

1963

Industrial Resources: Morgan County - West Liberty

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INDUSTRIAL RESOURCES WEST LIBERTY, KENTUCKY



INDUSTRIAL RESOURCES
WEST LIBERTY, KENTUCKY

Prepared by
The Citizens of West Liberty
and
The Kentucky Department of Commerce
Frankfort, Kentucky
October, 1963

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INDUSTRIAL RESOURCES

WEST LIBERTY, KENTUCKY

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SUMMARY DATA

POPULATION:

1960: West Liberty - 1,165 Morgan County - 11,056

WEST LIBERTY LABOR SUPPLY AREA:

Includes Morgan and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area: 6,005 men and 4,555 women. Number of workers available from Morgan County: 1,224 men and 769 women.

TRANSPORTATION:

Railroads: The nearest railroad is the Chesapeake and Ohio Railway Company at Royalton, Kentucky, 29 miles distant.

Air: Blue Grass Field, Lexington, 99 miles distant, is the nearest commercial airport.

Trucks: Point Express, Inc., Charleston, West Virginia, provides common carrier service in West Liberty.

Bus Lines: West Liberty is served by Southeastern Greyhound Bus Lines.

HIGHWAY DISTANCES FROM WEST LIBERTY, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	477	Louisville, Ky.	168
Chicago, Ill.	492	Nashville, Tenn.	315
Cincinnati, Ohio	152	New York, N. Y.	695
Detroit, Mich.	555	St. Louis, Mo.	435
Lexington, Ky.	94	Washington, D. C.	445

Electricity

West Liberty is supplied electric power by the Kentucky Power Company. The Licking Valley R. E. C. C. serves Morgan County with electric power.

Natural Gas

Elam Utilities Company serves West Liberty with gas. The source of supply is the Kentucky Gas Transmission Corporation.

Water

West Liberty Municipal Water Works serves West Liberty. The source of raw water is the Licking River. The storage facility consists of a 75,000-gallon elevated tank.

Sewerage

A sewage disposal plant with separate storm and sanitary sewers is provided by the city of West Liberty.

POPULATION AND LABOR MARKET

Population

West Liberty has shown a net population increase in each decade in the past 60 years. Morgan County has shown a net population decrease in each decade since 1920, except for the 1930's.

TABLE 1

POPULATION DATA FOR WEST LIBERTY AND MORGAN COUNTY WITH
COMPARISONS TO THE KENTUCKY RATE OF CHANGE, 1900-60

<u>Year</u>	<u>West Liberty</u>		<u>Morgan County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>% Change</u>
1900	205		12,792		15.5
1910	442	115.6	16,259	27.1	6.6
1920	461	4.2	16,518	1.5	5.5
1930	569	23.4	15,130	- 8.5	8.2
1940	573	..7	16,827	11.2	8.8
1950	931	62.4	13,624	-19.1	3.5
1960	1,165	25.1	11,056	-18.9	3.2

Economic Characteristics

Morgan County is economically agricultural with approximately 1, 736 people employed in that industry.

In September, 1962, there were 149 manufacturing jobs and 736 industrial jobs in Morgan County.

Wage rates are below the state average for manufacturing and all industries in Morgan County. The average weekly earnings during 1961 were \$55.05 for all industries and \$42.72 for manufacturing. During this same period the state average was \$83.44 for all industries and \$96.07 for manufacturing.

Per capita income for Morgan County in 1961 was \$782.*

Retail sales in Morgan County were \$6, 076, 000 in 1961.*

Labor Market

Supply Area: The West Liberty labor supply area is defined for the purpose of this statement to include Morgan, and the adjacent counties of Elliott, Johnson, Magoffin, Menifee, Rowan, and Wolfe.

Labor Potential Defined: The total estimated labor supply is composed of three major groups. The first two are currently available for industrial employment, the third group describes the potential for future years.

1. The current unemployed, measured here by unemployment insurance claimants.
2. Men who would shift from low paying jobs such as agriculture and women who would enter the labor force if jobs were available.
3. The future labor supply due to aging of the population and measured here by the number of boys and girls becoming 18 years of age during the 1960's.

Numbers Available: The total population of the West Liberty supply area was reported to be 71,908 by the 1960 U. S. Census of Population, which was a decrease of 11,607 since the 1950 census count of 83,515.

*Sales Management, Survey of Buying Power, June 10, 1962

TABLE 2
DISTRIBUTION OF THE CURRENT ESTIMATED LABOR SUPPLY WITH
COMPONENTS, WEST LIBERTY AREA, MAY, 1962*

	Total		Total	Labor Supply**		Unemployed	
	Male	Female		Male	Female	Male	Female
Area Total:	6,005	4,555	10,560	4,979	4,462	1,026	93
Elliott	759	442	1,201	672	433	87	9
Johnson	944	1,291	2,235	743	1,280	201	11
Magoffin	1,337	793	2,130	1,198	785	139	8
Meniffee	421	216	637	317	205	104	11
Morgan	1,224	769	1,993	1,030	748	194	21
Rowan	689	538	1,227	401	507	288	31
Wolfe	631	506	1,137	618	504	13	2

Future Labor Supply: The future labor supply will include some proportion of the 8,224 boys and 8,154 girls who will become 18 years of age by 1970. The distribution of these children is shown in the following table.

TABLE 3
DISTRIBUTION OF THE FUTURE LABOR SUPPLY, WEST LIBERTY
AREA, BASED ON 1960 U. S. CENSUS OF POPULATION DATA

	18 Years of Age by 1970	
	Male	Female
Area Total:	8,224	8,154
Elliott	701	758
Johnson	2,079	2,256
Magoffin	1,434	1,375
Meniffee	526	487
Morgan	1,317	1,216
Rowan	1,340	1,260
Wolfe	827	802

* Kentucky Department of Economic Security

** Men who would shift from low paying jobs such as farming and women who would enter the labor force if jobs were available.

Area Employment Characteristics: The following three tables show the West Liberty area employment in agriculture and the covered employment of manufacturing and all industries, respectively.

TABLE 4

WEST LIBERTY AREA AGRICULTURAL EMPLOYMENT
FALL, 1959*

Area Total:	<u>Family Workers</u>	<u>Hired Workers**</u>	<u>Total</u>
	7,653	70	7,723
Elliott	940	0	940
Johnson	1,085	20	1,105
Magoffin	1,465	0	1,465
Menifee	765	20	785
Morgan	1,726	10	1,736
Rowan	861	0	861
Wolfe	811	20	831

* U. S. Census of Agriculture

** Regular Workers (Employed 150 days or more)

TABLE 5

WEST LIBERTY AREA MANUFACTURING EMPLOYMENT*
SEPTEMBER, 1962

	Area							
	<u>Total</u>	<u>Elliott</u>	<u>Johnson</u>	<u>Magoffin</u>	<u>Meniffee</u>	<u>Morgan</u>	<u>Rowan</u>	<u>Wolfe</u>
Total manu- facturing	1,194	111	91	37	14	149	789	3
Food & kindred products	92	0	50	0	0	2	40	0
Tobacco	1	0	0	0	0	0	1	0
Clothing, tex- tile & leather	205	0	0	0	0	0	205	0
Lumber & furniture	640	111	20	37	14	133	322	3
Print., publ., & paper	27	0	6	0	0	9	12	0
Chemicals, petroleum & rubber	49	0	0	0	0	0	49	0
Stone, clay & glass	180	0	15	0	0	5	160	0
Primary metals		0	0	0	0	0	0	0
Machinery, metal products & equip.	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0

* Includes only those workers covered by unemployment insurance.

TABLE 6

WEST LIBERTY AREA COVERED EMPLOYMENT, *
ALL INDUSTRIES, SEPTEMBER, 1962

	Area							
	Total	Elliott	Johnson	Magoffin	Menifee	Morgan	Rowan	Wolfe
Mining & Quarrying	647	24	279	179	0	127	17	21
Contract Construction	384	2	92	16	0	130	88	56
Manufacturing	1,194	111	91	37	14	149	789	3
Transportation, Communication & Utilities	420	0	173	27	26	79	114	1
Wholesale & Retail Trade	1,273	3	577	85	0	187	386	35
Finance, Ins., & Real Estate	147	6	74	8	0	11	42	6
Services	437	0	256	7	3	53	94	24
Other	0	0	0	0	0	0	0	0
Total	4,502	146	1,542	359	43	736	1,530	146

LOCAL MANUFACTURING

The following list of manufacturing firms indicates something of the demand for labor and products available in the West Liberty area.

*Includes only workers covered by unemployment insurance.

Source: Kentucky Department of Economic Security.

TABLE 7

WEST LIBERTY MANUFACTURING FIRMS WITH PRODUCTS
AND EMPLOYMENT, 1963

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		<u>Total</u>
		<u>Male</u>	<u>Female</u>	
Courier Publishing Co.	Newspaper publishing, letterpress printing	4	4	8
Curtis Lumber Company	Lumber	26	0	26
Frederick and May	Rough and finished lumber	148	2	150
Wells Ready Mix Concrete	Ready mixed concrete	5	1	6

Prevailing Wage Rates

Wage rates are below the state average for manufacturing and all industries in Morgan County. The average weekly earnings during 1961 were \$55.05 for all industries and \$42.72 for manufacturing. During the same period the state average was \$83.44 for all industries and \$96.07 for manufacturing.

Unions

There are no unions represented in West Liberty.

TRANSPORTATION

Railroads

The nearest railroad is the Chesapeake and Ohio Railway Company located at Royalton, Kentucky, 29 miles distant.

Highways

Highways serving West Liberty include U.S. 460 and State Routes 7 and 172. Located within 25 miles of West Liberty is the Mountain Parkway, a new, four-lane highway.

TABLE 8

HIGHWAY DISTANCES FROM WEST LIBERTY, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	477	Lexington, Ky.	94
Birmingham, Ala.	511	Louisville, Ky.	168
Chicago, Ill.	492	Nashville, Tenn.	315
Cincinnati, Ohio	152	New York, N. Y.	695
Detroit, Mich.	555	Pittsburgh, Pa.	255
Knoxville, Tenn.	286	St. Louis, Mo.	435

Truck Service: Common carrier service is provided by Point Express, Inc., Charleston, West Virginia.

TABLE 9

TRUCK TRANSIT TIME FROM WEST LIBERTY, KENTUCKY, TO SELECTED MARKET CENTERS *

<u>Town</u>	<u>No. of Days</u>		<u>Town</u>	<u>No. of Days</u>	
	<u>LTL</u>	<u>TL</u>		<u>LTL</u>	<u>TL</u>
Atlanta, Ga.	3	2	Louisville, Ky.	3	2
Birmingham, Ala.	3	2	Los Angeles, Calif.	5	4
Chicago, Ill.	3	2	Nashville, Tenn.	3	2
Cincinnati, Ohio	ON	ON**	New Orleans, La.	4	3
Cleveland, Ohio	3	2	New York, N. Y.	3	2
Detroit, Mich.	3	2	Pittsburgh, Pa.	3	2
Knoxville, Tenn.	3	2	St. Louis, Mo.	3	2

* Point Express, Inc.

** Overnight

Bus Lines: West Liberty is served by Southeastern Greyhound Bus Lines, operating between Lexington and Paintsville, with two buses each way daily.

Air

Blue Grass Field, Lexington, 99 miles distant, is the nearest commercial airport. This airport is served by Eastern, Piedmont, and Delta Airlines with regular daily flights. There is a privately owned airport in West Liberty which will accommodate light aircraft.

Approximately \$20,000 has been appropriated for the construction of an airfield in West Liberty.

UTILITIES AND FUEL

Electricity

West Liberty is served electric power by the Kentucky Power Company. This is an integrated part of the American Electric Power Company's interconnected system which has a generating capacity of 6,364,000 kilowatts. The area served by the Kentucky Power Company is substantially covered with transmission and distribution lines. The company has just completed a 265,000 kilowatt power plant on the Big Sandy above Ashland. Large users of electricity may be assured of an adequate and dependable supply of low-cost electricity. Current rates will be furnished upon request by the Department of Commerce or the Kentucky Power Company, Inc.

Morgan County is served electric power by Licking Valley R. E. C. C.

Natural Gas

Natural Gas is supplied to the West Liberty area by Elam Utilities Company, whose source of supply is the Kentucky Gas Transmission Corporation.

Average BTU content of gas is 1,143 per cubic foot and specific gravity is .60. Distribution system pressure ranges from .5 to 10 psi. The size of the transmission line from supply is 3" and maintains pressure at 55 psi.

Rates:

First	2,000 Cu. Ft. or Less Per Month	\$3.10
Next	10,000 Cu. Ft.	.96 each M
Next	10,000 Cu. Ft.	.91 each M
Next	18,000 Cu. Ft.	.86 each M
All in excess of	40,000 Cu. Ft.	.81 each M

Coal and Coke

West Liberty is located in the Eastern Kentucky Coal Field, which consists of 2,037 mines located in 31 counties. The 1960 average production was 17,800 tons per mine, and a combined total of 36,260,000 tons, a 6 percent increase over 1959. Underground mines produced 88 percent, auger mines 7 percent, and strip mines 5 percent of the total output. The average value was \$4.84 per ton in 1960, f.o.b. mine.* Shipments were 82 percent by rail and water and 18 percent by truck. Captive tonnage was 20 percent of the total.

Kentucky has three coke plants located in Ashland, Calvert City and Dawson Springs. This supply is supplemented by border state operations.

Fuel Oil

Kentucky has three fuel oil refineries located in Catlettsburg, Louisville, and Somerset. Kentucky's fuel supply is supplemented by border state operations.

Delivered prices of the various grades may be obtained from the Kentucky Department of Commerce.

WATER AND SEWERAGE

Public Water Supply

West Liberty is supplied treated water by the Municipal Water Works, whose source of raw water is the Licking River. The maximum daily use has been 150,000 gallons, with the average daily use being 130,000 gallons. Raw water is treated with the conventional treatment and by the fluoridation process. The storage facility consists of a 75,000-gallon elevated tank. Water is distributed through mains ranging from 4 to 6 inches in size. Pressure is maintained at 50 psi. The pumping capacity is 200 gpm and the pumping time required to meet daily demands is 16 hours.

Future plans are for the laying of 8,000 feet of 6-inch mains, new pumps for the water intake and the installation of new filters.

* The Mineral Industry of Kentucky, University of Kentucky, Series X, 1962

Rates:

Min.	2, 000 gal.	\$1. 80 Per thousand gal.
Next	3, 000 gal.	1. 35 Per thousand gal.
Next	5, 000 gal.	1. 10 Per thousand gal.
Next	5, 000 gal.	. 90 Per thousand gal.
Next	10, 000 gal.	. 70 Per thousand gal.
Next	25, 000 gal.	. 60 Per thousand gal.
All over	50, 000 gal.	. 50 Per thousand gal.

Water Resources

Surface Water: The largest supply of surface water is from Licking River. The town of West Liberty distributes a daily average of 90, 000 gallons from this source. Other sources may be obtained by local impoundments of small streams.

Ground Water: The occurrence of ground water is from rocks of the Mississippian and Pennsylvanian Systems. This has been summarized in Hydrologic Investigations Atlas HA-10 (USGS) as follows:

MISSISSIPPIAN SYSTEM

Meramec and Chester Groups (Undifferentiated - Northeast portion of county along Licking River)

"Where limestone and sandstone crop out in valleys, they generally yield enough water for domestic use. Many springs flow from these rocks. A few of these yield as much as 100 gpm during periods of high flow."

PENNSYLVANIAN SYSTEM

Undifferentiated (Eastern Coal Field)

"Where sandstone, siltstone, or conglomerate crops out in broad uplands or in valleys, it yields enough water for domestic use to most drilled wells. A number of wells yield more than 50 gpm for public and industrial supplies. Some water is obtained from limestone and coal beds. Little water is available from shale. Sandstone and conglomerate yield water to numerous springs and seeps, but most of the springs are small and go dry in late summer."

Because of local variations, the above conditions may not apply to any given locality, but should serve only as a guide to the general ground water conditions in these systems.

Sewerage System

The West Liberty Municipal Water Works provides primary and secondary treatment of sewage. The disposal plant, which began operation in 1959, has a daily capacity of 1,000,000 gallons; the average daily flow is approximately 500,000 gallons. The system has separate storm and sanitary mains which vary from 8 to 48 inches.

The sewerage rate is 50 percent of the water bill.

INDUSTRIAL SITES

West Liberty has several tracts of land which would be available to industry. Information concerning these sites may be obtained from the West Liberty Industrial Development Board or the Kentucky Department of Commerce.

LOCAL GOVERNMENT AND SERVICES

Type Government

City: West Liberty is governed by a mayor, who is elected for a four-year term, and five councilmen, elected at large for two-year terms.

County: Morgan County is governed by a fiscal court composed of a county judge elected for a four-year term, and five magistrates elected by district for four-year terms.

Laws Affecting Industry

Property Tax Exemption: As provided by state law, West Liberty may allow a five-year property tax exemption to new industry. This provision cannot be extended beyond this five-year period.

Business Licenses: Business and occupational licenses are required. The cost of these licenses depends on the type of business.

Fire Protection

The West Liberty Fire Department is staffed with a chief and 24 volunteer firemen. Equipment consists of a 1961 International, 500-gpm pumper, and a 1941 Dodge, 500-gpm pumper. Both trucks are completely equipped with the necessary fire fighting equipment.

West Liberty has a Class-7 NBFU insurance rating.

Police Protection

Police protection in West Liberty is provided by a chief and two patrolmen. Equipment consists of two patrol cars.

Garbage and Sanitation

Garbage is collected daily in the business district and twice weekly in the residential sections by private contractor and disposed of in a city-owned dump. The charge per month is \$2 for residences and \$8 for businesses.

Financial Information

The following statements summarize the financial position of West Liberty and Morgan County.

City Income, Expenditures and Bonded Indebtedness, for year ending December 31, 1962:

Income	\$ 79,067.
Expenditures	\$ 80,266
Bonded Indebtedness	\$251,500

County Budget and Bonded Indebtedness:

Estimated County Budget, 1963-64	\$67,479
Bonded Indebtedness	\$63,000

TAXES

Property Taxes

The following table shows the property tax rate applying in West Liberty and Morgan County for 1962. A more detailed explanation of taxes is shown in Appendix D.

TABLE 10

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE FOR
WEST LIBERTY AND MORGAN COUNTY, 1962

<u>Taxing Unit</u>	<u>West Liberty</u>	<u>Morgan County</u>
County	\$.70	\$.70
State	.05	.05
City	.90	
School	<u>1.50</u>	<u>1.50</u>
Total	\$3.15	\$2.25

Real Estate Assessment Ratios, 1961

West Liberty	-	17.1%
Morgan County	-	23.8%

Net Assessed Value of Property subject to full rate in 1962:

West Liberty	-	\$1,000,000
Morgan County	-	\$5,531,342

OTHER LOCAL CONSIDERATIONS

Educational Facilities

Graded Schools: The Morgan County School System has two schools in West Liberty with an enrollment of 452 in the elementary school and 391 in the high school. The student teacher ratio is 28-1 in the elementary school and 24-1 in the high school.

TABLE 11

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS, STUDENT -TEACHER RATIO IN WEST LIBERTY AND MORGAN COUNTY

<u>System</u>	<u>Enrollment</u>	<u>No. of Teachers</u>	<u>Student-Teacher Ratio</u>
Morgan County Elementary	1,472	52	28-1
Morgan County High	597	22	27-1

Vocational Schools: Kentucky's vocational education program utilizes fourteen highly specialized schools, partly integrated with regular secondary education. These special area trade schools prepare Kentuckians for work in a variety of trade and industrial occupations.

The West Liberty area is served by the Mayo State Vocational School at Paintsville, 41 miles distant. Courses offered at this school include: Auto mechanics, drafting, electricity, machine shop, mining mechanics, radio and television, refrigeration, sheet metal, welding, and woodworking.

The trade preparatory courses listed above are normally two years in length. In addition, short unit courses are offered on a continuous basis for the upgrading of employed workers. Other short unit courses are provided in all occupations of an industrial nature as needs arise or upon request, when facilities permit.

Colleges: Institutions of higher learning in the area are:

Morehead State College, Morehead, Kentucky, 47 miles
Kentucky Christian College, Grayson, Kentucky, 36 miles
Ashland Center, University of Kentucky, Ashland, Kentucky, 68 miles
University of Kentucky, Lexington, Kentucky, 94 miles
Transylvania College, Lexington, Kentucky, 94 miles

College of the Bible, Lexington, Kentucky, 94 miles
Georgetown College, Georgetown, Kentucky, 93 miles

Health

Hospitals: The West Liberty Hospital has 38 beds, 8 bassinets, and modern hospital facilities.

There is a clinic located in West Liberty with overnight facilities.

West Liberty has 6 doctors, 3 dentists, and 1 chiropractor.

Public Health: The Morgan County Health Department is staffed by four full-time employees and one part-time employee. The program is comprised of immunization, health sanitation, and classes on public health. The operating budget for 1963-64 is \$17,832.19.

The plans for a new Health Center are under way.

Housing

There are few housing units for rent or sale in West Liberty. The construction cost for two-and three-bedroom houses is \$8,000 to \$10,000, depending on location and materials used.

Under construction at the present is a new subdivision with numerous lots available.

Communication

Telephone and Telegraph: The West Liberty area's 2,679 telephone subscribers receive service from the Mountain Rural Telephone Company, through the use of a modern dial system. Plans for the future include the installation of more telephone lines and the use of new, modern office equipment.

Postal Facilities: West Liberty has a second-class post office with eight employees. Mail is received and dispatched six times daily by truck. There is one city route, two rural routes, and two star routes. Postal receipts for 1962 were \$21,888.39.

Newspapers: The Licking Valley Courier, a weekly newspaper, serves West Liberty. It has a circulation of 3,010. Daily newspapers are received from Lexington and Louisville, Kentucky, and Huntington, West Virginia.

Radio: Radio reception is from Morehead, Paintsville, Lexington, and Louisville, Kentucky

Television: Television reception is from two stations in Huntington, West Virginia, and one station in Charleston, West Virginia. All three major networks are represented.

Libraries

Library facilities are provided by the Morgan County Library with 9,000 volumes. Annual circulation is approximately 75,000. Future plans are for the construction of a new library at a cost of \$40,000.

Churches

There are five churches located in West Liberty representing the following denominations: Baptist, Christian, Methodist, Catholic, and Church of God.

Financial Institutions

Statement as of December 29, 1962

	<u>Assets</u>	<u>Deposits</u>
Commercial Bank	\$7,305,004.43	\$6,853,569.43

Hotels and Motels

Stampers Motel	30 units
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Clubs and Organizations

Civic: Kiwanis

Fraternal: American Legion, VFW, and Masonic

Women's: Garden Club, Woman's Club, Saddle Club, Art Club, and Eastern Star

Youth: 4-H, FFA, Little League, Boy Scouts, Girl Scouts, and Cub Scouts

Recreation

Local: Recreational facilities in West Liberty include: (1) A city park with a swimming pool, picnicking facilities, tennis courts, and playground facilities (2) A new 10-lane bowling alley (3) A drive-in movie (4) Lighted baseball diamond (5) A yearly horse show (6) The school playground.

Area: West Liberty is located 44 miles from Jenny Wiley State Park at Prestonsburg, Kentucky. This park has facilities for swimming, fishing, horse-back riding, and golf. There are also excellent lodging and dining facilities.

Natural Bridge State Park is located 40 miles from West Liberty. This park has facilities for hiking, swimming, and picnicking.

Community Improvements

Recent:

1. New 10-lane bowling alley at a cost of \$54,000
2. Resurfacing of city streets
3. Purchased an additional fire truck
4. New playground recently constructed with tennis courts, swimming pool, and picnicking facilities

Planned:

1. Remodeling of courthouse and county jail
2. Construction of new county health center
3. New highway under construction that will give better access to town
4. New filtering system being added to swimming pool
5. Plans are for the construction of a county library
6. \$20,000 has been allocated for the construction of an airport
7. New city street being built to new subdivision and elementary school

NATURAL RESOURCES

Agriculture

In 1959 there were 1,586 farms covering 174,122 acres, an average of 109.8 acres per farm. The following table shows some agricultural statistics for Morgan County and Kentucky.

TABLE 12

AGRICULTURAL STATISTICS FOR MORGAN COUNTY AND KENTUCKY, 1959*

<u>Crops</u>		<u>Acres Harvested</u>	<u>Yield Per Acre</u>	<u>Total Production</u>
<u>Corn:</u>				
Morgan Co.	(bu)	7,094	45.2	294,067
Kentucky	(bu)	1,649,000	42.5	70,184,000
<u>Wheat:</u>				
Morgan Co.	(bu)	11	54.5	215
Kentucky	(bu)	158,000	24.5	3,876,000
<u>Soybeans:</u>				
Morgan Co.	(bu)	6	83.3	89
Kentucky	(bu)	181,000	22.1	4,012,000
<u>Burley Tobacco:</u>				
Morgan Co.	(lbs)	1,848	1,670.4	3,087,025
Kentucky	(lbs)	189,000	1,604.5	303,261,000
<u>Alfalfa Hay:</u>				
Morgan Co.	(tons)	228	2.5	287
Kentucky	(tons)	289,000	2.1	620,000
<u>Clo-Tim Hay:</u>				
Morgan Co.	(tons)	6,123	9.4	5,768
Kentucky	(tons)	427,000	1.3	582,000
<u>Lespedeza Hay:</u>				
Morgan Co.	(tons)	766	9.4	727
Kentucky	(tons)	549,000	1.2	703,000

*Kentucky Agricultural Statistics, Kentucky Crop and Livestock Reporting Service, 1960

TABLE 13
LIVESTOCK STATISTICS FOR MORGAN COUNTY AND KENTUCKY
1959*

<u>Livestock</u>	<u>Number on Farms as of January 1, 1960</u>
<u>All Cattle and Calves:</u>	
Morgan County	6,857
Kentucky	1,947,000
<u>Milk Cows:</u>	
Morgan County	1,062
Kentucky	466,000
<u>Sheep:</u>	
Morgan County	772
Kentucky	546,000

Minerals

The principal mineral resources of Morgan County consist of cannel and bituminous coal, limestone, petroleum and natural gas and fire clay. Common clays and rock asphalt are also present. Total value of mineral production in 1961 amounted to \$391,416 from limestone, coal, fire clay and petroleum (U S. Bureau of Mines).

Coal: Coal has been produced in Morgan County since 1901. Peak production came in 1950 when 502,982 tons were secured. Total cumulative production through 1961 amounts to 4,200,781 tons. In 1961, a total of 44,830 tons were secured from three mines. The county has been particularly noted for its large production of cannel coal. Various seams, including the Cannel, Hazard, No. 4, No. 6, and No. 9, have been productive. A recent publication by the U. S. Geological Survey, entitled "Coal Reserves of Eastern Kentucky," estimates the total original reserves of Morgan County to be 486.19 million tons. This figure includes measured, indicated and inferred resources in beds 14 inches or more in thickness.

Limestone: Limestone of Mississippian Age outcrops in the north-western portion of the county along the lower drainage of the Licking River. Three quarries are currently mining from either the Renault-Paint Creek or from the St. Louis-Ste. Genevieve formations, for use in construction, agriculture and other purposes. These formations outcrop in a general belt bordering the Eastern Kentucky Coal field, and, in many places along this belt, contain high-calcium zones (95% or more CaCO_3).

*Kentucky Agricultural Statistics, Kentucky Crop and Livestock Reporting Service, 1960

One quarry in the county is reported to contain a 20-foot zone averaging 98.18 per cent CaCO_3 . Stone of this quality has potential value for use in the chemical industry. In 1961, the total production of 172,035 tons was valued at \$212,575.

Petroleum and Natural Gas: Considerable amounts of petroleum have been secured from the "Corniferous" in Morgan County. Some production is also known from the "Big Lime." In 1951, hot acid fracture treatments of these formations met with partial success. For the period 1918 through 1962 total cumulative production amounted to 149,912 barrels. A total of 738 barrels was secured in 1962.

Significant quantities of natural gas have been secured from the "Corniferous." Recent production is reported from three small fields in the northern portion of the county.

Fire Clay: Discontinuous and irregular lenses of refractory clay are found in Pennsylvanian sediments in certain areas. In 1961, two stripping operations mined 81,000 tons for fire brick and block.

Common Clay and Clay Shale: Although quantitative data are lacking, deposits of common clay and clay shale are present. Some of the clays are probably suitable for the manufacture of sewer pipe, drain tile and structural clay products; and some shales may possibly be suitable for making lightweight aggregate.

Rock Asphalt: Asphalt impregnated sandstones are known to occur in the county; however, they are not considered to be of commercial importance.

In 1960, Kentucky ranked fifteenth in the nation in value of mineral production including natural gas liquids with a total of \$413,517,000. In order of value, the minerals produced were coal, petroleum, stone, natural gas, natural gas liquids, sand and gravel, clays and fluorspar. Kentucky ranked second among the states in the production of bituminous coal and ball clay, and third in the production of fluorspar. Fuels constituted 88 percent of the total value, with coal accounting for 68 percent, petroleum - 15 percent, and natural gas - 5 percent. Stone represented 5 percent, sand and gravel - 1 percent, and clay - 1 percent. All other minerals, which include natural gas liquids, fluorspar, barite, lead, silver, zinc, cement, crushed sandstone and gem stone, accounted for 5 percent.

TABLE 14

KENTUCKY MINERAL PRODUCTION 1960 (1)
(Units in short tons unless specified)

<u>Mineral</u>	<u>Quantity</u>	<u>Value</u>
Barite	(2)	\$ (2)
Clays	951,000 (3)	2,646,000 (3)
Coal	66,846,000	282,395,000
Fluorspar	25,855	1,173,000
Gem Stones	(4)	(5)
Lead (recoverable content of ores, etc.)	558	131,000
Natural Gas (cubic feet)	75,329,000,000	18,389,000
Natural Gas Liquids:		
Natural Gasoline (gals.)	(2)	(2)
LP Gases (gals.)	(2)	(2)
Petroleum (crude-barrels)	21,144,000 (6)	60,260,000 (6)
Sand and Gravel	5,113,000	5,763,000
Silver (recoverable content of ores, etc.-troy ounces)	-----	-----
Stone (7)	15,810,000	21,493,000
Zinc (recoverable content of ores, etc.)	869	224,000
Value of items that cannot be disclosed: Cement, ball clay (1960), crushed sandstone, and values indicated by footnote 2.	-----	22,080,000

- (1) Mineral Industry of Kentucky, Minerals Yearbook, 1960. Production as measured by mine shipments, sales, or marketable production (including consumption by producers).
- (2) Figure withheld to avoid disclosing individual company confidential data.
- (3) Excludes ball clay; included with "Value of items that cannot be disclosed."
- (4) Weight not recorded.
- (5) Less than \$1,000.
- (6) Preliminary figure.
- (7) Excludes crushed sandstone; included with "Value of items that cannot be disclosed."

Forests

Morgan County has 154,000 acres of forested land. This is 65 per cent of the total acreage of the county. Principal tree types are oak, hickory, beech, yellow poplar and pine.

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacturing within the state could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain. Less than one-quarter of the lumber, veneer and bolts produced (500 to 600 million board feet per year) is used in manufacturing in the State.

Kentucky's forests are guarded from fire by a radio-interconnected network of 144 fire towers.

MARKETS

Kentucky's economic growth is credited in part to its location at the center of the Eastern Market Area. A line drawn along the borders of Minnesota, Iowa, Missouri, Arkansas, and Louisiana divides the country into two parts designated the Eastern and Western Market Areas. The Eastern Market Area is smaller in land area, but contains almost 75 percent of the national population.

Kentucky is also at the center of a seventeen-state area containing over 2/5 of the nation's population, personal income, and retail sales. This area is composed of those states within an approximate 400-mile radius of the Kentucky border. This is shown in greater detail in the following table.

TABLE 15
CONSUMER MARKET POTENTIAL

	Population (1) Percent of U. S.	Personal Income (2) Percent of U.S.	Retail Sales(3) Percent of U.S.
Alabama	1.8	1.2	1.2
Arkansas	.9	.6	.7
Delaware	.3	.3	.2
Georgia	2.1	1.6	1.7
Illinois	5.6	6.6	6.4
Indiana	2.7	2.5	2.5
KENTUCKY	1.6	1.2	1.2
Maryland	1.8	1.9	1.6
Michigan	4.3	4.6	4.4
Missouri	2.4	2.4	2.5
North Carolina	2.6	1.8	1.9
Ohio	5.4	5.7	5.5
Pennsylvania	6.3	6.4	6.1
South Carolina	1.3	.8	.8
Tennessee	1.9	1.4	1.6
Virginia	2.1	1.8	1.8
West Virginia	1.1	.8	.9
REGIONAL TOTAL	44.2	41.6	41.0

(1) U. S. Census of Population, 1960

(2) Survey of Current Business, U. S. Department of Commerce

(3) Census of Business, 1958, Retail Trade

Per capita income in Morgan County was \$ 782 in 1961.*

Retail sales in Morgan County were \$6, 076, 000 in 1961.*

* Sales Management, Survey of Buying Power, June 10, 1962

CLIMATE

The average annual precipitation in Kentucky ranges from 38 to 40 inches in the northern part of the state to 50 inches or more in the southcentral part. Late summer is normally the driest part of the year.

Winter is relatively open, with midwinter days averaging 32 degrees in the northern parts to 40 degrees in the southern, for about six weeks' duration.

Midsummer days average 74 degrees in the cooler uplands to 79 degrees in the lowland and southern areas.

The growing season varies from 180 days in the north to 210 in the south. Seasonal heating-degree days average about 4,500 for the state. Sunshine prevails for an average of at least 52 percent of the year and increases to 60 percent or more in the southwest.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. Warm-to-cool weather prevails with only short periods of extreme heat and cold.

TABLE 16

CLIMATIC DATA FOR WEST LIBERTY, MORGAN COUNTY, KENTUCKY

<u>Month</u>	<u>Temp. Norm*</u>	<u>Total</u>	<u>Av. Relative</u>	
	<u>Deg. Fahrenheit</u>	<u>Prec. Norm.*</u>	<u>Humidity Readings**</u>	
		<u>Inches</u>	<u>6:30 A. M</u>	<u>6:30 P. M.</u>
				(CST)
January	27.8	3.51	82	64
February	39.7	3.48	81	71
March	46.8	4.70	79	64
April	47.6	4.71	74	58
May	58.2	4.87	74	60
June	68.3	6.27	78	66
July	72.7	9.44	80	67
August	74.1	3.98	83	70
September	68.0	1.98	84	71
October	55.0	2.44	84	70
November	45.5	2.04	81	71
December	35.6	4.92	81	76
Annual Norm	53.27	52.34		

*Station Location: West Liberty, Kentucky

**Station Location: Parkersburg, West Virginia

Length of record: 6:30 A.M. readings - 60 years;
6:30 P.M. readings - 60 years.

Days cloudy or clear: (72 yrs. of record) - 109 days clear, 103 days partly cloudy, 153 days cloudy

Percent of possible sunshine: (64 yrs. of record) 48%

Days with precipitation of 0.01 inch or over: (73 yrs. of record) - 143

Days with 1.0 inch or more snow, sleet, hail: (73 yrs. of record) - 7 days

Days with thunderstorms: (73 yrs. of record) - 7 days

Days with heavy fog: (73 yrs. of record) - 44 days

Prevailing wind: (61 yrs. of record) - 11 days

Seasonal heating-degree days: (42 yrs. of record) Approximate long-term means 4,750 degree days

A P P E N D I X

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Kentucky Corporation Taxes	Appendix D
Taxes Applicable to a Manufacturing Concern	Appendix D-1
City Bond Issues for Industrial Buildings	Appendix E
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Cooperating State Agencies	Appendix G

HISTORY

Morgan County was formed in 1822—the 73rd in order of formation—out of the counties of Floyd and Bath, and named in honor of General Daniel Morgan. In the beginning, Morgan County was as large as the State of Rhode Island in territorial extent. However, in 1843, Johnson County was created out of it, followed by Rowan in 1856, Magoffin and Wolfe in 1860, and Elliott and Menifee in 1869. In 1876, it still ranked as the seventh largest county in the state.

Morgan County is, in its central and western sections, a rich and fertile land of rolling farms, burley tobacco fields, and grazing pasture lands, beautified with wooded knolls and wandering streams. And, in its eastern section, it is a land of majestic forested hills, cannel coal seams, and clear-blue mountain streams.

Morgan County is proudly referred to by its people as the "Bluegrass County of the Mountains," because it is nestled in the foothills of mid-East Kentucky and is unique in the fact that it is neither in the coal fields of the mountains nor the limestone of the Bluegrass—but halfway between, and possesses "most of the best of both."

How West Liberty, the county seat, got its name is evidently unknown. The earliest record available is an order appointing the commissioners to allow the building of a jail in West Liberty in February, 1824. In 1825 the seat of justice was definitely located at West Liberty. By 1830 the town had approximately 50 inhabitants, and was incorporated on January 29, 1836. In 1870, it was a small community with 142 residents.

Describing the early courthouses, one historian said: "The old courthouse with its quaint windows, ancient gables and brilliant coat of red paint, gave place to a brick structure, two stories high, which was destroyed by fire in October, 1862, and upon its site was erected the elegant brick edifice."

West Liberty was a small town struggling for existence when the Civil War broke out. During this time, Morgan County, and particularly West Liberty, suffered greatly. Whether it was by the work of nature or the ravages of war is uncertain, but the town reportedly had 29 buildings destroyed by fire, including the courthouse and the circuit and county clerks office.

In the 1880's, West Liberty was still a small town with a population of approximately 250 or less. Its streets were unpaved, and, in the winter, deep in mud; there were but three brick houses in the town—the courthouse, the clerk's offices, and a private residence.

Although the people were religious, there was not even a church in West Liberty in 1881; the people held their services in the courthouse. A school building was not constructed until about 1884.

With the arrival of the railroad in the county, West Liberty continued to grow slowly. After the heyday of cannel coal mining had passed, agriculture gradually again became the important industry in West Liberty and Morgan County.

The first mill erected in Morgan County was built on Blackwater Creek in 1810, and was driven by horsepower. The second was a water mill built in 1816, on the Licking River, opposite West Liberty. The first licensed tavern in Morgan County came in 1823, followed by another in 1825.

One landmark that was located for nearly 135 years in West Liberty was the Cole Hotel, built in 1828. At first called "The Tavern," it lacked five years being as old as Morgan County. As trade grew, the owner added rooms, until at one time the building was 200 feet long. In two separate rooms, called "The Cottage," the county's first newspaper was printed and in one of the rooms a man made saddles. Later, the hotel's name was changed to "the Morgan Home" and again in 1897, to the "Cole Hotel." A mineral spring in the courtyard in the rear of the hotel was an inducement for people to travel from a great distance to sip the healthful waters while reclining in a rocking chair on the veranda or large balconies at the back and sides. Many prominent people have "slept here," including vice-presidents, governors, statesmen, Miss Americas, and entertainment celebrities. For a long time, it was the only overnight stopping place here, but its renown as a place of featherbeds, southern cooking, and friendly atmosphere made it such a favorite place that many people would travel late just to "put up" at the Cole Hotel.

The taxable property in 1876 was \$1,055,587; but its actual value was believed to reach at least five million dollars.

At the turn of the century two short line, and short-lived, railroads were built into the county. One was from Jackson to Cannel City and the other from Morehead to Wrigley. The pride and joy of the Ohio and Kentucky Railway was their train known as the "Roarin' K" or the "Index Special," depending on which way it was going from Cannel City. Its rate of speed, it is told, was far from fast.

Today, agricultural and educational leaders have replaced the glamorous personalities of 50 years ago. Morgan County is rebuilding, secure in the knowledge that in good farms, good schools, and good people is a wealth more durable than in a get-rich-quick coal vein that finally played out. The people have given serious thought to farming now and the advantages of the services offered by the agricultural agencies. Today, the big money-maker of the county is tobacco; in 1950, tobacco checks totaling \$1,876,004 cleared through a Morgan County bank.

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION
MORGAN COUNTY AND KENTUCKY

<u>Industry, September, 1962</u>	<u>Morgan County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
All Industries	736	100.0	470,152	100.0
Mining & Quarrying	127	17.2	30,041	6.4
Contract Construction	130	17.6	43,446	9.2
Manufacturing	149	20.2	176,870	37.6
Food & kindred products	2	.2	24,977	5.3
Tobacco	0	.0	10,773	2.3
Clothing, tex. and leather	0	.0	27,364	5.8
Lumber and furniture	133	18.0	14,635	3.1
Printing, pub. and paper	9	1.2	11,072	2.4
Chemicals, petroleum, coal & rubber	0	.0	15,366	3.3
Stone, clay and glass	5	.6	5,761	1.2
Primary metals	0	.0	8,527	1.8
Machinery, metals and equip.	0	.0	55,413	11.8
Other	0	.0	2,982	.6
Transportation, Communication and Utilities	79	10.7	34,127	7.3
Wholesale and Retail Trade	187	25.4	121,844	25.9
Finance, Ins. and Real Estate	11	1.4	21,708	4.6
Services	53	7.2	40,010	8.5
Other	0	.0	2,133	.5

ECONOMIC CHARACTERISTICS OF THE POPULATION FOR
MORGAN COUNTY AND KENTUCKY, 1960

Subject	Morgan County		Kentucky	
	Male	Female	Male	Female
Total Population	5,647	5,409	1,508,536	1,529,620
EMPLOYMENT STATUS				
Persons 14 years old & over	3,743	3,675	1,036,440	1,074,244
Labor force	2,346	494	743,255	219,234
Civilian labor force	2,346	494	705,411	290,783
Employed	2,192	482	660,728	275,216
Private wage & salary	714	190	440,020	208,384
Government workers	207	193	58,275	44,462
Self-employed	1,135	94	156,582	16,109
Unpaid family workers	36	5	5,851	6,261
Unemployed	154	12	44,683	15,567
Not in labor force	1,397	3,181	293,185	783,010
Inmates of institutions	0	0	15,336	8,791
Enrolled in school	417	375	94,734	97,825
Other & not reported	980	2,806	183,115	676,394
Under 65 years old	574	2,282	91,626	539,838
65 and over	406	524	91,489	136,556
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	2,192	482	660,728	275,216
Professional & technical	88	157	46,440	36,879
Farmers & farm mgrs.	940	24	91,669	2,339
Mgrs., officials, & props.	97	48	58,533	10,215
Clerical & kindred workers	92	55	35,711	66,343
Sales workers	60	52	39,837	25,265
Craftsmen & foremen	261	0	114,003	2,836
Operatives & kindred workers	238	0	140,192	45,305
Private household workers	0	46	1,123	25,183
Service workers	24	88	29,844	40,156
Farm laborers & farm foremen	168	0	33,143	2,046
Laborers, ex. farm & mine	175	0	44,227	1,671
Occupation not reported	49	12	26,006	16,978

Source: Bureau of the Census, 1960 Census of Population (Washington, 1962)
General Social and Economic Characteristics of Kentucky, Tables 52,
56, 57, 83, and 84.

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

Every corporation owning property or doing business in Kentucky is liable for corporation license tax. This provision does not apply to banks and trust companies, foreign and domestic insurance companies, foreign and domestic building and loan associations, and corporations that, under existing laws, are liable to pay a franchise tax.

The license tax return, Form 41A820, is due on or before the 15th day of the 4th month following the close of the corporation's taxable year. The tax rate is 70¢ per \$1,000 value of capital stock employed in this state. The minimum liability is \$10.

Corporation Income Tax

The corporation income tax rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.

State and national banks, trust companies, domestic building and loan associations, insurance companies, and nonprofit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year, except for those corporations required to make a declaration.

Every corporation whose estimated tax liability will exceed \$5,000 must file a declaration of estimated tax due. The declaration must be filed on either May 15, September 15, or December 15, whichever date first succeeds the determination that an estimate must be filed. The estimated tax due in excess of \$5,000 will be paid in equal installments on the dates prescribed. Taxpayers using a fiscal year accounting period must substitute the corresponding dates.

Kentucky's portion of taxable corporation 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.

Public Service Company Taxes

Property of public service companies including railroad companies and common carrier trucking companies is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; nonoperating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$2.50. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and nonoperating intangibles, such property is also subject to local taxation.

Public service companies must, between January 1 and March 31, file an annual report of their operations during the past calendar year. Assessment of their 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.

State 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. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1962, the statewide assessment level on real estate and tangible personalty is slightly under 30 percent, and on intangible personalty is approximately full value.

State ad valorem tax rates, applicable to the various classes of property, are shown on the table below. Property which may be taxed locally, subject to constitutional or statutory limits, is indicated by the designation "full" or by the maximum rate which may be levied on a particular class of property.

	Rate Per \$100 Assessed Value			
	State	County	City	School
Annuities	\$.05	\$No	\$No	\$No
Bank deposits	.001	No	No	No
Bank shares	.50	.20	.20	.40
Brokers accounts receivable	.10	No	No	No
Building and loan associa- tion capital stock	.10	No	No	No
Car lines	2.50	No	No	No
Distilled spirits	.50	Full ^{1/}	Full	Full
Farm products in storage	.05	.05 (tobacco) .15 (other)	.05 (tobacco) .15 (other)	No
Farm products in the hands of producers or agent	.05	No	No	No
Intangibles, public service company nonoperating	.25	No	No	No
Intangibles, not else- where specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified ^{2/}	.50	Full	Full	Full

^{1/} County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 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.

^{2/} Includes automobiles and trucks, merchants inventories and manufacturers finished goods, business furniture and fixtures, etc.

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.

**MAJOR KENTUCKY STATE AND LOCAL TAXES
APPLICABLE TO A MANUFACTURING CONCERN**

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, after deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capital stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	Individual income taxes range from 2% of the first \$3,000 of net income to 6% on net income in excess of \$8,000 after the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption.	There are no local individual income (occupational) taxes levied outside the corporate limits of Kentucky cities except in Jefferson County.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 30 percent of current market value.	Local rates vary within limits imposed by law.									
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 30 percent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 30 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	Three percent retail sales and use tax with broad exemptions for industry.	None									
Intangible Property	<p>The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows:</p> <table> <tr> <td>Bank Deposits</td><td>100%</td><td>1/10 of 1¢ per \$100</td></tr> <tr> <td>Stocks & Bonds</td><td>100%</td><td>25¢ per \$100</td></tr> <tr> <td>Accounts Receivable</td><td>85%</td><td>25¢ per \$100</td></tr> </table>	Bank Deposits	100%	1/10 of 1¢ per \$100	Stocks & Bonds	100%	25¢ per \$100	Accounts Receivable	85%	25¢ per \$100	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of 1¢ per \$100									
Stocks & Bonds	100%	25¢ per \$100									
Accounts Receivable	85%	25¢ per \$100									

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.

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky is required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.
3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Henry H. Carter,
Secretary of State,
Commonwealth of Kentucky.

COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Commerce, 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. Since it is a statutory function of the Department of Commerce "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

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 1961, highway expenditures for the improvement and maintenance of Kentucky's highways and bridges totaled \$183,467,844. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

The Department of Economic Security will furnish data regarding potential labor supply, prevailing wage rates, characteristics of labor supply and employment and economic characteristics for any area in the State. The Department's Division of Employment Service with offices in 24 cities in the State is available at all times to assist in recruitment of workers for industry both old and new. All local offices in the State are equipped to administer specific aptitude tests for 270 different occupations as a part of the recruitment process. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

The Kentucky Department of Labor 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.

The Kentucky Department of Commerce 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. 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 our present family of industries.