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Industrial Resources: McLean County - Calhoun

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ECONOMIC & INDUSTRIAL SURVEY

of

Calhoun, Ky.



Prepared By

THE LIONS CLUB OF CALHOUN

— and —

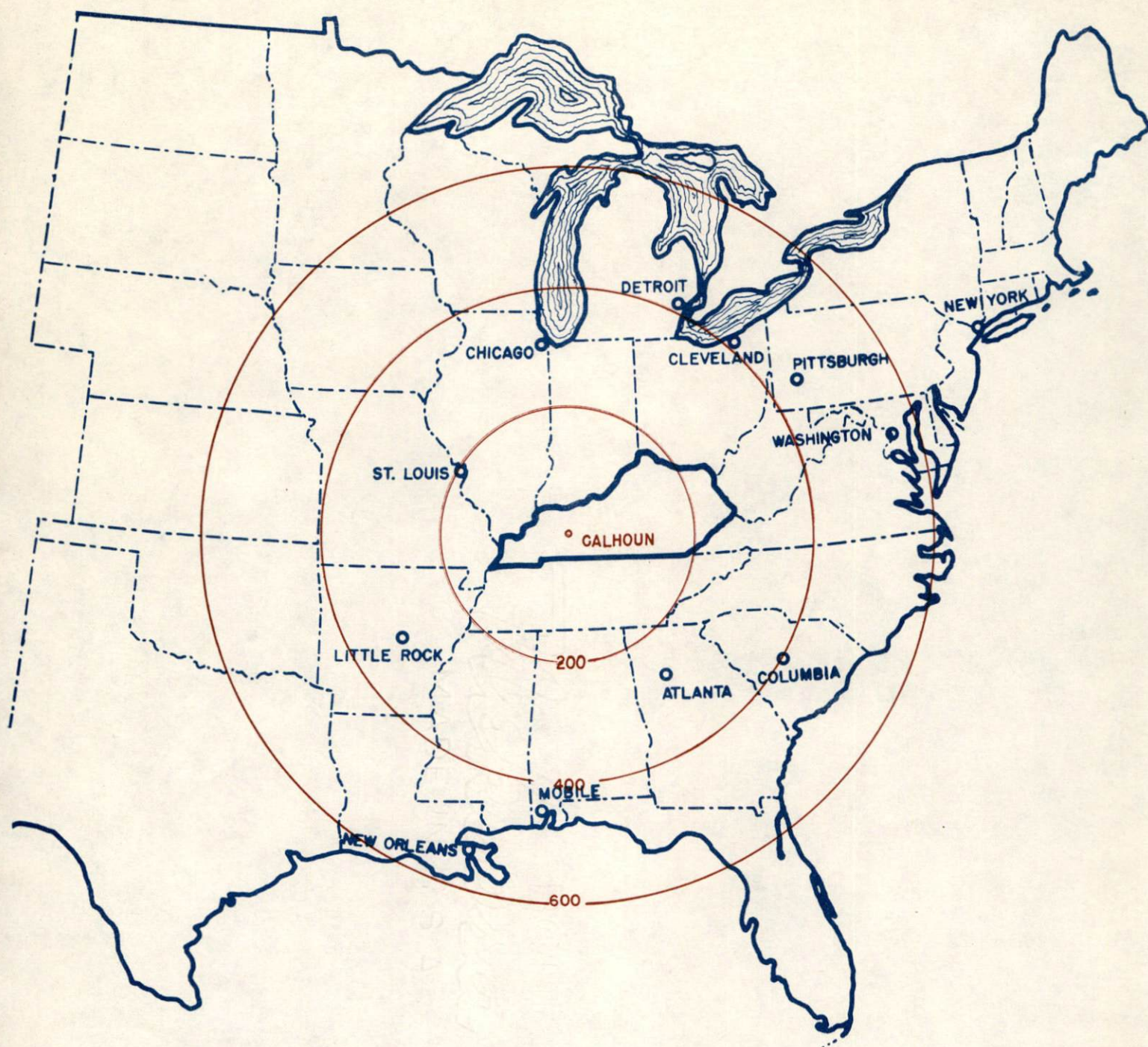
THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
CALHOUN, KENTUCKY

Prepared by
The Lions Club of Calhoun
and
The Kentucky Agricultural & Industrial Development Board
July 15, 1953



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

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CALHOUN, KENTUCKY

POPULATION AND LABOR:

Population Figures 1860 - 1950

	<u>Calhoun</u>	<u>McLean County</u>
1860		6,144
1870		7,614
1880		9,293
1890		9,887
1900		12,448
1910		13,241
1920		12,502
1930		11,072
1940	753	11,446
1950	746	10,021

Population Characteristics - The population of Calhoun has shown a decrease of 0.9% during the past decade, while McLean County has shown a decrease of 12.4% during the same period. 98.89% of the population of the County are native white, 0.12% foreign-born white, and 0.99% negro.

Definition of Area and Population Trend - For purposes of this analysis, the Calhoun labor market area is considered as consisting of McLean, Hopkins, Muhlenberg, and Ohio Counties. This is the area from which workers would be expected to be drawn for jobs located in Calhoun. It is undoubtedly true that some movement of workers would also occur between McLean and Daviess and Henderson Counties, but these counties have been excluded from this analysis because of their relatively high industrialization. The population of the four-county area was 102,177 in 1950, about 9,000 below the 1940 total.

Economic Characteristics -In 1950, there were 7,900 persons employed on farm jobs in the area. In September, 1952, there were 12,500 persons employed on jobs covered by unemployment insurance in the area with 1,543 of these jobs in manufacturing. Most of the covered employment and the manufacturing employment is concentrated in Hopkins and Muhlenberg Counties. In McLean County, there were only 433 jobs covered by unemployment insurance which included 261 in manufacturing. For the area as a whole, about one-half of the 8,300 farms had 1949 cash income of below \$600. However, only about one of each four farms in McLean County fell in this category. Lack of non-farm opportunities is at least a primary factor in the low per capita income status of McLean County. In 1950, per capita income was \$455 in that county, as compared to \$932 for the state as a whole. Muhlenberg and Ohio Counties were also well below the state average in terms of per capita income.

Estimated Potential Labor Supply - It is estimated that approximately 1,000 women and 1,500 men would be available from this area for industrial jobs located at Calhoun. About 400 of the women and 600 of the men would come from McLean County. Most of these workers would be unskilled. In addition, there are a large number of Calhoun people in such industrial centers as Evansville, Owensboro, Louisville, and Cincinnati, who would welcome the opportunity to return home, thus adding a pool of experienced labor containing many and varied skills.

Average Weekly Wages - The average covered weekly wage in jobs in McLean County was \$39.68 during the third quarter of 1952, more than \$20 below the state average. There was little difference in the average weekly wage between manufacturing and non-manufacturing industries.

Existing Industry - None

TRANSPORTATION:

Railroads - The Calhoun area is served by the Louisville & Nashville Railroad Livermore station which is 9 miles east of Calhoun.

Highways - Calhoun is at the crossroads of Ky. #81, an excellent north-south route from Owensboro toward Nashville, and Ky. #136 an east-west highway connecting Henderson and Hartford.

Highway Distances To

Atlanta, Ga.	303 387	Louisville, Ky.	165
Birmingham, Ala.	344	Nashville, Tenn.	126
Chicago, Ill.	555	Mobile, Ala.	589
Cincinnati, O.	255	Pittsburgh, Pa.	553
Detroit, Mich.	518	St. Louis, Mo.	285

Truck Lines Serving Calhoun - Durrett Transfer Company provides service to Nashville and Evansville, with Calhoun as a connecting point. Eck Miller Transfer Company serves direct to Owensboro and Louisville and more distant points. Hayes Freight Lines also holds a franchise to operate through Calhoun, but does not make regular pick-up and delivery.

Bus Lines Serving Calhoun - The Owensboro-Greenville-Central

Bus Lines have a north-south route through Calhoun. There are 3 busses southbound daily and four northbound daily.

Air - The nearest commercial airport is the Owensboro Municipal Airport, Class II, 29 miles north of Calhoun. Regular service is provided by Eastern Airlines to Louisville and Evansville.

COMMUNICATIONS:

Postal Facilities - Calhoun has a third class post office with 5 permanent employees. There are 2 rural mail routes. Mail is received and sent out twice daily through a star route to Owensboro. Postal receipts in 1952 were \$8,346.52 which will place the post office in the second class effective July 1, 1953.

Rumsey has a third class post office with 3 employees. It is served by the same star route which serves Calhoun. 1952 postal receipts were \$1,700.55.

Telephone and Telegraph - Calhoun is served by the Southern Bell Telephone and Telegraph Company. There are 300 local subscribers and 347 stations. (See Appendix B-1 for rates).

There is a Western Union Office at Livermore, and telegraph service is provided by telephone from Owensboro.

UTILITIES:

Electricity - Power is furnished by the Kentucky Utilities Company through a 33,000 KV line. (See Appendix C for rates).

Natural Gas - Calhoun does not have a natural gas sytem. The Texas Gas Transmission Company 26" line passes one mile northeast.

Water - The municipally owned water system takes its raw water from the Green River. The filtration and purification plant and distribution system were installed in 1940-41 with an engineered capacity of three times the present population. The filtration plant has a pumping capacity of 250 gpm. Storage is provided by a 40,000 gallon standpipe. The distribution system consists of 4", and 6" lines. Pressure is 42 pounds psi. (See Appendix B-2 for rates).

Sewage - A new sewage system was installed as a WPA project in 1940-41. Raw sewage is discharged into the Green River. There is a sewer tap fee of \$15.00 and a maintenance fee of \$3.00 per year.

CITY GOVERNMENT AND SERVICES:

Type Government - Calhoun, a fifth class city, is governed by a mayor, elected for four years, and 6 councilmen, elected for two years.

Tax Rates and Laws -

Property Tax Rates per \$100

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

*The 20¢ county tax for road improvements, voted in 1923, will expire when the last bonds are retired in 1954.

(See Appendix D for Kentucky Corporation Tax Information).

Assessment Practice - City - 20% to 25% of fair sale value
County - 28% of fair sale value

(The City Council has adopted an ordinance providing for the use of the county tax assessments for city taxes in 1953).

Total Assessment - City - \$425,680.00
County - \$9,085,945.00

City Bonded Indebtedness - Water Revenue Bonds \$40,000 were issued in 1943. There is now outstanding \$24,000 of this issue which is non-callable. There is over \$13,000 in the water works fund. The last of these bonds are scheduled for retirement in 1963.

County Bonded Indebtedness - \$65,000 in road and bridge renewal bonds issued September 1, 1952 at 3 3/4% are scheduled for retirement September 1, 1975. These bonds are all outstanding.

1952 City Income - \$13,791.34

1952 City Expenses - \$15,474.25 *

The apparent deficit includes capital investments from surplus funds)

Laws Affecting Industry - (See Appendix E for statute governing the bond issue plan).

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

City Services -

Fire Protection - Calhoun has a volunteer fire department equipped with a Ford mounted 500 gpm American pumper. There is also a 750 gpm trailer mounted pump for stand-by and emergency use.

The Calhoun Lions Club now has under construction a new pumper with a 500 gpm booster tank. This unit is primarily intended for use outside the city limits, but will be housed in the city fire department and will be available whenever needed in the city.

The department has at present 800' of 2 1/2" fire hose, and 1000' of 1 1/2" hose. There are 22 fire hydrants in Calhoun.

Police Protection - The chief of police is on duty from 10:00 p.m. until daylight, and on call at other times.

LOCAL CONSIDERATIONS:

Health -

Hospitals - The nearest hospitals are: Owensboro-Daviess County Hospital with 225 beds, located at Owensboro, 29 miles distant; Our Lady of Mercy Hospital with 50 beds, located at Owensboro; Hopkins County Hospital at Madisonville.

Doctors - MD's - 2; Dentists - 1

Public Health Program - The McLean County Health Department has its headquarters in the County Court House. It provides a program of communicable disease prevention, venereal disease and tuberculosis control, maternity, infant and pre-school, school health and sanitation services. The staff includes one full-time registered nurse, one sanitarian, and one clerk. The Doctor is available at the health office three days per week.

Schools - All public schools in the county are operated by the County Board of Education. One of the county's three high school centers and the negro school are located in Calhoun. A grade school is operated at Rumsey.

The Ursuline Sisters operate an eight-grade parochial school at Calhoun.

	<u>Enrollment</u>	<u>Capacity</u>	<u>Teachers</u>
Calhoun High School	175	260	6
Calhoun Grade School	356	450	10
Calhoun Negro School	12	30	1
Rumsey Grade School	77	150	2
Parochial School	34	70	2

Churches - The following denominations are represented in Calhoun:

Methodist, Church of Christ, Baptist, Catholic, Holiness;

Rumsey: Methodist, Christian, Baptist.

Recreation - The Calhoun Recreation Council, made up of representatives of various organizations, maintains a summer recreation program in cooperation with the school. There is an equipped and lighted playground, tennis courts, and ball diamond, with a full-time paid director.

Kentucky Lake and Kentucky Dam State Parks, approximately 85 miles distant, and Pennyrile Forest State Park, approximately 40 miles distant, where there is also a 4-H camp.

Picnic area which is open to the public is provided at U. S. Dam #2, Rumsey, and Calhoun Park, which is owned by the Masonic and Eastern Star Lodges.

Tourist Accommodations - The Johnson House - 11 rooms;
Baker's Camp, tourist cabins, at Rumsey.

Newspapers - The McLean County News, a 12 page weekly, with
a circulation of 1800.

Radio Stations - The nearest radio stations are located at Owensboro
and Madisonville.

Banks - The Citizens Deposit Bank with deposits of \$1,537,287.20
and total resources of \$1,652,497.44.

Retail Businesses

Auto Dealers	3
Building supplies	2
Drugs	1
Electrical appliances	6
Furniture	2
Groceries	4
Hardware	1

Service Establishments

Barber shops	2
Beauty shops	1
Dry cleaners	1
Frozen food lockers	1
Funeral homes	1
Restaurants	2
Service stations	3

Retail and Service Establishment Sales - Retail and
service establishments located in McLean 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 \$2.9 million, an increase
of 164% over the \$1.1 million in 1939. The service trades included in
the Census of Business recorded receipts totaling \$112,000 in 1948
compared with \$36,000 in 1939.

Employment in the county also rose over this 9-year period for the
above trades. Establishments in these trades reported a combined
total of 105 paid employees for the workweek ended nearest 11/15/48
as compared with a total of 80 employees reported for the week of
11/15/39.

Clubs and Organizations

Civic - Lions Club, Farm Bureau

Fraternal - Masonic, American Legion, Modern Woodmen,
Woodmen of the World.

Women's Clubs - Homemakers, Eastern Star

Youth - Boy Scouts, 4-H, FFA, FHA, Y-Teens

Climate -

	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	Humidity (41-yr. rec.) 6:30 a. m.	Noon	6:30 p. m.
Jan.	36.3	3.94	82	68	72
Feb.	36.4	2.94	80	64	68
Mar.	47.5	5.51	78	58	62
Apr.	57.5	4.06	74	53	57
May	67.3	3.95	75	53	58
June	76.7	3.72	77	54	59
July	81.5	3.21	78	52	57
Aug.	78.4	3.08	81	54	61
Sept.	71.7	2.99	83	54	63
Oct.	60.4	2.86	82	52	62
Nov.	47.5	3.47	79	60	65
Dec.	37.3	3.81	82	67	72

Ann. Norm. 58.1°F 43.54 inches

Prevailing Winds (55-yr. rec.) - from South

Days Cloudy or Clear (54-yr. rec.) - Clear - 112
Partly Cloudy - 131
Cloudy - 122

Percent of Possible Sunshine (40-yr. rec.) - Annual - 62%

No. of Days With (55-yr. rec.) - Prec. over 0.01 inch - 115
1.0 or more snow, sleet, hail - 5
Thunderstorms - 50
Heavy Fog - 12

RESOURCES:

Oil - The most important mineral resource of McLean County is oil. During 1951 the County produced 947,446 barrels. This placed McLean County 6th among the state's oil counties in production rank and marked an all time production high for the county. 1951 showed a substantial increase in oil activities for the county and the general vicinity, and registered a large production increase over the previous year.

Coal - McLean County is completely underlain with number 9 and number 11 coal. It is the only county in the Western Coal Field that is completely over either of these veins. Estimated reserves of number 9 coal under the county are 1,232,000,000 tons, and of number 11 there are 995,000,000 tons.

Clay and Clay Shales - Clay and clay shales suitable for brick manufacture are available in McLean County.

INDUSTRIAL MARKETS:

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

APPENDIX

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

HISTORY & GENERAL DESCRIPTION

One of the very first settlements in Western Kentucky was made on the site of Calhoun in 1784. On February 23, 1785, Henry Rhoads, Isaac Cox, Jr., and Isaac Morrison were appointed trustees to lay out a town of 2,000 acres at the Long Falls of Green River. John Handley, one of the original settlers, soon became a trustee and the leading citizen of the town. The town was first named Rhoadsville, in honor of Henry Rhoads, who also had a land grant in the vicinity. By March, 1786, the name had been changed to Vienna, or Fort Vienna.

For a time it appears that Rumsey, on the south side of the river (in Muhlenberg County) was the largest town. It was incorporated in 1839 and was stimulated by the building of the navigation locks there in 1834.

In 1852, John Calhoun and others received a charter from the Legislature to lay out a town, which absorbed the old town of Vienna. This brought a revival and the town grew fairly rapidly. In 1854 part of Daviess County on the north side of the River, and part of Muhlenberg County on the south side were combined to form a new county, named in honor of Judge and Congressman Alney McLean. There was a brisk rivalry between Calhoun, Rumsey and Livermore for the new county seat, but Calhoun won, giving it a further stimulus. With the boom in timber production along Green River, Calhoun reached its highest population in 1910. After the timber boom, the town declined in population until recent years. In the past few years the town area has shown a small growth, although the part within the city limits has actually shown a slight decline in the census.

Calhoun is now a quiet county seat and farm trade town. Burley tobacco, dairying and soybeans have greatly strengthened the agricultural basis of the economy of the county. Calhoun is its largest trading center. Recent development of oil production into a million-dollar a year item has added to the economy but has had no noticeable affect on the pattern of living.

TELEPHONE RATES - Appendix B-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Eight-party (rural)</u>
Business	\$6.50	\$5.70	\$4.90	\$3.40
Residential	3.15	2.55	2.25	2.25

WATER RATES - Appendix B-2

3,000 gallons	\$2.00 (base rate)
3,100 through 5,000 gallons	.05 per C gallons
5,100 through 9,000 gallons	.04 per C gallons
9,100 through 11,000 gallons	.03 per C gallons
Over 11,000 gallons	.025 per C gallons

Original Sheet No. 12

KENTUCKY UTILITIES COMPANY

INCORPORATED

P. S. C. No. 2

FORM KU 17-12

ELECTRIC RATE SCHEDULE

L. P.

Billing Code No. 56

Combined Lighting and Power Service

APPLICABLE in all territory served by Company.

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.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current. The nominal secondary voltages delivered from load centers and the phase are as follows: Single phase, 120 volts, two wire, or 120/240 volts, three wire, or 120/208 Y volts three wire where network system is used. Where company has three phase service available, such service will be supplied at 240,480 volts, or 208 Y volts when delivered from network system. The nominal primary voltages of company where available are 2400, 4160 Y, 7200, 8320 Y and 12470 Y.

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 cents per kilowatt-hour for the first 1,000 kilowatt-hours used per month.

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

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

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

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

.7 cents per kilowatt-hour for the next 500,000 kilowatt-hours used per month.

.6 cents per kilowatt-hour for all in excess of 1,000,000 kilowatt-hours used for 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 use during the month.

MINIMUM ANNUAL BILL

Service under this schedule is subject to an annual minimum 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. Payments 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 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.

FUEL CLAUSE (Applies only to the .6 cent step of the above rate.)

The .6 cent per kilowatt-hour step of this rate is based upon the weighted average cost of fuel consumed by the Company at the Green River, Tyrone and Pineville generating stations.

If, during any monthly period such average cost is in excess of 21 cents per 1,000,000 BTU, an additional charge will be made for the second month thereafter on the kilowatt-hours purchased by the customer at this step of the rate during said month at .001323 cents per kilowatt-hour for each .1 cent increase in the cost of fuel above 21 cents per 1,000,000 BTU. (The fuel clause applicable to the other steps of this rate was suspended until further notice as of June 1, 1944).

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 of 50 kilowatts or more.)

At the option of the Customer there will be a discount of 5% of the energy charge only on 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.

Date of Issue October 1, 1951

Date Effective November 1, 1951

Issued by
W. REED, Vice President
Lexington, Ky.

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

**Distributed
by the**

**Agricultural and Industrial Development Board
of
Kentucky**

Frankfort, Kentucky

KENTUCKY REVISED STATUTES

1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COOPERATING STATE AGENCIES

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

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

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

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

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

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

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