

7-1961

Industrial Resources: Breathitt County - Jackson

Kentucky Library Research Collections
Western Kentucky University, spcol@wku.edu

Follow this and additional works at: https://digitalcommons.wku.edu/breathitt_cty

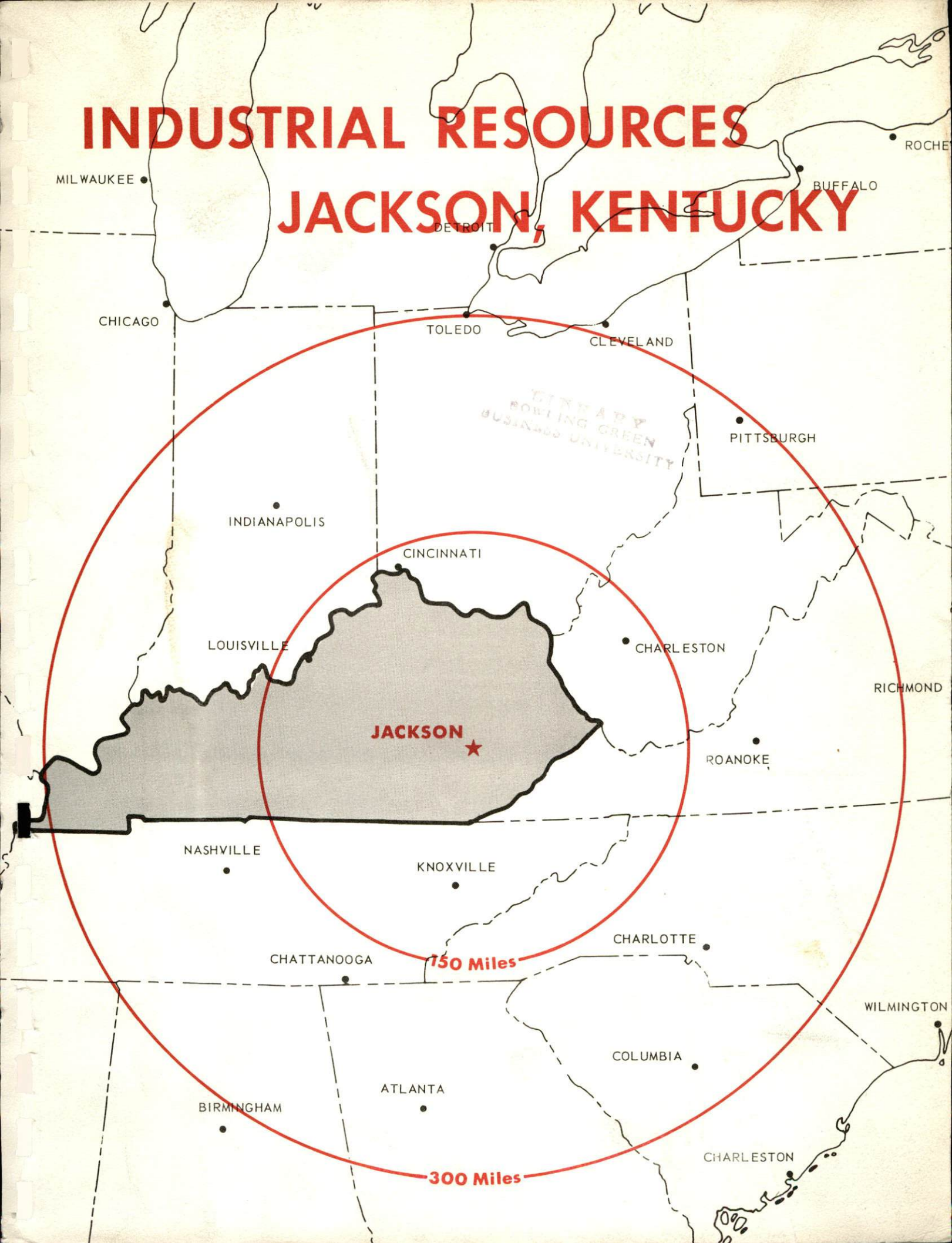
 Part of the [Business Administration, Management, and Operations Commons](#), [Growth and Development Commons](#), and the [Infrastructure Commons](#)

Recommended Citation

Kentucky Library Research Collections, "Industrial Resources: Breathitt County - Jackson" (1961). *Breathitt County*. Paper 12.
https://digitalcommons.wku.edu/breathitt_cty/12

This Report is brought to you for free and open access by TopSCHOLAR®. It has been accepted for inclusion in Breathitt County by an authorized administrator of TopSCHOLAR®. For more information, please contact topsolar@wku.edu.

INDUSTRIAL RESOURCES JACKSON, KENTUCKY



INDUSTRIAL RESOURCES

JACKSON, KENTUCKY

LIBRARY
BOWLING GREEN
BUSINESS UNIVERSITY

21955

Prepared by

Breathitt County Chamber of Commerce
and
The Kentucky Department of Economic Development

Frankfort, Kentucky

July, 1961

INDUSTRIAL RESOURCES

JACKSON, KENTUCKY

TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
SUMMARY DATA	1 - 2
POPULATION AND LABOR	3 - 4
Population Growth	3
Labor Force	3
Definition of Population Trend	3
Economic Characteristics of the Area	4
Estimated Labor Supply for Industrial Jobs	4
MANUFACTURING INDUSTRIES	5
Existing Firms, Products and Employment	5
Unionization	5
Wages	5
Labor-Management Relations	5
TRANSPORTATION	6 - 8
Railroads	6
Highways	6
Truck Lines	7
Bus Lines	8
Airways	8
UTILITIES AND FUEL	9 - 10
Electricity	9
Natural Gas	9
Water	9
Fuel Oil	10
Coal and Coke	10
INDUSTRIAL SITES	11

<u>Chapter</u>	<u>Page</u>
LOCAL GOVERNMENT AND SERVICES	12 - 13
Type Government	12
Laws Affecting Industry	12
Exemption to Industry	12
Business Licenses	12
Planning and Zoning	12
City Services	12
Fire Protection	12
Police Protection	13
Garbage and Sanitation	13
Sewerage	13
TAXES	14
Local Financial Statement	14
LOCAL CONSIDERATIONS	15 - 19
Housing	15
Health	15
Hospitals	15
Public Health	15
Education	15
Graded Schools	15
Vocational Schools	16
Colleges	16
Libraries	17
Churches	17
Banks	17
Hotel and Motel Accommodations	17
Newspapers, Radio and Television	17
Communication	18
Postal Facilities	18
Telephone and Telegraph	18
Clubs and Organizations	18
Recreation	18
Local	18
Area	18
Community Improvements	19
NATURAL RESOURCES	20 - 24
Agricultural Products	20
Forests	21

<u>Chapter</u>	<u>Page</u>
Minerals	22
Water	24
MARKETS	25
CLIMATE	26
APPENDIX	
A. History	
B. Employment by Industry Division	
C. Economic Characteristics of the Population	
D. Climatic Data	
E. Kentucky Corporation Taxes	
E. -1 Taxes Applicable to a Manufacturing Concern	
F. City Bond Issues for Industrial Buildings	
G. Instructions for Filing Articles of Incorporation	
H. Cooperating State Agencies	

SUMMARY DATA FOR JACKSON, KENTUCKY

POPULATION:

1960 - Jackson - 1, 852

Breathitt County - 15, 490

JACKSON LABOR SUPPLY AREA:

Includes Breathitt and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 7, 334 men and 6, 514 women. Number of workers available from Breathitt County - 1, 776 men and 1, 029 women.

TRANSPORTATION:

Railroads: Jackson is served by the Cincinnati Division of the Louisville and Nashville Railroad.

Air: Commercial airline service is provided by Blue Grass Field, Lexington, 94 miles.

Trucks: Jackson is served by four common carrier truck lines providing both interstate and intrastate service.

Bus Lines: Jackson is served by Southeastern Greyhound Lines.

HIGHWAY DISTANCES FROM JACKSON, KENTUCKY TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	438	Louisville, Ky.	174
Birmingham, Ala.	468	New York, N. Y.	724
Chicago, Ill.	455	St. Louis, Mo.	425

UTILITIES:

Electricity: Electric Power is provided by the Kentucky Power Company.

Natural Gas: The Pan Bowl Natural Gas Company, whose source of supply is local gas fields, serves Jackson.

Water: A municipal water works whose source of raw water is the Kentucky River. The capacity of the filter plant is 250 gpm with an average daily use of 100, 000 gallons.

Sewerage: Jackson does not have a sewage treatment plant. Raw sewage is discharged into the Kentucky River.

POPULATION AND LABOR

Population Growth

The following table shows population and rate of growth in Jackson, Breathitt County, and Kentucky.

Table 1

Population Growth in Jackson, Breathitt County and Kentucky
1900-1960

<u>Year</u>	<u>Jackson</u>		<u>Breathitt County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Increase</u>	<u>Population</u>	<u>% Increase</u>	<u>% Increase</u>
1900	941	---	14,322	---	---
1910	1,346	45.0	17,540	22.5	6.6
1920	1,503	11.7	20,614	17.5	5.5
1930	2,109	40.3	21,143	2.5	8.2
1940	2,099	- .5	23,946	13.5	8.8
1950	1,978	- 5.8	19,964	-16.2	3.5
1960	1,852	- 6.3	15,490	-22.7	3.4

Per cent of nonwhite population in County - 1.6

Per cent of foreign born population in County - .01

Labor Force*

Definition of Population Trend:

The Jackson labor supply area is defined for purposes of this statement to include Breathitt and the adjoining Kentucky counties of Knott, Lee, Magoffin, Owsley, Perry and Wolfe. The population centers of all area counties are within 45 miles of Jackson, which makes commuting feasible from any point in the area.

According to the 1960 United States Bureau of Census, the population of this seven-county area was 97,560, which was a decrease of 26,807 from the 1950 Census of 124,367.

* Kentucky Department of Economic Security Labor Supply Statement For The Jackson, Kentucky Area.

Economic Characteristics of the Area:

According to the 1959 Census of Agriculture, the area is economically agricultural with approximately 5,128 people employed in this industry. There were 2,052 farms in the area listed as commercial. Of this number, 1,816 area farms and 440 Breathitt County farms had an income of less than \$2,500. Breathitt County had 869 employed in agricultural jobs in 1959.

In September 1960, there were 391 manufacturing jobs in the area, with 104 of this number in Breathitt County. Perry County had 149 persons employed in manufacturing, which was the greatest number of manufacturing jobs of any area county.

Per capita income for the state in 1957 was \$1,372, as estimated by the University of Kentucky Bureau of Business Research. Area counties ranged from \$364 in Knott County to \$1,110 in Perry County.

Estimated Labor Supply for Industrial Jobs:

There are three major components of the estimated area labor supply.

- (1) The total currently unemployed.
- (2) Men who would shift from low paying jobs such as farming, and women not now in the labor force but who would enter if jobs were available.
- (3) The future labor supply due to the aging of the population and measured here by the number of boys and girls becoming eighteen years of age during the next ten years.

It is estimated that there are 7,334 men and 6,514 women in the Jackson area who would be available for industrial jobs. Breathitt County alone could furnish 1,776 men and 1,029 women included in the above total.

Due to the dislike of commuting and other factors, not all of the labor supply would be available for jobs located at Jackson or any other one site in the area. However, it is estimated that 2,571 men and 1,591 women would be available for jobs at Jackson.

In addition to the current labor supply, 17,976 boys and 17,485 girls in the area will become eighteen years of age during the next ten years, with 2,846 boys and 2,815 girls of this number residing in Breathitt County. It is likely that at least 80 per cent of the boys and 40 per cent of the girls will want jobs upon reaching working age.

MANUFACTURING INDUSTRIES

Existing Firms, Products and Employment

The following table which shows existing firms indicates something of the demand for labor and products available in the immediate area of Jackson, Kentucky.

Table 2

Manufacturing Firms, Products and Employment

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
East Kentucky Publications	Newspaper publisher, job printing	6	1	7
Grigsby Lumber Co.	Lumber	6	0	6
Royal Crown Bottling Co.	Soft drinks	15	0	15
The McGlone Co.	Staves	17	1	18

Unionization:

The only union represented in the area is the United Mine Workers of America.

Wages:

Some examples of wages in the area are:

<u>Occupation</u>	<u>Rate per hour</u>
Clerical and Secretarial	\$.90 to \$1.00
Laborer	1.00 to 1.50
Semi-skilled	1.50 to 1.70
Skilled	1.70 to 2.10

Labor-Management Relations:

Labor-management relations in Jackson are described locally as good.

TRANSPORTATION

Railroads

Jackson is served by the Cincinnati Division of the Louisville and Nashville Railroad. There are 5 freights daily, each way, with switching service provided on demand. There are side tracks available to accommodate 15 cars. Passenger service is not available.

Railway Express service is available.

Table 3

Railway Transit Time From Jackson, Kentucky To:

<u>Town</u>	<u>No. of Hrs.</u>	<u>Town</u>	<u>No. of Hrs.</u>
Atlanta, Ga.	60	Louisville, Ky.	31
Birmingham, Ala.	49 1/2	Los Angeles, Calif.	174 1/2
Chicago, Ill.	69	Nashville, Tenn.	43
Cincinnati, Ohio	45	New Orleans, La.	67
Cleveland, Ohio	82 1/2	New York, N.Y.	98
Detroit, Mich.	87 1/2	Pittsburgh, Pa.	84 1/2
Knoxville, Tenn.	51	St. Louis, Mo.	54

Highways

Jackson is served by State Routes 15 and 30. The transportation map on the following page shows railroads, major highways, navigable waterways and recreation areas of Kentucky.

Table 4

Highway Distances From Jackson, Kentucky To:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	438	Lexington, Ky.	94
Birmingham, Ala.	468	Louisville, Ky.	174
Chicago, Ill.	455	Nashville, Tenn.	317
Cincinnati, Ohio	173	New York, N. Y.	724
Detroit, Mich.	420	Pittsburgh, Pa.	365
Knoxville, Tenn.	204	St. Louis, Mo.	425

Truck Lines:

Common carrier service is provided Jackson by Combs Motor Freight, Inc., Hazard; Hazard Express, Lexington; McDuffee Motor Freight, Inc., Lebanon; and Point Express, Inc., Charleston, West Virginia.

Table 5

Truck Transit Time From Jackson, Kentucky To:*

<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.	2	2	Louisville, Ky.	1	1
Birmingham, Ala.	3	2	Los Angeles, Calif.	6	5
Chicago, Ill.	2	2	Nashville, Tenn.	2	2
Cincinnati, Ohio	2	2	New Orleans, La.	3	2
Cleveland, Ohio	3	2	Pittsburgh, Pa.	3	2
Detroit, Mich.	2	2	New York, N. Y.	2	2
Knoxville, Tenn.	2	2	St. Louis, Mo.	2	2

* McDuffee Motor Freight, Inc., Vice-President Sales-Traffic, Danville, Kentucky

Bus Lines:

Jackson is served by Southeastern Greyhound Lines, operating between Lexington and Hazard, with three round-trips daily.

Airways

Blue Grass Field, Lexington, 94 miles is served by Delta, Eastern and Piedmont Air Lines.

The Hazard Airport, Hazard, 45 miles, has a 2,100 x 100-foot paved strip providing landing facilities for small aircraft.

UTILITIES AND FUEL

Electricity

Jackson is served by the Kentucky Power Company. This company is an integrated part of the American Gas and Electric Company's inter-connected system which has a generating capacity of over 5,000,000 kilowatts. The area served by the Kentucky Power Company is substantially covered with distribution and transmission lines. Large users of electric power will find ample capacity available at many points in the area. Rates will be furnished upon request by the Kentucky Power Company.

Natural Gas

The Pan Bowl Natural Gas Company, a privately owned company, whose source of supply is the local gas fields, serves Jackson. High pressure, two and three-inch lines transport the gas from the producing field to the city where it is distributed through a grid system of four, three and two-inch lines to the consumer. The gas has a btu content of 1130 and pressure of 60 psi. Current rates are as follows:

First	1,000 cu. ft.	\$2.30 per MCF
Next	2,000 cu. ft.	.85 per MCF
Next	5,000 cu. ft.	.80 per MCF
Next	12,000 cu. ft.	.75 per MCF
Over	20,000 cu. ft.	.68 per MCF

Water

Water is supplied by the Jackson Municipal Water Works, whose source of supply is the North Fork of the Kentucky River. The capacity of the treatment plant is approximately 250 gpm. Water is distributed through a grid system of 6", 8" and 10" mains and pressure is maintained at 90 psi. Storage facilities for treated water consist of two standpipes with a total capacity of 200,000 gallons. The average daily use is 100,000 gallons. The average pumping time to meet requirements is 10 hours. Rates are as follows:

First	1,000 gals.	\$2.50
Next	4,000 gals.	.80 per M
Next	2,000 gals.	.70 per M
Next	10,000 gals.	.40 per M
Next	50,000 gals.	.25 per M
Next	100,000 gals.	.15 per M
All up to	300,000 gals.	.12 per M
All over	300,000 gals.	.10 per M

Fuel Oil

Supplies of fuel oil in Kentucky and the surrounding states are sufficient to meet the requirements of an industry locating in the area.

Delivered prices of the various grades of fuel oil may be obtained from the Kentucky Department of Economic Development.

Coal and Coke

Highly volatile bituminous coal is mined extensively in both the Eastern and Western Kentucky coal fields. Jackson is supplied coal by the Jackson Kentucky coal field, which produced 34,653,226 tons in 1959. Total Kentucky production in that year was 64,990,298 tons.*

High grade coke is available from nearby sources.

Current delivered prices of both coal and coke may be obtained from the Kentucky Department of Economic Development.

* Annual Report, Kentucky Department of Mines and Minerals

INDUSTRIAL SITES

For information concerning available industrial sites in Jackson, contact the Kentucky Department of Economic Development, Frankfort, or the Breathitt County Chamber of Commerce, Jackson.

LOCAL GOVERNMENT AND SERVICES

Type Government

Jackson is a fourth class city governed by a mayor, elected for a four-year term, and six councilmen, elected for two-year terms.

Laws Affecting Industry

Exemption to Industry:

As provided by state law, Jackson may allow a five-year property tax exemption to new industry. This exemption cannot be extended beyond this five-year period.

Business Licenses:

A business and occupational license is required in Jackson. Fees vary according to the type of business or occupation.

Planning and Zoning:

Jackson is served by the East Kentucky Area Office of the Department of Economic Development's Division of Planning and Zoning. They have completed a Base Map, Zoning Ordinance, Subdivision Regulations, and a Major Street Plan. A Neighborhood Analysis and Future Land-Use Plan are scheduled to be completed by July 1, 1961.

City Services

Fire Protection:

The Jackson Fire Department is staffed by a full-time chief and 15 volunteers. Mobile equipment consists of a 500 gpm Champion pumper with a 300 gallon booster tank, 2,000 feet of 2 1/2 inch hose and 200 feet of 1 1/2 inch hose.

Jackson has a Class 7 NBFU fire insurance rating. The basic insurance rate for masonry or wooden dwellings located inside the city limits, is 18¢ and 26¢, respectively. The rate for the same type dwellings located outside the city limits is 42¢ and 62¢, respectively.

Police Protection:

Police protection is provided by a chief and two patrolmen. Equipment consists of a cruiser equipped with two-way radio.

Garbage and Sanitation:

Free municipal garbage collection is provided twice weekly in the residential areas and four times weekly in the business district. Disposal is by means of a city dump.

Sewerage:

Jackson does not have a sewage treatment plant. Raw sewage is carried by 8-inch mains to the Kentucky River.

LIBRARY
BOWLING GREEN
BUSINESS UNIVERSITY

TAXES

Table 6 shows the property taxes applying in Jackson and Breathitt County for 1960.

Table 6

Property Tax Rates per \$100 of Assessed Value

<u>Taxing Unit</u>	<u>Jackson</u>	<u>Breathitt County</u>
County	\$.50	\$.50
State	.05	.05
City	.75	----
School	2.00	1.50
Total	<u>\$3.30</u>	<u>\$2.05</u>

Local Financial Statement

<u>Ratio of Assessment:</u>	<u>Estimated County Budget,</u> <u>1960, 61:</u>
Jackson - 33 1/3%	
Breathitt County - 25%	\$71,546.00

Total Assessment:

Jackson	\$1,161,223.00
Breathitt County	\$9,443,614.00

Estimated City Budget, 1961:

\$35,300.00

City Bonded Indebtedness, 1961:

\$190,000 - (Water Bonds)

County Bonded Indebtedness:

\$88,000 - (Nonvoted)

LOCAL CONSIDERATIONS

Housing

There are few housing units for rent or sale in Jackson. The rental range for a two or three-bedroom house is \$50 to \$75. Construction costs for a two or three-bedroom house is \$15,000 to \$18,000 depending on the type of construction and materials used.

Health

Hospitals:

The Lewis Hospital, Jackson, is staffed by a doctor and three nurses, has 12 beds and is equipped for minor surgery and maternal cases. The Hazard Memorial Hospital, 88 beds, and the Mount Mary Hospital, 85 beds, are located in Hazard, 45 miles, and provide modern facilities for major and minor surgery.

Public Health:

The Breathitt County Health Department is located in Jackson. The staff consists of a part-time health officer, three registered nurses, a part-time educationist, a sanitarian, and two clerks.

The health program consists of communicable disease control, sanitation, vital records, plumbing, chronic disease, dental health, school health, maternal health program, tuberculosis control and venereal disease control.

Education

Graded Schools:

The Jackson independent school district includes a high school with a student-teacher ratio of 20-1 and elementary school with a student-teacher ratio of 30-1.

Breathitt County High, with a student-teacher ratio of 23-1 and Little Red Elementary, with a 30-1 student-teacher ratio, are also located in Jackson.

Table 7

Schools, Enrollment and Number of Teachers in
Jackson and Breathitt County
1960-61

<u>System</u>	<u>Enrollment</u>	<u>Number of Teachers</u>
Jackson High (Ind.)	177	9
Jackson Elem. (Ind.)	270	9
Breathitt County High	882	38
Breathitt County Elem. (total)	2, 136	83
Mt. Carmel High (Private)	176	7
Oakdale Christian High (Private)	69	5
Riverside Christian Training (Private)	58	5

Vocational Schools:

Kentucky's Vocational Education program utilizes fourteen highly specialized regional schools, which are partly integrated with secondary education. These special area schools prepare Kentuckians for a variety of trade and industrial occupations. Jackson is served by the Hazard Vocational School, located at Hazard, 45 miles. Courses offered include: Auto Mechanics, Auto Body Mechanics, Drafting, Electronics, General Industrial Electricity, Heavy Equipment Operation and Maintenance, Machine Shop, Welding and Woodworking and Carpentry.

Colleges:

Institutions of higher learning in the area include:

Lee's Junior College (Denominational), Jackson
Eastern State College, Richmond, 75 miles
Berea College, Berea, 78 miles
University of Kentucky, Lexington, 94 miles
Transylvania College, Lexington, 94 miles
College of the Bible, Lexington, 94 miles

Libraries

Mary B. Gray Public Library has 17,604 volumes and an annual circulation of approximately 178,428.

Churches

The following denominations are represented in Jackson: Baptist, Christian, Church of God, Methodist, Free Methodist and Presbyterian.

Banks

Statement as of December 31, 1960

	<u>Assets</u>	<u>Deposits</u>
The First National Bank of Jackson	\$3,550,780.01	\$3,296,491.09

Hotel and Motel Accommodations

Jefferson Hotel	31 rooms
Paul's Motel	18 units

Newspapers, Radio and Television

Newspapers:

The Jackson Times, weekly, has a circulation of 3,109. Newspapers are received daily from Lexington and Louisville.

Radio:

WMTC, Van Cleve, 8 miles, serves the area with 1,000 watts of daytime broadcasting. Reception is good from Hazard and Lexington.

Television:

Television reception is good from Huntington, West Virginia and Lexington.

Communication

Postal Facilities:

Jackson has a second class post office, with nine employees. Mail is received and dispatched four times daily by truck and bus. Postal receipts for 1960 totaled \$23,000.

Telephone and Telegraph:

Southern Bell Telephone and Telegraph Company serves 764 Jackson subscribers with a dial system.

Clubs and Organizations

Civic:

Kiwanis, Fish and Game Club

Fraternal:

Masons, Blue Lodge, Royal Arch, WOW, American Legion

Women's:

Eastern Star, DAR, Women's Club, Garden Club

Youth:

Boy Scouts, Girl Scouts, Brownies, Cubs, FFA, FHA, 4-H

Recreation

Local:

Local recreational facilities include: a drive-in theater and a walk-in theater; a municipal swimming pool; a lighted baseball and softball field at Lee's Jr. College; a Little League baseball program; and tennis and badminton courts at the college.

Area:

Area recreation facilities include: Buckhorn Dam State Park, 20 miles; Jennie Wiley State Park, Dewey Lake, 63 miles, Natural Bridge State Park, 42 miles; Levi Jackson State Park, 68 miles.

Community Improvements

Recent Improvements:

Recent community improvements in Jackson include: the completion of several new streets and sidewalks; the addition of several street lights; the construction of a new laundromat; and the addition of 80 new parking meters.

Planned Improvements:

Planned improvements include: a lake; several more new sidewalks; and a new gymnasium.

NATURAL RESOURCES

Agricultural Products

Breathitt County has a total of 2,076 farms covering 316,160 acres or 53.9 per cent of the total land area. The average size farm is 82.1 acres.

Table 8

Agricultural Statistics for Breathitt County Area* and Kentucky
1958

<u>Crop</u>		<u>Acres Harvested</u>	<u>Yield per Acre</u>	<u>Total Production</u>
<u>Corn:</u>				
Breathitt Co. Area	(bu)	39,300	37.3	1,465,000
Kentucky	(bu)	1,501,000	49.0	73,549,000
<u>Wheat:</u>				
Breathitt Co. Area	(bu)	50	18.0	900
Kentucky	(bu)	168,000	23.5	3,948,000
<u>Soybeans:</u>				
Breathitt Co. Area	(bu)	50	2.0	1,000
Kentucky	(bu)	155,000	24.5	3,798,000
<u>Burley Tobacco:</u>				
Breathitt Co. Area	(lbs)	3,747	1,432.1	5,366,000
Kentucky	(lbs)	199,000	1,510.0	300,490,000
<u>Alfalfa Hay:</u>				
Breathitt Co. Area	(tons)	600	1.9	1,170
Kentucky	(tons)	305,000	2.3	702,000
<u>Clo-Tim Hay:</u>				
Breathitt Co. Area	(tons)	7,800	1.2	9,290
Kentucky	(tons)	515,000	1.3	721,000
<u>Lespedeza Hay:</u>				
Breathitt Co. Area	(tons)	5,250	1.5	6,050
Kentucky	(tons)	698,000	1.3	942,000

*Breathitt County area includes Breathitt and the surrounding counties of Magoffin, Wolfe, Lee, Owsley, Perry, and Knott.

Table 9

Livestock Statistics for Breathitt County Area* and Kentucky

<u>Livestock</u>	<u>Number on Farms as of January 1, 1959</u>
<u>All Cattle and Calves:</u>	
Breathitt Co. Area	25,000
Kentucky	1,843,000
<u>Milk Cows:</u>	
Breathitt Co. Area	12,250
Kentucky	628,000
<u>Sheep:</u>	
Breathitt Co. Area	0
Kentucky	604,000

Forests

There are 260,000 acres of forested land in Breathitt County covering 82% of the total land area. Principal tree types found include: 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, and less than one-quarter of the lumber, veneer and bolts produced (500 to 600 million board feet in 1958) is used in manufacturing in the state.

* Kentucky Agricultural Statistics, 1959, Kentucky Crop and Livestock Reporting Service.

Minerals

The principal mineral resources of Breathitt County consist of coal, petroleum and natural gas. Other potentially important minerals include sand and clay. Total value of minerals produced in 1959, excluding natural gas, amounted to nearly five million dollars from coal and petroleum (Minerals Yearbook, 1959).

Coal:

The coals of this county are classified as high volatile bituminous. They are low in ash and sulphur content and have a high B.T.U. value. For the period 1890 through 1959, Breathitt County produced an accumulative total of over fourteen million tons of coal. Peak production came in 1950 when over one and one-half million tons were produced. Of the total, 601,290 tons secured in 1959, nearly 88 per cent came from one rail mine and the remainder from 22 truck mines. The important seams worked were the Elkhorn No. 3, Hazard No. 5A, Hazard No. 7 and Hazard No. 4 (Annual Report, Kentucky Department of Mines and Minerals, 1959).

Reserves: The total original reserves for Breathitt County are estimated at 1,887.07 million short tons by the USGS in a recent publication, "Coal Resources of Eastern Kentucky." This includes measured, indicated and inferred resources in beds fourteen inches or more in thickness.

PETROLEUM AND NATURAL GAS:

Oil and gas have been secured in small amounts since the early 1900's. Total reported accumulative oil production through 1960 totaled over one million barrels. This total has been brought about mainly by the recent discovery in 1957 of the Highland oil pool Southwest of Jackson. Production has been mainly from the "Corniferous" with lesser amounts from the "Big Lime" formation. Peak production came in 1959 when nearly one-half million barrels were produced. A total of 301,006 barrels were secured in 1960.

Natural gas has been secured from several pools in the County. Production has been chiefly from the "Corniferous" and "Big Six" horizons. These pools have been the source of natural gas for the City of Jackson.

Sand:

Loose sands suitable for general construction purposes occur along the major streams. Some local sandstones might be used for general construction purposes.

Clay:

Local clays are available for the manufacture of common brick, structural tile and sewer pipes. These could be developed if there is a local demand.

In 1959, Kentucky ranked tenth in the nation in the value of minerals produced. Total production was valued at \$416,391,000 and the principal minerals were coal, petroleum, natural gas and stone. Among the states, Kentucky ranked third in bituminous coal and second in ball clay and fluorspar production.

Table 10

Kentucky Mineral Production in 1959*

<u>Mineral</u>	<u>Unit</u>	<u>Quantity</u>
Barite	Short tons	26,598
Clays	Short tons	984,000
Coal	Short tons	62,810,000
Fluorspar	Short tons	18,579
Gem stones		(1)
Lead (recoverable content of ores, etc.)	Short tons	409
Natural gas	Million cubic feet	72,400
Natural-gas liquids:		
Natural gasoline	Thousand gallons	35,868
LP-gases	Thousand gallons	213,171
Petroleum (crude)	Thousand 42-gal. bbls.	26,343 (2)
Sand and gravel	Short tons	5,081,000
Silver (recoverable content of ores, etc.)	Troy ounces	75
Stone	Short tons	16,063,000
Zinc (recoverable content of ores, etc.)	Short tons	673

(1) Weight not recorded.

(2) Preliminary figure.

* The Mineral Industry of Kentucky, Minerals Yearbook, 1959

Water

Surface Water:

Surface water is available from the North Fork Kentucky River and its larger tributaries. Other sources may be secured from impounded small streams. The average discharge of the North Fork Kentucky River at Jackson is 1,203 cfs (USGS, 19 years record).

Ground Water:

The occurrence of ground water is from the rocks of the Pennsylvanian System. This is summarized in Hydrologic Investigations Atlas HA-10 (USGS) as follows:

PENNSYLVANIAN SYSTEM

1. Eastern Coal Field:

"Where sandstone, siltstone, or conglomerate crops out in the 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 this system.

MARKETS

Retail sales in Breathitt County in 1958 were \$5,420,000.*

Per Capita income in Breathitt County in 1957 was \$626.**

Kentucky and the seven adjoining states make up one-fourth (1/4) of the National Market.

In 1957, the population was 39,901,000 -- or 23.4% of the United States; personal income was \$80,029,000,000 -- or 23.2% of the United States; value added by manufacturing was \$40,684,782,000 -- or 28.2% of the United States.

In 1958, retail sales in this area totaled \$44,817,920,000 -- or 22.3% of the United States.***

* 1958 Census of Business, Retail Trade, Kentucky, United States Bureau of Census.

** Personal Income in Kentucky Counties, 1957, Bureau of Business Research, University of Kentucky, Lexington, Ky.

*** Kentucky Industrial Directory, 1959-60, Kentucky Department of Economic Development

CLIMATE

The average annual precipitation in Kentucky ranges from 38 to 40 inches in the Northern part of the state to 50" or more in the South-central part. Late summer is normally the driest part of the year.

Winter is usually 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% of the year and increases to 60% or more to 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.

APPENDIX

History	Appendix A
Employment by Industry Division	Appendix B
Economic Characteristics of the Population	Appendix C
Climatic Data	Appendix D
Kentucky Corporation Taxes	Appendix E
Taxes Applicable to a Manufacturing Concern	Appendix E-1
City Bond Issues for Industrial Buildings	Appendix F
Instructions for Filing Articles of Incorporation	Appendix G
Cooperating State Agencies	Appendix H

HISTORY

Breathitt County, the 89th in order of formation, was established in 1859 and named after Governor John Breathitt. Governor Breathitt was a resident of Logan County, a state representative, Lt. Governor in 1828, and Governor of Kentucky from 1832 to his death in 1834. Governor Breathitt was a strong supporter of Andrew Jackson and the Democratic party of his day. His brother, George Breathitt, served as President Jackson's private secretary. It was, therefore, most appropriate that the county seat be named for General Jackson.

Breathitt County is part of the beautiful Kentucky mountain country of ridges, hills and winding valleys. There are outcroppings of the sandstone substructure of this area which contain some coal and low-grade iron ore. Coal has long been the king of the Kentucky mountains, and the C. & O. Railroad built a spur line to the northeastern part of the county to open a high producing coal field. Numerous truck mines also operate throughout the county.

In the late eighties the approach of the Kentucky Union Railroad resulted in a boom that reached its peak shortly after 1891, at which time the railroad reached Jackson, making the town its Eastern terminal. The town was incorporated the same year. For the next 20 years Jackson was the trading center for Eastern Kentucky. During that time various industries were established, among them a brick plant, coal mines and a number of large sawmills.

Breathitt citizens have an enviable record of distinguished service in the cause of liberty. When World War I came, the quota of men for this mountain area was filled before conscription began, making Breathitt the only county in the United States which did not have to draft a single man. Sgt. Willie Sandlin, who later lived on a branch of Hell-fur-Sartin' Creek, received a tribute from General Patton, the Congressional Medal of Honor, the Medale Militaire and Croix de Guerre of France, the Montenegrin War Cross and the Italian War Cross. Patton said, "Sgt. Sandlin showed conspicuous gallantry at Bois de Forges, France, . . . setting a splendid example of coolness and bravery to his men."

Lee's College, located in Jackson and once known as Jackson Academy, has provided educational opportunities for mountain youth since 1884. This was the first mountain school which embraced a college curriculum and has provided many teachers for Jackson and the surrounding area.

Appendix A

Breathitt County is rich with legends of the past. One of the most fascinating concerns Jermiah Lovelace, who called himself the Prophet and claimed miraculuous powers. In order to convince some of the doubters he asked them to meet him at the river where he would walk upon the water. Some of the boys got suspicious and in their snooping found that the Prophet had placed a wooden trestle about eight inches under the water. As an aid to Jermiah's experiment they removed the middle plank without his knowledge. That night a large crowd gathered on the banks to watch the performance. He called upon the audience to sing a hymn while he performed. Much to his surprise at the end of the first verse he went overboard. After a short struggle he called to the crowd, "Brethren, save me or I perish!" A voice in the audience answered "Can't give you any assistance - all durned fools like you ought to drown!" The Prophet finally got ashore but was never known to walk on the water after that.

Another story concerns one Simon Cockrell who had the habit of swearing. One day he swore a profane oath before the court, for which he was fined five shillings. When he paid the fine he presented the clerk with a five dollar bill which the clerk could not change. Cockrell replied that he wanted no change but would "swear out the balance", which was done in short order and in a profusion that never had been heard before.

Covered Employment by Major Industry Division
Breathitt County and Kentucky

<u>Industry, September 1960</u>	<u>Breathitt County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
All Industries	548	100.0	456,188	100.0
Mining & Quarrying	282	48.2	33,672	7.3
Contract Construction	3	.5	37,503	8.2
Manufacturing	104	17.8	172,028	37.7
Food and kindred products	17	2.9	26,979	5.9
Tobacco	0	0	10,603	2.3
Clothing, tex. & leather	0	0	26,586	5.8
Lumber & furniture	87	14.9	14,995	3.2
Printing, pub. and paper	0	0	10,302	2.2
Chemicals, petroleum, coal & rubber	0	0	13,632	2.9
Stone, clay & glass	0	0	6,222	1.3
Primary metals	0	0	9,120	1.9
Machinery, metal & equip.	0	0	51,219	11.2
Other	0	0	2,368	.5
Transportation, Communication & Utilities	12	2.0	33,704	7.3
Wholesale & Retail Trade	122	20.8	120,282	26.3
Finance, Ins. & Real Estate	13	2.1	20,138	4.4
Services	12	2.0	36,976	8.1
Other	0	0	1,885	.4

Appendix C

Economic Characteristics of the Population for Breathitt County and Kentucky
1950

Subject	Breathitt County		Kentucky	
	Male	Female	Male	Female
Total Population	10,083	9,881	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	6,106	5,957	1,039,654	1,048,459
Labor force	4,319	696	799,094	214,162
Civilian labor force	4,317	695	777,155	213,916
Employed	4,245	684	748,658	206,328
Private wage & salary	1,406	226	437,752	156,377
Government workers	189	97	45,354	28,787
Self-employed	1,781	75	235,407	15,104
Unpaid family workers	869	286	30,145	6,060
Unemployed	72	11	28,497	7,588
Experienced workers	72	8	28,082	7,281
New workers	---	3	415	307
Not in labor force	1,787	5,261	240,560	834,297
Keeping house	35	3,839	5,495	665,564
Unable to work	674	320	70,583	38,564
Inmates of institutions	3	7	14,764	7,223
Other and not reported	1,075	1,095	149,718	122,946
14 to 19 years old	671	829	84,410	85,890
20 to 64 years old	367	254	47,447	28,952
65 and over	37	12	17,861	8,104
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All Employed	4,245	684	748,658	206,328
Professional & technical	98	124	34,405	25,410
Farmers & farm mgrs.	1,595	39	169,728	2,264
Mgrs., officials & props.	138	41	57,432	9,706
Clerical & kindred wkrs.	62	47	33,228	47,520
Sales workers	51	39	35,141	20,534
Craftsmen and foremen	257	---	107,292	3,096
Operatives & kindred wkrs.	713	10	152,280	37,609
Private household wkrs.	2	13	1,584	21,408
Service workers	54	79	30,522	28,000
Farm laborers, unpaid fam.	863	279	29,165	3,260
Farm laborers, other	162	3	38,358	788
Laborers, ex. farm & mine	227	2	49,848	1,843
Occupation not reported	23	8	9,675	4,890

Source: Bureau of Census, 1950 Census of Population (Washington, 1952), Vol. II, Part 17, Tables 25, 28, and 43.

CLIMATIC DATA FOR JACKSON, BREATHTITT COUNTY, KENTUCKY

<u>Month</u>	<u>Temp. Norm*</u>	<u>Total Prec. Norm*</u>	<u>Av. Relative</u>	
	<u>Deg. Fahrenheit</u>	<u>Inches</u>	<u>Humidity Readings**</u>	
			<u>6:30 AM</u>	<u>6:30 PM (CST)</u>
January	35.7	4.51	83	73
February	37.7	3.68	82	68
March	45.8	4.92	80	65
April	55.3	3.81	75	60
May	64.5	4.06	76	64
June	72.7	4.52	78	66
July	76.2	5.05	78	67
August	75.1	4.31	81	67
September	69.7	3.07	81	65
October	57.6	2.87	79	62
November	48.5	2.70	80	68
December	37.0	3.86	80	70
Annual Norm	56.1	46.36		

* Station Location: Heidelberg, Lee County, Kentucky

** Station Location: Lexington, Kentucky

Length of record - 6:30 AM readings - 51 years;

6:30 PM readings - 16 years.

Days Cloudy or Clear: (62 years of record) 129 days clear, 106 days partly cloudy, 130 days cloudy.

Per cent of Possible Sunshine: (34 years of record) Annual - 52 per cent.

Days with Precipitation over 0.01 Inch: (66 years of record) 133 days.

Days with 1.0 or More Snow, Sleet, Hail: (62 years of record) 6 days.

Days with Thunderstorms: (62 years of record) 44 days.

Days with Heavy Fog: (44 years of record) 11 days.

Prevailing Wind: (62 years of record) Southwest.

Seasonal Heating Degree Days: (49 years of record) Approximate long-term means - 4,763 degree days.

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</u> (Par Value)	<u>Rate Per Share</u> (No Par Value)
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 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 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.

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 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.

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 their 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. 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 1955, the statewide assessment level on real estate and tangible personalty is about 35 per cent, 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	.10	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	1.50	No	No	No
Distilled spirits	.50	Full <u>1/</u>	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	.25	No	No	No
Intangibles, franchise	.50	Full	Full	Full
Intangibles, franchise 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 <u>2/</u>	.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, <u>after</u> 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 capitol 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 tax consisting of: (1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after</u> the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption. (Effective January 1, 1961, individual income taxes were reduced by an average of 40%.)	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 per cent 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 33 per cent 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 33 per cent 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 per cent retail sales and use tax with broad exemptions for industry.	None									
Intangible Property	The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follow: <table border="0" style="margin-left: 20px;"> <tr> <td>Bank Deposits</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">1/10 of 1¢</td> </tr> <tr> <td>Stocks & Bonds</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">25¢ per \$100</td> </tr> <tr> <td>Accounts Receivable</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">25¢ per \$100</td> </tr> </table>	Bank Deposits	100%	1/10 of 1¢	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¢									
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 Economic Development, 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 Economic Development "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 1959, 2,645 miles of highway and bridges were placed under contract at a total cost of \$62,905,575. 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 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.

The Kentucky Department of Economic Development 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.