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Industrial Resources: Oldham County - LaGrange

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ECONOMIC & INDUSTRIAL SURVEY

of

LaGrange, Ky.



Received
U.S. Dept. of Commerce
Louisville

NOV 30 1951

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Prepared By

CITY COUNCIL OF LAGRANGE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY

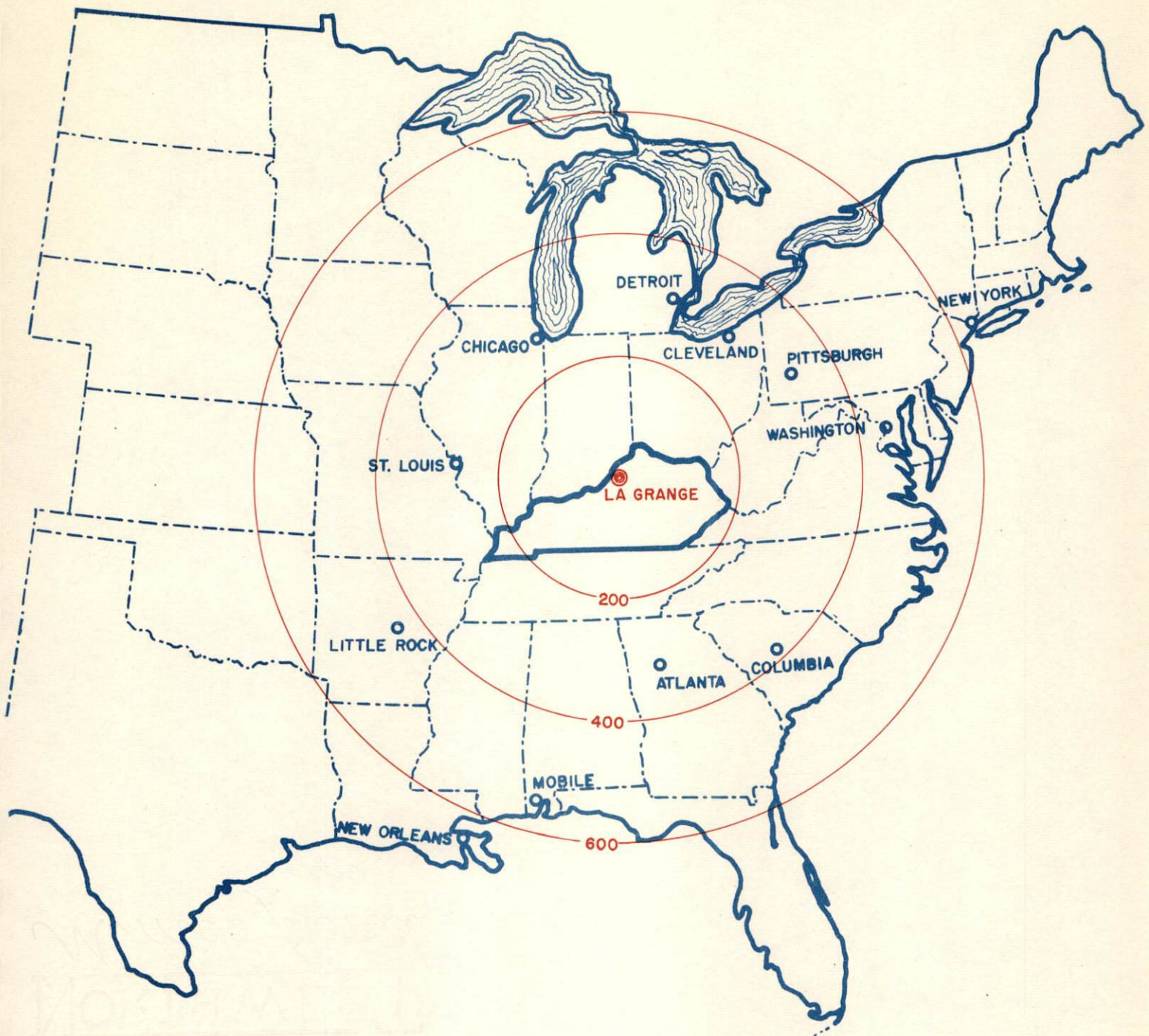
OF

LAGRANGE, KENTUCKY

Prepared by

The City Council of LaGrange, Kentucky
and
The Agricultural and Industrial Development Board
of
Kentucky

November 8, 1951



LA GRANGE, KENTUCKY
HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR	
Population Figures 1870 to 1950, Population Characteristics, Labor Market Area, Industrial Pattern	1
Labor Supply, Existing Industry	2
TRANSPORTATION	
Railroads	2
Highways, Air	3
COMMUNICATIONS	
Postal Facilities, Telephone	3
UTILITIES	
Electricity	3
Water, Gas, Sewage	4
CITY GOVERNMENT AND SERVICES	
Type Government, Tax Rates and Laws	4
Laws Affecting Industry, City Services	5
LOCAL CONSIDERATIONS	
Housing, Health, Schools	6
Churches, Recreation, Newspapers, Banks, Radio Stations, Retail Business, Service Establishments	7
Retail and Service Establishment Sales, Clubs and Organizations	8
Climate	9
FUEL	
Coal, Oil	9
RESOURCES	10
INDUSTRIAL MARKETS	10
AVAILABLE INDUSTRIAL SITES	10
Appendix Following Page 10	

LAGRANGE, KENTUCKY

LaGrange, the seat of government of Oldham County, is located 26 miles northeast of Louisville on State Highway #146. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1870 to 1950 -

	<u>LaGrange</u>	<u>Oldham County</u>
1870	612	9,027
1880	490	7,667
1890	670	6,754
1900	646	7,078
1910	1,152	7,248
1920	1,060	7,689
1930	1,121	7,402
1940	1,334	10,716
1950	1,558	11,018

Population Characteristics - The population of LaGrange has shown an increase of 16.7% during the past ten years, while Oldham County registered an increase of 2.8% during the same period.

Approximately 53% of the residents are female, 47% male. Approximately 92% of the population is native-born white, with 8% colored and less than 1% foreign born.

Labor Market Area - The LaGrange labor market area includes all of Oldham, Shelby, Henry, and Trimble Counties, and possibly part of Jefferson County.

Industrial Pattern - The area is highly agricultural in nature with about one-half of the employed persons engaged in agriculture and only about 2% employed in manufacturing. Less than 1% of the entire

population was employed in manufacturing in March, 1951. Of a total of 1,631 persons covered by unemployment insurance in the area in March, 1951, only 247 were in manufacturing industries, with about 150 of these being in the seasonal tobacco industry which has its peak in December and January. Oldham County had a covered manufacturing employment of 2 persons in March, 1951. (See Appendix B for table showing number of workers covered by unemployment insurance).

Labor Supply - It is estimated that at least 1,500 persons (500 male and 1,000 female) could be recruited within commuting distance of LaGrange if attractive job openings were available. The female labor supply would consist mostly of housewives, and the male labor supply would consist largely of unskilled farm labor.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Ashbrook Woodwork Shop	Window sashes, door frames	3	0	3
Bergens Dairy	Ice Cream	3	0	3
		<u>6</u>	<u>0</u>	<u>6</u>

TRANSPORTATION:

Railroads - LaGrange is served by the Louisville and Nashville Railroad Company.

Approximate Transit Times from LaGrange to -

Atlanta, Ga.	39 hrs.	Mobile, Ala.	36 hrs.
Chicago, Ill.	31 hrs.	New Orleans, La.	46 hrs.
Cleveland, Ohio	39 hrs.	New York, N. Y.	56 hrs.
Detroit, Mich.	44 hrs.	Pittsburgh, Pa.	29 hrs.
E. St. Louis, Ill.	26 hrs.	Washington, D. C.	34 hrs.

Highways - Ky. #53, #146

Highway Distances from LaGrange to -

Atlanta, Ga.	430	Lexington, Ky.	76
Birmingham, Ala.	394	Louisville, Ky.	30
Chicago, Ill.	305	Nashville, Tenn.	190
Cincinnati, Ohio	75	New York, N. Y.	723
Detroit, Mich.	340	Pittsburgh, Pa.	358
Knoxville, Tenn.	269	St. Louis, Mo.	300

Bus Lines Serving LaGrange - Kentucky Bus Lines with 10 round trips daily to Louisville.

Truck Lines Serving LaGrange - Abbotts Transfer Company

Air - Standiford Field at Louisville, 30 miles distant, is a scheduled stop for Eastern, Delta, Piedmont, and TWA.

COMMUNICATIONS:

Postal Facilities - LaGrange has a 2nd class post office with 7 permanent employees, 2 city routes, and 2 star routes. Mail is received 5 times daily by rail and once by truck. Postal receipts for 1950 totaled \$17,985.

Telephone - LaGrange is served by the Southern Bell Telephone and Telegraph Company, with 2 employees, and 799 subscribers.

LaGrange has a dial system. (See Appendix C-1 for rates).

UTILITIES:

Electricity - Electric service is provided by the Kentucky Utilities Company from a 33,000 volt transmission line. (See Appendix D for rates).

Water - Water is obtained from an impounded lake at the edge of the city. Gravity fed to filtration plant (250 gpm rated capacity). 8", 6", and 4" mains serve the city. Average pressure is maintained at 60 lbs. per square inch. (See Appendix C-2 for rates).

Gas - Natural gas is supplied LaGrange by the Louisville Gas and Electric Company from the Texas Gas Transmission pipeline. (See Appendix C-3 for rates).

Sewage - LaGrange has no city sewage system. Septic tanks are required for city residents.

CITY GOVERNMENT AND SERVICES:

Type Government - LaGrange, a fifth class city, is governed by a mayor, elected for a 4-year term, and 6 councilmen, elected for 2-year terms. (See Appendix E for Resolution by the City Council indicating a most favorable attitude toward new industry.)

Tax Rates and Laws -

Property Tax Rates per \$100 in 1950 -

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
City	.75	
County	.50	.50
County road & bridge bonds	.20	.20
School	<u>1.50</u>	<u>1.50</u>
Total	\$ 3.00	\$ 2.25

(See Appendix F for Kentucky Corporation Tax information).

Assessment Practice - City - 42% of sale value
County - 42% of sale value

Total Assessment in 1950 - City - \$1,000,000
County - \$9,081,000

Bonded Indebtedness - City - \$90,000 (revenue bonds) issued for modernization of water plant. These bonds will be retired by 1971.
County - \$100,000 (road and bridge bonds) will be retired by 1954.
(20¢ county assessment is earmarked for payment of these bonds).

Annual City Income (5-yr. avg.) - \$14,000

Annual City Expenditures (5-yr. avg.) - \$12,500

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

Exemptions to Industry - City - 5 years. State law permits the 5 year exemption which cannot be extended. Manufacturing machinery and raw materials are exempt from local taxes.

Services -

Fire Protection - Fire protection is provided by 12 volunteers. Equipment consists of a 1940 Howe pumper (500 gpm). There are 1,800' of 2" hose and 400' of 1 1/2" hose. LaGrange has a 7th class fire insurance rating.

Police Protection - Police protection is provided by a chief and one patrolman.

Streets - Street maintenance and garbage collection are supervised by the Chief of Police.

LOCAL CONSIDERATIONS:

Housing - Construction of single-story, five-room, frame houses now predominates. Approximate cost is 55¢ per cu. ft.

Contractors - Ashbrook Woodworking Company, Hicks Freeman Company, James Totten, and LaGrange Engineering & Construction Company.

Health -

Hospitals - The Mallory-Taylor Memorial Hospital with 27 beds. There is under construction a health department building on grounds adjacent to the hospital.

Doctors - 2 MD's, 1 Dentist in the city; 10 RN's in Oldham County.

Public Health Program - Oldham County has a full-time health department with a staff of a part-time health officer, a nurse, and a clerk. The program comprises: immunizations and tests; cancer, venereal disease, and heart disease control programs; infant, pre-school and school health programs; general sanitation.

Schools -

	<u>Grade</u>	<u>High</u>		
	<u>Enrollment</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Capacity</u>
County (consolidated)	1,552	at cap.	338	at cap.

There are 58 teachers in the county system. The physical plant included 8 school buildings. Plans are to convert the two high school buildings into grade schools after construction of a new consolidated high school.

Colleges - Colleges in the area include: University of Louisville, Louisville; University of Kentucky and Transylvania College, Lexington; Georgetown College, Georgetown.

Churches - The following denominations are represented in LaGrange: Baptist, Methodist, Christian, Catholic, and Church of God.

Recreation - Oldham County Memorial Park, 23 acres, is located just outside the city. When completed, there will be available a 2 1/2 acre lake for fishing, swimming, and boating, and baseball park and picnic grounds.

City Lake and the L & N Lake also offer excellent fishing facilities.

There is one theater which changes programs 3 times weekly.

Newspapers - The Oldham Era, weekly, with a circulation of 1,500, and the LaGrange Times, weekly, with a circulation of 1,500.

Banks - The Bank of Oldham County with total deposits of \$2,704,000 and total resources of \$2,955,000.

Radio Stations - Louisville stations WHAS, WAVE, WKLO, WLOU, WKYW, WINN. All national chains are represented by these stations.

Retail Businesses

Auto Dealers	5
Clothing	2
Drugs	2
Eating	4
Hardware	4
Farm Supplies	2
Lumber	2
Machine Shops	1
Variety	2

Service Establishments

Barber Shops	2
Beauty Shops	2
Filling Stations	4
Frozen Food Lockers	1

Retail, and Service Establishment Sales - Retail and service establishments located in Oldham County, Kentucky showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to figures from the 1948 Census of Business released by the Bureau of the Census, U. S. Department of Commerce.

Retail sales in the county during 1948 aggregated \$4.1 million, an increase of 310% over the \$1.0 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$212,000 in 1948 compared with \$95,000 in 1939.

Employment in the county also rose over the 9-year period between 1939 and 1948 for the above trades. Establishments in these trades reported a combined total of 208 paid employees for the workweek ended nearest November 15, 1948. This compared with a total of 131 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Rotary Club

Fraternal - Masonic, and American Legion

Women's Clubs - Women's Club, American Legion Auxiliary, Eastern Star, DAR, Daughters of American Confederacy.

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

Climate -

	Precipitation (40-yr. period)	Temperature (59-yr. period)	Humidity (Louisville)
Jan.	4.82	33.7	65
Feb.	3.34	35.2	68
Mar.	4.71	44.8	64
Apr.	3.91	54.4	60
May	3.95	64.4	61
June	3.86	73.2	64
July	3.89	76.9	62
Aug.	3.73	75.4	65
Sept.	2.90	69.6	64
Oct.	2.79	57.4	64
Nov.	3.17	44.9	67
Dec.	4.06	35.5	70
Ann. Avg.	45.13	55.5	65

Average Date of Last Killing Frost in Spring - April 17

Average Date of First Killing Frost in Fall - October 19

The above figures were taken from Department of Commerce Weather Bureau figures from the nearest weather station with several years record.

FUEL:

Coal - Because of the change in price of coal from time to time, prices are not quoted in this report. Prices will be given on 24 hour notice.

Fuel Oil - Because there are so many types and grades of fuel oil and because of the constant change in prices, cost of fuel oil is not given in this report. Prices will be given on 24 hour notice.

RESOURCES:*

The principal mineral resource of Oldham County is limestone, which is available in quantity and quality suitable for highway, railroad bed and urban building construction. Certain Oldham County limestones might be used for cement and agricultural lime purposes. Clays and shales of both transported and residual character are available for ordinary brick-making.

*Excerpts from writings of W. R. Jillson

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites in LaGrange adjacent to rail and highway facilities. For further information write the LaGrange City Council; or the Agricultural and Industrial Development Board, 415 Ann Street, Frankfort, Kentucky.

APPENDIX

History and General Description	App. A
Table showing Number of Workers Covered by Kentucky Unemployment Insurance	App. B
Telephone Rates	App. C-1
Water Rates	App. C-2
Gas Rates	App. C-3
Power Rates	App. D
Resolution by City Council	App. E
Kentucky Corporation Taxes	App. F
Kentucky Revised Statutes - Bond Issue Plan	App. G
Cooperating State Agencies	App. H

HISTORY AND GENERAL DESCRIPTION

Oldham County is situated in the north central part of the State, bordering the Ohio River. Indiana is on the opposite shore of the river. The district lies largely in the northwestern extension of the Knobs Belt. Portions of Jefferson County, Shelby and Henry Counties were taken for the county's creation in 1823, it being the 74th political subdivision in point of establishment. It was named in honor of Colonel William Oldham, an ensign in the American Navy during the Revolutionary War. Elevations do not exceed 850 feet above sea level.

Excerpts from writings of W. R. Jillson

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

County	Total	Food & Kindred Products	Tobacco	Clothing, Textiles, Leather	Lumber & Furniture	Printing, Publishing, & Paper	Chemicals, Petroleum, Coal & Rubber	Stone, Clay, Glass	Pri- mary Metals	Mach., Metal Prod., Equip.	Other
Oldham	2	0	0	0	0	0	0	2	0	0	0
Jefferson	77,203	15,178	7,195	2,758	8,667	5,150	7,614	1,411	3,856	24,225	1,149
Shelby	235	54	3	83	0	15	0	35	0	45	0
Henry	10	5	0	0	0	5	0	0	0	0	0
Trimble	0	0	0	0	0	0	0	0	0	0	0
Totals	77,450	15,237	7,198	2,841	8,667	5,170	7,614	1,448	3,856	24,270	1,149

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

County	All Industries	Mining & Quarrying	Contract, Con- struction	Manufac- turing	Transpor- tation, Com- munication, & Utilities	Whole- sale & Retail Trade	Finance, Insurance & Real Estate	Services	Other
Oldham	172	0	10	2	29	87	8	36	0
Jefferson	154,406	334	8,089	77,203	10,962	38,388	7,225	12,145	60
Shelby	1,168	0	32	235	156	558	49	138	0
Henry	229	0	36	10	13	89	31	50	0
Trimble	62	14	4	0	0	26	12	6	0
Totals	156,037	348	8,171	77,450	11,160	39,148	7,325	12,375	60

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Extension</u>
Business	\$7.50	\$6.75	\$6.00	\$1.50
Residential	3.50	---	2.75	1.00

WATER RATES - Appendix C-2

First	2,000 gal. per mo.	\$2.40
Next	3,000 gal. per mo.	1.00 per M gal.
Next	5,000 gal. per mo.	.90 per M gal.
Next	10,000 gal. per mo.	.70 per M gal.
Next	10,000 gal. per mo.	.60 per M gal.
Next	20,000 gal. per mo.	.50 per M gal.
Next	50,000 gal. per mo.	.40 per M gal.
	100,000 gal. per mo.	52.90
Over	100,000 gal. per mo.	.30 per M gal.

The minimum bill shall be \$2.40 per month.

25% added to rates outside city limits.

GAS RATES - Appendix C-3

First	600 cu. ft. per mo.	\$1.50 net (minimum)
Next	1,400 cu. ft. per mo.	.10 net per c. cu. ft.
Next	3,000 cu. ft. per mo.	.09 net per c. cu. ft.
Next	5,000 cu. ft. per mo.	.08 net per c. cu. ft.
Over	10,000 cu. ft. per mo.	.06 net per c. cu. ft.

Kentucky Utilities Company
Incorporated

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

COMBINED LIGHTING & POWER SERVICE - RATE LP

AVAILABILITY

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

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

RATE

Maximum Load Charge

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

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

Plus an Energy Charge

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

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

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

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

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

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

DETERMINATION OF MAXIMUM LOAD

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

MINIMUM ANNUAL BILL

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

DUE DATE OF BILL

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

RULES AND REGULATIONS

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

PRIMARY DISCOUNT

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

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

RESOLUTION

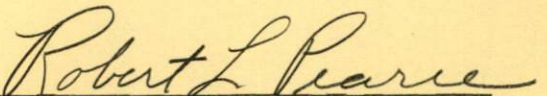
WHEREAS, LaGrange is well situated with excellent transportation facilities, available natural gas, electric power and an abundant and productive supply of labor, together with other facilities, and;

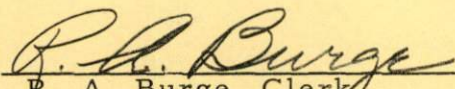
WHEREAS, it is desirable to acquire industrial employment for our citizens so as to obtain a more favorable balance between industry and agriculture in LaGrange and Oldham County, and;

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

BE IT RESOLVED, that an invitation be and is hereby extended to acceptable industries to locate in our community, and we pledge the wholehearted cooperation and assistance on the part of the City Council and the citizens to interested concerns;

NOW THEREFORE, by unanimous vote of the City Council this Resolution was passed and approved the 7th day of September, 1951.


Robert L. Pearce, Mayor

ATTEST: 
R. A. Burge, Clerk

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

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

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed
by the

Agricultural and Industrial Development Board
of
Kentucky

415 Ann Street
Frankfort, Kentucky

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.