and Calloway Counties.

Industrial Characteristics - Despite the fact that this particular area is more industrialized than most sections of Kentucky, agriculture is the predominant industry with 12,502 persons in the spring of 1950 compared with 9,537 covered manufacturing employees

in September of 1951. The most important manufacturing industry in the area is the apparel, textiles, and leather goods industry with 4,540 employees in September. Next in importance is the machinery, metal products and equipment industry with 1,970 in the same month. Marshall County had a covered manufacturing employment of 595 in September of 1951 with the primary metals industry (380 employees) being the most important. Most of the manufacturing employment in Marshall County is located at Calvert City, about 15 miles north of Benton.

County Industrial Growth Outlook - A significant industrial development is taking place in Marshall County. Calvert City is the site of an industrial complex which is receiving nationwide attention. Four nationally known concerns have plants operating, and expansions under construction, with a total capital investment of thirty-one million dollars. The companies presently operating in Calvert City are National Carbide Company, B. F. Goodrich Chemical Company, Pittsburgh Metallurgical Company, and the Pennsylvania Salt Company. A total eventual labor force of 1,500 is contemplated.

That further expansion has figured in the companies' plant is indicated by the acquisition of 1,500 acres of land by National Carbide, far more than is necessary for its own plant. The reason for this was to set up what it calls a "master plan" whereby it can provide building sites for other industries which might be interested in moving in to make use of its products. Most significant to the long term outlook is the fact that none of the four plants are defense plants, as such. That is, their output will be used in the defense effort, but they are being built mainly for peacetime, civilian production.

The establishment of this chemical "complex" in this area has attracted the attention of the Federal Reserve Bank for the Fifth District. Plans have been made for a survey and study to determine the amount of purchasing volume which these industries would make in this area in the course of their operations, and the amount of finished product value they would export from this area.

Labor Supply - It is estimated that if attractive industrial job openings were available in the area a labor supply of about 5,200 persons would be potentially available within commuting distance of Benton. Approximately 2,900 of this total would be men and 2,300 women. However, it is unlikely that all of this labor supply would be available for jobs in Benton due to distances involved. Total labor supply which would probably be available for jobs in Benton is about 3,200 - 1,900 men and 1,300 women. About 1,800 workers could be recruited in Marshall County alone about equally divided between male and female.

TRANSPORTATION:

Railroads - Benton is served by the Paducah-Bruceton Division of the N.C. & St. L. Railroad, which connects with the Illinois Central at Paducah, and the L & N at Paris, Tennessee. Switching is done by local freight. Local and through freights operate daily between Paducah and Bruceton. There is no passenger service. The nearest terminals are at Paducah and Bruceton.

Approximate Transit Times to (Leaving Monday)

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

Highways -

Highway Distances To

Atlanta, Ga.	383	Mobile, Ala.	485
Birmingham, Ala.	350	New Orleans, La.	560
Chicago, Ill.	452	New York, N. Y.	982
Cleveland, Ohio	602	Pittsburgh, Pa.	608
Detroit, Mich.	573	St. Louis, Mo.	214
Louisville, Ky.	208		

Truck Lines Serving Benton - Southeastern Motor Truck Lines, Inc. ,

Nashville, Tenn. ; Hayes Freight Lines, Inc. , Mattoon, Ill. ;

Wehby System Mohawk Motor Lines, Nashville, Tenn. Daily service from Paducah is provided by all three lines.

Bus Lines Serving Benton - West Kentucky Stages - Paducah to Clarksville, Tenn. via Hopkinsville with 4 round trips daily.

Air -The nearest airport is located at Paducah, which is served by Chicago & Southern Airlines (passenger and freight service) and Ozark Airlines (passenger).

Water - Ports of Paducah, Kentucky and Cairo, Illinois. Paducah is served by American Barge Lines, Pittsburgh, Pa. ; Cairo is served by American Barge Lines, and Federal and Mississippi Valley Barge Lines, both of St. Louis, Mo.

A river terminal is planned for Calvert City on the Tennessee River north of Benton. It will probably be privately owned but will provide service for industries in the area.

COMMUNICATIONS:

Postal Facilities - Benton has a second-class post office with 13 permanent employees and 9 part-time employees. There are 7 rural routes, 2 city routes, and 1 star route. Mail is received and sent out 4 times daily by truck. Postal receipts for 1951 totaled \$22,000.

Express Facilities - Express office, which is located at the railroad station, furnishes pick up and delivery service.

Telephone and Telegraph - Benton is served by the Southern Bell Telephone and Telegraph Company with 620 subscribers. Western Union office is located at the railroad station with messages delivered by phone. (See Appendix C-1 for rates).

UTILITIES:

Water - 2 deep wells, 1 pump each, with pumping capacity of 250 gpm each. Pressure is maintained at from 40 to 60 pounds per square inch. Water is chlorinated and limed. Storage is provided by a 50,000 gallon standpipe and a 60,000 gallon reservoir. Average monthly use is 2,700,000 gallons. (See Appendix C-2 for rates).

Electricity - City of Benton Electric Plant Board with source of supply from T.V.A. Power is tapped off of a 66,000 volt line 2 miles east of Benton, with a 13,000 volt line into the city, and 7,200 volts on the city system - 60 cycle, 3 phase. Average monthly use is 660,000 KWH. On 1/1/46 there were 715 customers; 1/1/52 there were 1,000 customers. The Tennessee Valley Authority operates a generating plant at Kentucky Dam at Gilbertsville, Ky. The total available capacity of this plant is 160,000 KW. (See Appendix C-3 for power rates).

Sewage - City septic tank with 25,000 gallon capacity, now operating at 50% of capacity. Rates - 50¢ per month or 25% of water bill.

CITY GOVERNMENT AND SERVICES:

Type Government - Benton, 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 by City Council).

Tax Rates and Laws -

Property Tax Rates per \$100 in 1951

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

*20¢ earmarked toward retirement of bonds

Assessment Practice - City - 40%
County - 40%

Total Assessment - City - \$1,050,000
County - \$7,857,742

Bonded Indebtedness - City - water system \$43,000 issued 1/1/39, \$24,000 refunded 1/1/43 at 3% to be retired 1/1/64; sewer bonds \$44,000 at 3% and 3 1/4% to be retired 7/1/63.

County - \$165,000 road and bridge bonds (refunding); \$4,500 road and bridge refunding bonds; \$5,500 general refunding bonds; \$50,000 refunding bonds; Total \$224,500. Last bonds scheduled to be retired in 1974.

City Revenue 1951 - \$38,273.31 (5-yr. avg. \$20,000)

City Expenses 1951 - \$37,173.31 (5-yr. avg. \$20,000)

Laws Affecting Industry - (See Appendix F for statute governing the Bond Issue Plan).

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

Business License Fees - \$15 to \$150

City Services -

Fire Protection - The fire department consists of 16 volunteers. Equipment includes: 1939 Chevrolet-General 500 gpm pumper 100 gallon tank; 1952 Ford-Central 500 gpm pumper 500 gallon tank; 3,200' of 4" hose, 1,500' of 1 1/2" hose, 300' of 1" hose, 100' of 3/4" hose - high pressure nozzle - pressure is maintained at from 40 to 60 pounds. There are 44 fire hydrants served by 8" mains.

Police Protection - The police department consists of 3 men equipped with 1 patrol car. One state patrolman is stationed at Benton.

Streets - Benton's 7.3 miles of paved streets and 1 mile of unpaved streets are maintained by 2 men. Equipment includes: 1 truck, asphalt patching outfit, and patrol grader. Streets are cleaned twice a week in the business section.

LOCAL CONSIDERATIONS:

Housing - Sale price of average 5-room house is \$10,000; rental price ranges from \$50 to \$80 per month. There is 1 real estate agency and 3 building contractors.

Health -

Doctors - 4 MD's; 3 Dentists

Hospitals - Murray Hospital - 69 beds, located at Murray, 18 miles distant; Mayfield Hospital - 40 beds, Fuller-Gilliam Hospital - 23 beds, Fuller-Morgan Hospital - 10 beds, all located at Mayfield 19 miles distant.

Public Health Program - The Marshall County Health Department is located in Benton. It offers communicable disease, venereal disease and tuberculosis control programs; maternity, infant and pre-school programs, and sanitation services.

<u>Schools</u> -	Grade School			High School		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>City</u>	455	at cap.	11	310	at cap.	10
<u>County</u>	1,747	at cap.	66	352	at cap.	16

Trade Schools - Tilghman Trade School, located at Paducah, offers courses in auto mechanics, electrical, machine shop, woodwork.

Colleges - Colleges in the area include: Murray State College, Murray; Paducah Jr. College, Paducah; Western Kentucky College, Bowling Green; Kentucky Wesleyan College, Owensboro.

Churches - The following denominations are represented in Benton: Baptist, Christian, Church of Christ, Methodist, Pentecostal, and Holiness.

Recreation - City park consisting of 50 acres, with 4 tennis courts, baseball diamond, racetrack, picnic facilities, community building for meetings. There is one theater which changes programs 4 times weekly - 1 drive-in theater outside city.

Newspapers - The Marshall Courier with a circulation of 2, 178; the Tribune-Democrat with circulation of 2, 548.

Banks - Bank of Benton with total resources of \$1, 748, 000 and total deposits of \$1, 558, 000; Bank of Marshall County with total resources of \$2, 404, 000 and total deposits of \$2, 235, 000.

Retail and Service Trade Sales - Retail sales in the county during 1948 aggregated \$4.9 million, an increase of 206% over the \$1.6 million in 1939, according to the 1948 Census of Business. Service Trades included in the census of business recorded receipts totaling \$204, 000 in 1948 compared with \$61, 000 in 1939.

Employment in the county also rose over this period for the above trades. Establishments in these trades reported a combined total of 226 paid employees for the workweek ended nearest November 15, 1948, as compared with a total of 174 employees reported for the week of November 15, 1939.

Clubs and Organizations

Civic - Rotary, Lions, Chamber of Commerce

Fraternal - Masonic, WOW

Women's - Eastern Star, Homemakers, Jr. Women's Club.

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

Climate -

	Temperature (30-yr. period) (Mayfield)	Precipitation (30-yr. period) (Mayfield)	Humidity 6:30 A.M. (64-yr. rec.) (Cairo, Illinois)	12:30 P.M. (34-yr. rec.)
Jan.	36.7	4.71	80	68
Feb.	40.1	3.35	79	65
Mar.	49.4	4.84	77	59
Apr.	58.3	4.41	75	55
May	67.1	4.12	79	56
June	75.5	3.73	81	58
July	79.1	3.88	82	54
Aug.	78.0	3.48	85	59
Sept.	72.1	3.07	85	58
Oct.	68.9	2.98	84	54
Nov.	48.5	3.73	79	60
Dec.	39.8	3.99	81	70

Ann. Norm. 58.8°F 46.29 inches

Frost Free Period - April 7 to October 22

Growing Season - 198 days

Days Cloudy or Clear (80-yr. rec.) - 113 clear, 119 partly cloudy,
133 cloudy.

Days with precipitation 0.01 inches or more (80-yr. rec.) - 116

Days with 1.0 or more snow, sleet, hail (67-yr. rec.) - 3

Days with thunderstorms (68-yr. rec.) - 58

Days with heavy fog (46-yr. rec.) - 7

Prevailing Winds - From South

RESOURCES:

Mineral - Clays, sands and gravels are the principal mineral resources of Marshall County. Clays occur which can be used for pottery, stoneware and brick manufacture. Available sands are useful for building construction, and occurrences of gravels can be used for road and concrete construction.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites in Benton ranging from 5 to 150 acres. For detailed information write the Benton 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. C-3
Resolution by City Council	App. D
Kentucky Corporation Taxes	App. E
Kentucky Revised Statutes - Bond Issue Plan	App. F
Cooperating State Agencies	App. G

HISTORY AND GENERAL DESCRIPTION

Benton was founded in 1845 in the valley of the East Fork of Clarke's River. It is a wealthy community from many aspects. Not only through the naturally fertile, gently rolling farmland which produces tobacco, corn, wheat and berries, but through its wealth in historical and cultural tradition. It is the seat of the "Big Sing." Annually, thousands gather for the singing of folk music in the well-nigh forgotten "4 shape scale." It has become a national event. Benton gathers additional fame through its annual "Tater Day," a spring event which witnesses a community-wide trading for sweet potatoes for seed. The community has achieved a reputation for hospitable people, low living costs, and progressive community action. It is the result of a century of effort.

Marshall County, of which Benton is the county seat, the 92nd county in order of formation, was established in 1842 out of part of Calloway County. The county is mainly agricultural, and is a loading point for a large part of this region's strawberry crop. The famed "Dixie Aroma" berry has gained nation-wide recognition and demand. The County is becoming even better known to thousands of tourists annually as a vacationland. Vast Kentucky Lake, greatest of man-made lakes, with 2,300 miles of shoreline, borders the whole eastern edge of the county.

Kentucky Lake State Park, and Kentucky Dam State Park, with complete vacation facilities at either end of the county on the Lake. Marshall County, one of the group forming the Jackson Purchase, lies in the western part of the State, with the Tennessee River sweeping in a great curve around its northern border, and becoming Kentucky Lake along its entire eastern border.

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

County	Total Mfg.	Food and Kind. Prod.	Tobacco	Cloth. Text. and Leather	Lbr. and Furn.	Print. Publ. and Paper	Chem. Petr. Coal, Rubber	Stone, Clay and Glass	Pri- mary metal	Mach. Met. Prod. Equip.	Othe
Marshall	602	0	1	0	80	0	114	9	398	0	0
Calloway	797	39	0	105	22	17	7	22	0	585	0
Graves	3,083	157	0	2,644	74	36	8	149	0	15	0
McCracken	5,043	465	65	1,730	328	156	777	166	0	1,356	0
Livingston	5	0	0	0	0	0	0	5	0	0	0
Lyon	169	0	0	142	27	0	0	0	0	0	0
Trigg	170	16	0	39	111	4	0	0	0	0	0
Totals	9,869	677	66	4,660	642	213	906	351	398	1,956	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR MARSHALL 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
Marshall	1,025	0	244	602	11	137	15	16	0
Calloway	1,581	0	32	797	96	527	26	103	0
Graves	5,226	84	210	3,083	170	1,317	46	316	0
McCracken	26,929	107	15,251	5,043	1,161	3,850	298	1,107	112
Livingston	254	188	25	5	0	26	10	0	0
Lyon	298	9	42	169	10	44	5	15	4
Trigg	394	27	21	170	56	85	12	23	0
Totals	35,707	415	15,825	9,869	1,504	5,986	412	1,580	116

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Rural</u>	<u>Extension</u>
Business	\$6.25	\$5.50		\$3.25	\$1.75
Residential	3.00	2.50	\$2.25	2.25	1.50

WATER RATES - Appendix C-2

3,000 gallons	\$1.50 (minimum)
3,500 gallons	1.75
4,000 gallons	2.00
4,500 gallons	2.25
5,000 gallons	2.50
5,500 gallons	2.75
6,000 gallons	3.00
6,500 gallons	3.25
7,000 gallons	3.50

15¢ for each additional 500 gallons

POWER RATES - Appendix C-3

Residential

First	50 kwh	3¢ per kwh
Next	150 kwh	2¢ per kwh
Next	200 kwh	1¢ per kwh
Next	1,000 kwh	.4¢ per kwh
Over	1,400 kwh	.75 per kwh

Industrial

Demand Charge - First 1,000 kilowatts of demand per month \$1.00 per kilowatt
 Over 1,000 kilowatts of demand per month .90 per kilowatt

Energy Charge - First 15,000 kilowatt-hours per month 8 mills per kwh
 Next 25,000 kilowatt-hours per month 6 mills per kwh
 Next 60,000 kilowatt-hours per month 4 mills per kwh
 Next 400,000 kilowatt-hours per month 3 mills per kwh
 Over 500,000 kilowatt-hours per month 2.5 mills per kwh

RESOLUTION

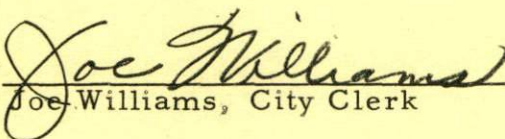
WHEREAS, the citizens of Benton, Kentucky and the people of surrounding areas would be greatly benefited by the location in this city of suitable establishments, and

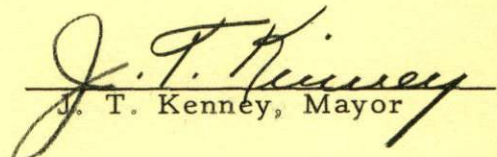
WHEREAS, the Benton Chamber of Commerce and other civic-minded groups are actively engaged in the promotion of the industrial development of this city,

NOW, THEREFORE BE IT RESOLVED, that the city government of the City of Benton, Kentucky endorses the efforts of these groups to secure the location of suitable industries in this city, and extends a cordial invitation to acceptable industrial enterprises and businesses to locate in our City, and pledge our wholehearted cooperation and assure them of the aid and good will of our officials in this program;

WHEREFORE, by unanimous vote of the City Council, this Resolution was passed and approved the 7th day of January, 1952.

ATTEST:


Joe Williams, City Clerk


J. T. Kenney, Mayor

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

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

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed
by the

Agricultural and Industrial Development Board
of
Kentucky

415 Ann Street
Frankfort, Kentucky

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

103.210 Issuance of Bonds. In order to promote the 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 buildings" or "building" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, and/or the necessary operating machinery and equipment, to be rented or leased to an industrial concern by the city by which it is acquired.

COOPERATING STATE AGENCIES

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

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

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

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

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

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

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