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# Industrial Resources: Washington County - Springfield

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# ECONOMIC & INDUSTRIAL SURVEY

of

## Springfield, Ky.



Prepared By

THE CITY COUNCIL OF SPRINGFIELD, KENTUCKY

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

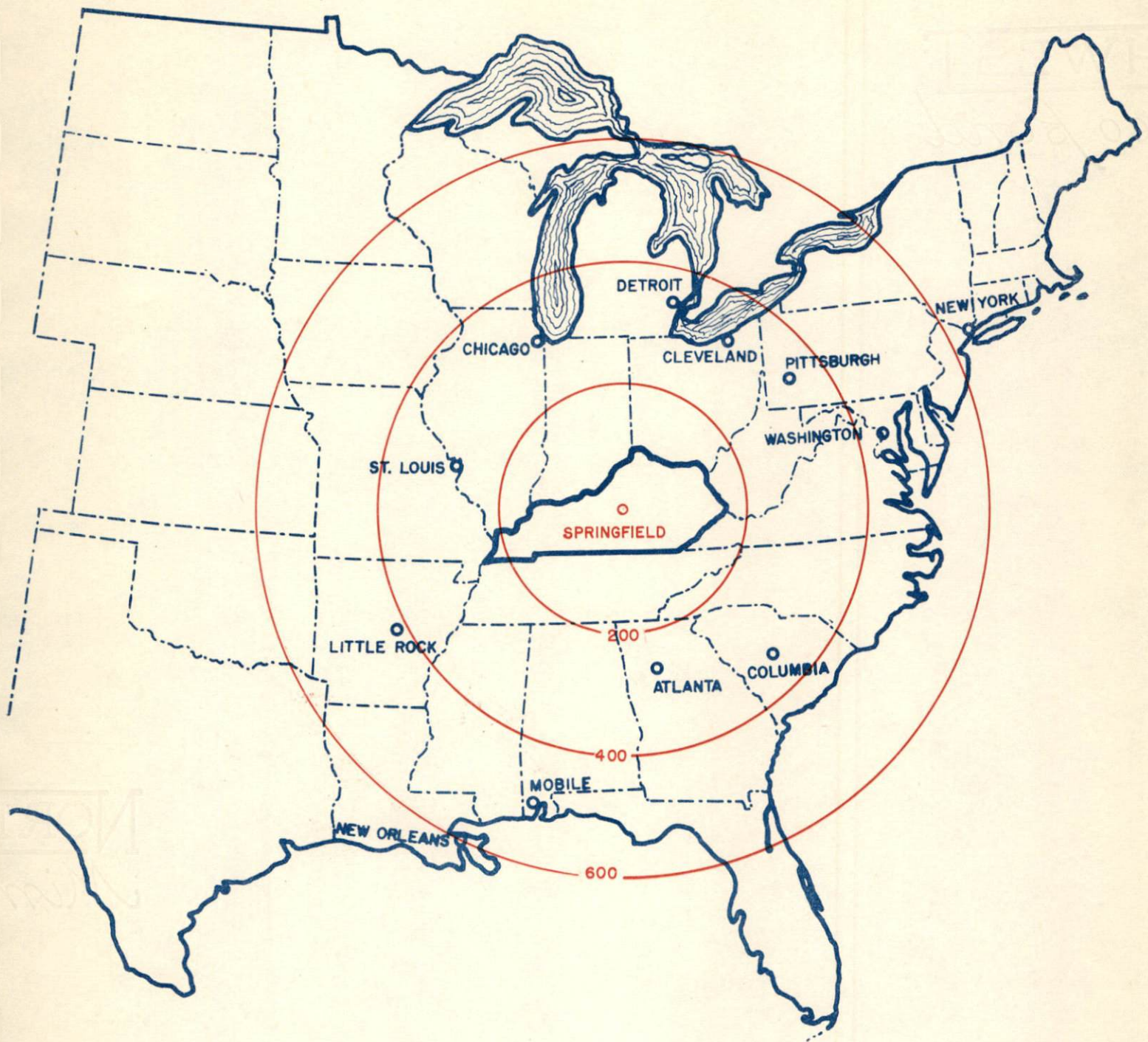
KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY  
OF  
SPRINGFIELD, KENTUCKY

Prepared by  
The City Council of Springfield, Kentucky  
and  
The Kentucky Agricultural and Industrial Development Board

June 12, 1952





**SPRINGFIELD, KENTUCKY**  
HAS 50,000,000 CUSTOMERS  
WITHIN ITS MARKET AREA



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## SPRINGFIELD, KENTUCKY

Springfield, the county seat of Washington County, is located in the central part of the State, 55 miles from Lexington and 58 miles from Louisville.

(See Appendix A for History and General Description).

### POPULATION AND LABOR:

#### Population Figures 1850 - 1950

	<u>Springfield</u>	<u>Washington County</u>
1850	527	12,194
1860	497	11,575
1870	502	12,464
1880	610	14,419
1890	642	13,622
1900	1,016	14,182
1910	1,329	13,940
1920	1,529	14,773
1930	1,487	12,623
1940	1,767	12,965
1950	2,032	12,777

Population Characteristics - Springfield has shown a population increase of 15% during the past decade, while Washington County has shown a decrease of 1.5% during the same period. 90% of the population of the County are native-white, 0.1% foreign-born, and 9.9% negro.

Labor Market Area - The Springfield labor market area would include Washington, Nelson, Marion, Boyle, and Mercer Counties. The center of population of each of these counties is within 30 miles of Springfield which is a reasonable commuting distance.



Industrial Pattern - Washington County had a covered manufacturing employment of 376 persons in March, 1951. Of this total, slightly over 150 were in the clothing and textile industry and almost 200 were in the tobacco industry. The tobacco manufacturing industry is highly seasonal and employment in Washington County in tobacco manufacturing ranged from 22 in September, 1950 to 470 in December, 1950.

Agriculture is the predominant industry in the area with about 40% of the labor force engaged in farming. Manufacturing employment in the five-county area, almost 5,000 in March, 1951, accounts for about 15% of the labor force and over 5% of the entire area population.

The most important manufacturing industry in the five-county area is the clothing and textile industry with an employment of 2,770 in March, 1951, about 1,500 of which were in Marion County. Next in importance was the food and kindred products industries with 1,316 persons, 800 of which were in Nelson County.

Labor Supply - It is estimated that a labor supply of at least 1,500 persons (1,000 men and 500 women) could be recruited in this area if attractive job openings in industry were available. Most of the male supply would be untrained factory workers drawn from low cash income farms. The female labor supply would be raised mainly from an expansion of the labor force participation of housewives.

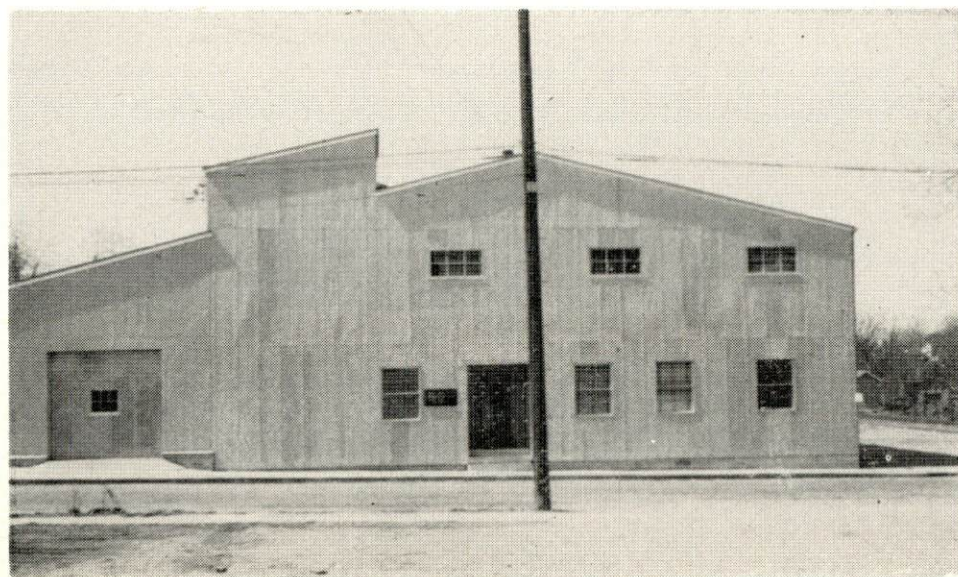




ARMOUR CHEESE FACTORY



HAYDON MILL & GRAIN CO.



JAMES I. MILLER LOOSELEAF TOBACCO CO.



COWDEN MANUFACTURING CO.



Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Armour Creameries	Cheese	36	5	41
*Cowden Mfg. Co.	Dungarees	10	167	177
Hayden Mill & Grain Co.	Flour, feeds, corn meal	17	0	17
Jas. I. Miller Tobacco Co.	Redriers	143	111	254
Nalley & Gibson	Crushed stone	5	0	5
Pettus Lbr. Co.	Lumber	7	1	8
Kelly Lbr. Co.	Lumber	7	1	8

Union Affiliations - \*A.F. of L. (Garment Workers)

TRANSPORTATION:

Railroads - Springfield is served by the Louisville & Nashville

Railroad Company.

Approximate Transit Times To -

Atlanta, Ga.	39 hrs.	New Orleans, La.	60 hrs.
Chicago, Ill.	33 hrs.	New York, N. Y.	76 hrs.
Cleveland, Ohio	42 hrs.	Pittsburgh, Pa.	48 hrs.
Detroit, Mich.	63 hrs.	St. Louis, Mo.	26 hrs.
Mobile, Ala.	51 hrs.	Washington, D. C.	77 hrs.

Highways - U. S. #150; Ky. #53, #55, #152, #528

Highway Distances To

Atlanta, Ga.	307	Indianapolis, Ind.	163
Ashland, Ky.	197	Lexington, Ky.	55
Birmingham, Ala.	353	Louisville, Ky.	58
Charleston, W. Va.	262	Memphis, Tenn.	369
Chattanooga, Tenn.	261	St. Louis, Mo.	328

Bus Lines - Short Way Lines; Sam Nalley; Bowling Green-

Hopkinsville Bus Lines; Southeastern Greyhound.

Truck Lines - Bardstown Transfer, Inc.; C & C Transfer Co.;

Central Motor Express; McDuffee Motor Freight.



Air - Danville, 27 miles distant, has an airport suitable for small plane operation. Blue Grass Field at Lexington, 55 miles away, is a scheduled stop for Delta, Eastern and Piedmont Air Lines.

#### COMMUNICATIONS:

Postal Facilities - Springfield has a 2nd class post office with 8 employees. There are 2 city routes, 3 rural routes, and 2 star routes. Postal receipts for the current year were \$22,258.97.

Telephone and Telegraph - Springfield is served by the Southern Bell Telephone and Telegraph Company, with 13 employees. (See Appendix C-1 for rates).

#### UTILITIES:

Electricity - Springfield is served by the Kentucky Utilities Company. (See Appendix D for rates).

Gas - Natural gas with a BTU content of 1040 and specific gravity of .65 is supplied by the Western Kentucky Natural Gas Company. (See Appendix C-2 for rates).

Water - Source of supply is a 66,000 gallon reservoir adjacent to the city limits. Present filtration plant has a rated capacity of 350 gpm. The city is now constructing a new 146,000,000 gallon reservoir from the impoundment of Allen Run Creek. Provision has been made for the installation of an additional filter when the need arises. There are two 100,000 gallon standpipes in addition to the 25,000 gallon clear well storage. Average pressure is maintained at 65 pounds per square inch. 8", 6" and 4" mains serve the city.



Sewage - The sewage disposal plant was completed in 1939 with a designed capacity of 150,000 gallons per day. Separate storm and sanitary sewers are provided. The sewage charge is 50% of the water bill in the city limits.

#### CITY GOVERNMENT AND SERVICES:

Type Government - Springfield, a 5th class city, is governed by a mayor, who is elected for a four-year term, and 6 councilmen, who are elected for 2-year terms.

#### Tax Rates and Laws -

##### Tax Rates per \$100 in 1951

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$ .05	\$ .05
City	.75	
County	.50	.50
School	<u>1.50</u>	<u>1.50</u>
Total	\$2.80	\$2.05

(See Appendix E for Kentucky Corporation Tax Information ).

Assessment Practice - City - 35%  
County - 40%

Total Assessment - City - \$2,262,374  
County - \$14,010,632

Bonded Indebtedness - City - Water works revenue bonds, \$83,000, scheduled to be retired in 1963 (non-callable); \$33,000 (non-callable) in sewer revenue bonds to be retired in 1963; \$240,000 (callable) on or before 1978, water and sewer revenue Bonds.

County - \$13,000 issued for county home for aged and inform, 20-year bonds (callable).

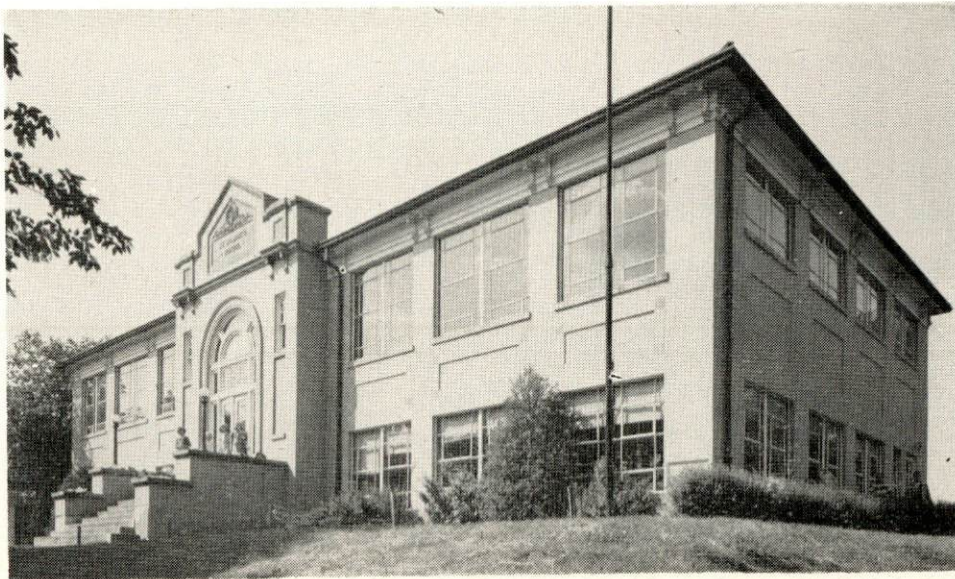




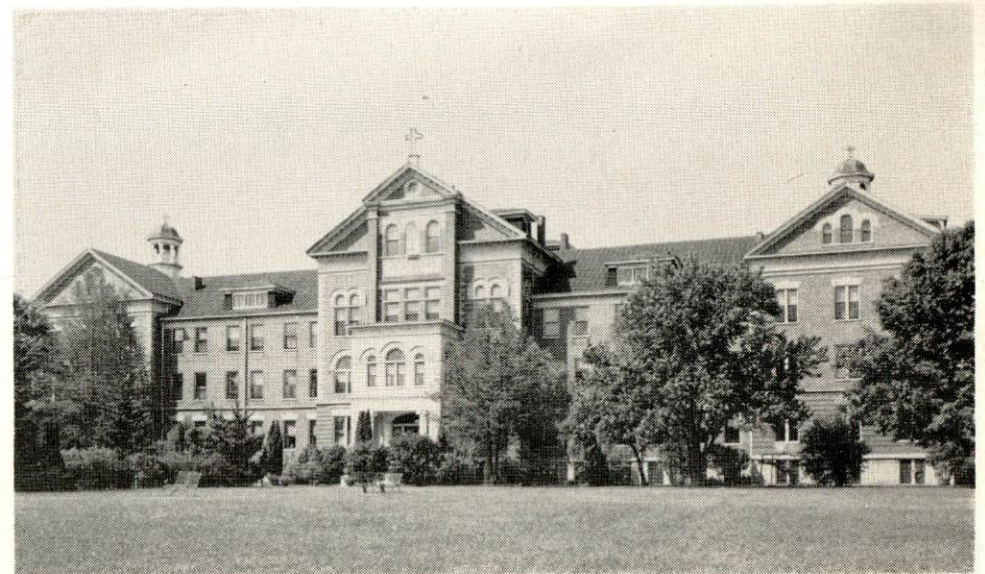
STREET VIEW OF SPRINGFIELD



SPRINGFIELD HIGH SCHOOL



ST. DOMINIC GRADE SCHOOL



ST. CATHERINE'S ACADEMY



Annual City Income 1950 - \$16,000

Annual City Expenditures 1950 - \$16,000

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

Tax Exemption - State law permits a 5-year city exemption which cannot be extended.

Manufacturing machinery and raw materials are exempt from local taxation.

Services -

Fire Protection - The fire department consists of a chief and 11 volunteers. Equipment includes: 1928 Seagreaves 500 gpm pumper with 1000' of 2 1/2" hose, and a 1949 GMC 500 gpm pumper with 1250' of 2 1/2" hose and 300' of 1 1/2" hose. There are 39 fire hydrants distributed throughout the city.

Police Protection - The police department consists of a chief and 2 patrolmen. Equipment includes 1 patrol car.

Streets - The street foreman employs men as needed. Equipment includes an oiler, broom, grader and dump truck.

Garbage -Municipal collection bi-weekly in the business section and weekly in the residential section.

LOCAL CONSIDERATIONS:

Housing - Single-story, five-room, frame houses predominate.

Two new subdivisions are now under construction. General contractors include: Pettus Lumber Co., Kelly Lumber Co., and Walter Gibson.





CHRISTIAN CHURCH



BAPTIST CHURCH



METHODIST CHURCH



PRESBYTERIAN CHURCH



## Health -

Doctors - MD's - 3; Dentists - 4

Hospitals - Mary Immaculate Hospital at Lebanon, 9 miles distant, has 35 beds.

Public Health Program - The Washington County Health program comprises: immunizations, venereal disease and tuberculosis control, school health services, sanitation services, and health education.

## Schools -

	Grade School			High School		
	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>	<u>Enroll.</u>	<u>Cap.</u>	<u>Teachers</u>
<u>City</u> (W)	287	at cap.	8	146	186	8
(C)	77		3			
<u>County</u> (W)	1,798	2,000	68	275	350	24
<u>Private</u>	42		6	61		11
<u>Parochial</u>	176	205	4			

Colleges - St. Catherine's Junior College and St. Rose Priory.

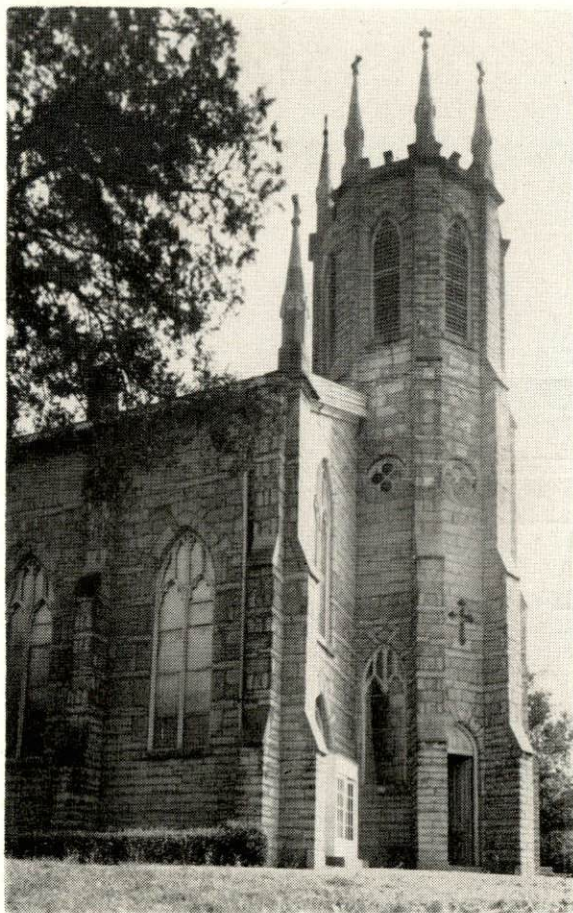
Churches - The following denominations are represented in Springfield; Christian, Methodist, Baptist, Presbyterian, Catholic.

Total active membership is 1,950.

## Recreation -

Parks and Playgrounds - During the summer months the school sponsors a directed recreational program on the Springfield High School grounds.





ST. ROSE CATHOLIC CHURCH



ST. DOMINIC CATHOLIC CHURCH



PUBLIC GRADED SCHOOL



WASHINGTON COUNTY COURTHOUSE



Lincoln Homestead State Park, located 5 miles from Springfield, was the home of Abraham Lincoln's parents. Facilities for picnicking and gatherings at the Clubhouse are available.

The City Reservoir is a favorite spot for fishing.

Theaters - There is one theater in the city and one drive-in, both of which change programs 4 times weekly.

Tourist Accommodations - Walton Hotel - 39 rooms; Lincoln Hotel - 11 rooms; Dick's Tourist Cabins - 7 units.

Newspapers - The Springfield Sun (weekly) with a circulation of 2,500.

Banking - First National Bank with deposits of \$2,400,000 and reserve of \$2,580,000; Peoples Deposit Bank with deposits of \$1,970,000 and reserve of \$2,152,000 ; Springfield State Bank with deposits of \$4,363,000 and reserve of \$4,625,000.

Retail Businesses

Auto Dealers	4
Clothing	4
Drugs	3
Furniture and hardware	6
Lumber	2
Variety	2

Service Establishments

Barber shops	6
Frozen food lockers	1
Laundry & cleaning	2
Restaurants	6
Service Stations	11

Retail, wholesale and service trade sales - Retail, wholesale and service establishments located in Washington County showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to figures from the 1948 Census of Business.



Retail sales in the county during 1948 aggregated \$5.4 million, an increase of 218% over the \$1.7 million in 1939. Wholesale sales in the county reached a total of \$5.6 million in 1948 as compared with \$1.2 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$175,000 in 1948 compared with \$119,000 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 318 paid employees for the workweek ended nearest November 15, 1948 as compared with a total of 216 employees for the week of November 15, 1939.

Clubs and Organizations -

Civic - Lions and Rotary

Fraternal - American Legion, VFW, and Masonic

Women's Clubs - Eastern Star, Women's Club, Business and Professional Women's Club.

Youth - Boy Scouts, 4-H Club, FFA

Other - Sportsmen's Club.

Climate - (Danville in adjoining county)

Elevation - 738 feet above sea level

Prevailing Winds - from southwest

Killing Frost Average Dates - (34-yr. rec.) - Frost free period - April 20 - October 19.

Growing Season - 182 days

Seasonal Heating Degree Days at Lexington - long-term means July - June - 4,763.



	Temperature (30-yr. period)	Precipitation (30-yr. period)	Lexington Relative Humidity		
			6:30 a. m. (51-yr.)	12:30 p. m. (21-yr.)	6:30 p. m. (16-yr.)
Jan.	35.2	3.38	83	75	73
Feb.	36.2	3.19	82	70	68
Mar.	46.2	4.45	80	65	65
Apr.	54.9	3.83	75	59	60
May	64.1	4.07	76	59	64
June	72.5	4.25	78	58	66
July	75.7	3.79	78	56	67
Aug.	74.7	2.09	81	58	67
Sept.	69.5	2.55	81	58	65
Oct.	57.8	1.83	79	58	62
Nov.	45.6	3.42	80	66	68
Dec.	36.4	2.20	84	73	70

Annual Norm. 55.8°F      40.05 inches

#### RESOURCES:

Mineral - The principal mineral resource of Washington County is limestone which occurs in adequate quantity and quality for highway, railroad bed and rural building construction. Residual clays suitable for brick-making are available in this district. It is probable that wells drilled to medium depths into the underlying Champlanian division of the Ordovician system would produce mineral waters of value, similar to those found in the Blue Licks and Big Bone Lick regions of Northern Kentucky.

Excerpts from writings of Willard R. Jillson

#### INDUSTRIAL MARKETS:

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



AVAILABLE INDUSTRIAL SITES:

For information on industrial sites, write the Mayor of Springfield;  
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
Gas Rates	App. C-2
Water Rates	App. C-3
Power Rates	App. D
Kentucky Corporation Taxes	App. E
Kentucky Revised Statutes - Bond Issue Plan	App. F
Cooperating State Agencies	App. G



HISTORY & GENERAL DESCRIPTION

Washington County is situated in the center of the State and is typical of the Outer Blue Grass Region. The territory out of which it was created was taken from Nelson County which adjoins it on the west. The county, organized in 1792, was the first to be formed in the new State of Kentucky, the previous nine counties having been established by the Virginia Legislature. It was named in honor of George Washington. All of Marion County and a portion of Anderson County were made from the original Washington County. Springfield, the county seat, is one of the oldest towns in the State, being established in 1793.

Excerpts from writings of Willard R. Jillson



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

County	Total Mfg.	Food and kindred prods.	Tobacco	Cloth., text., and leather	Lbr. and furn.	Print. publ. and paper	Chem., petr., coal, rubber	Stone, clay, and glass	pri- mary metals	mach., metal prods. equip	other
Washington	107	17	6	84	0	0	0	0	0	0	0
Anderson	360	180	0	176	0	4	0	0	0	0	0
Nelson	865	753	0	76	19	11	0	6	0	0	0
Marion	1,639	108	0	1,442	73	8	3	5	0	0	0
Boyle	978	94	3	610	187	31	0	16	0	37	0
Mercer	706	165	1	504	2	15	0	19	0	0	0
Totals	4,655	1,317	10	2,892	281	69	3	46	0	37	0

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

County	All Ind.	Mining and Quar- rying	Con- tract, Constr.	Mfg.	Trans., Comm., and Util.	Whlse., and Retail Trade	Fin., Ins., Real Estate	Services	Other
Washington	426	35	0	107	21	200	28	35	0
Anderson	645	20	23	360	53	139	24	22	4
Nelson	1,867	22	314	865	116	377	27	146	0
Marion	2,098	39	12	1,639	72	249	26	61	0
Boyle	3,378	41	620	978	284	1,119	57	279	0
Mercer	1,291	0	79	706	109	268	25	104	0
Totals	9,705	157	1,048	4,655	655	2,352	187	647	4



## TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Extension</u>
Business	\$6.78	\$6.00	\$1.50
Residential	3.25	---	1.00

## GAS RATES - Appendix C-2

First	1,000 cu. ft. or less	\$1.50
Next	2,000 cu. ft.	1.10 per MCF
Next	7,000 cu. ft.	.715 per MCF
Next	10,000 cu. ft.	.605 per MCF
Next	10,000 cu. ft.	.55 per MCF
Next	70,000 cu. ft.	.495 per MCF
Over	100,000 cu. ft.	.44 per MCF

Industrial Rates subject to contract

## WATER RATES - Appendix C-3

		<u>Inside City Limits</u>	<u>Outside City Limits</u>
First	1,500 gal. per mo.	\$2.00 minimum	\$3.00 minimum
Next	3,500 gal. per mo.	.70 per M gal.	1.05 per M gal.
Next	5,000 gal. per mo.	.65 per M gal.	1.00 per M gal.
Next	15,000 gal. per mo.	.60 per M gal.	.90 per M gal.
Next	15,000 gal. per mo.	.50 per M gal.	.75 per M gal.
Next	25,000 gal. per mo.	.40 per M gal.	.60 per M gal.
Next	50,000 gal. per mo.	.30 per M gal.	.45 per M gal.
Over	115,000 gal. per mo.	.20 per M gal.	.30 per M gal.

Raw Water 15¢ per M gal.

## SEWER RATES

All sewer customers within the city limits 50% of the water bill within the city limits.



Kentucky Utilities Company  
Incorporated

Appendix D

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.



## 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%<sup>1</sup> 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

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<sup>1</sup> 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

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of  
Kentucky

415 Ann Street  
Frankfort, Kentucky



KENTUCKY REVISED STATUTES  
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



## COOPERATING STATE AGENCIES

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

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

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

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

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

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

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