

7-3-1953

# Industrial Resources: Bullitt County - Lebanon Junction

Kentucky Library Research Collections  
Western Kentucky University, [spcol@wku.edu](mailto:spcol@wku.edu)

Follow this and additional works at: [https://digitalcommons.wku.edu/bullitt\\_cty](https://digitalcommons.wku.edu/bullitt_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: Bullitt County - Lebanon Junction" (1953). *Bullitt County*. Paper 14.  
[https://digitalcommons.wku.edu/bullitt\\_cty/14](https://digitalcommons.wku.edu/bullitt_cty/14)

This Report is brought to you for free and open access by TopSCHOLAR®. It has been accepted for inclusion in Bullitt County by an authorized administrator of TopSCHOLAR®. For more information, please contact [topscholar@wku.edu](mailto:topscholar@wku.edu).

# ECONOMIC & INDUSTRIAL SURVEY

of

## Lebanon Junction, Ky.



Prepared By

THE CITY COUNCIL OF LEBANON JUNCTION

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

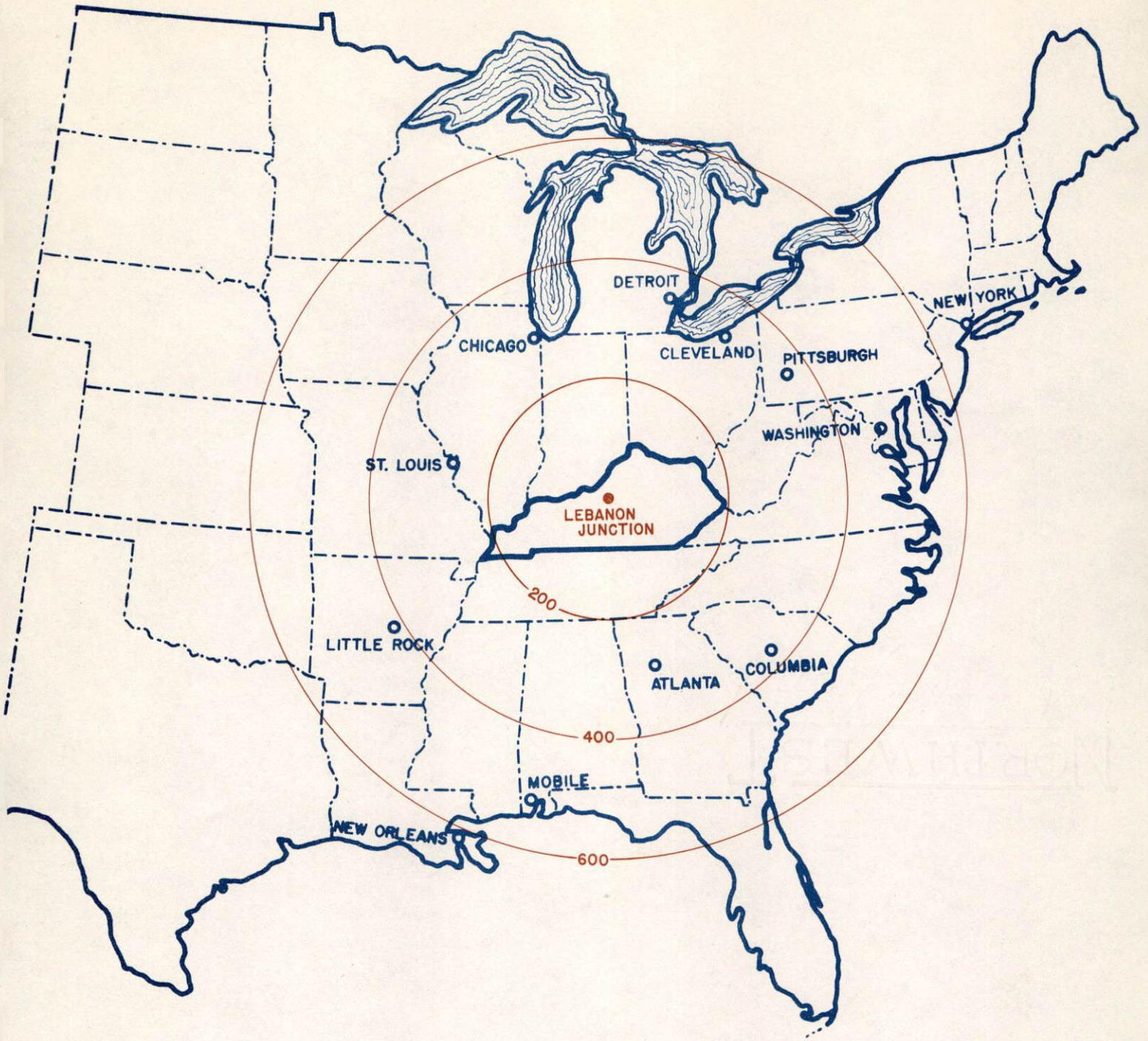
ECONOMIC & INDUSTRIAL SURVEY  
OF  
LEBANON JUNCTION, KENTUCKY

Prepared by

The City Council of Lebanon Junction  
and  
The Kentucky Agricultural & Industrial Development Board

July 3, 1953





## LEBANON JUNCTION, KENTUCKY

HAS 50,000,000 CUSTOMERS  
WITHIN ITS MARKET AREA



## TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR	
Population Figures 1850 - 1950; Population Characteristics;	
Labor Market Area; Economic Characteristics	1
Labor Supply; Average Weekly Covered Wages	2
Existing Industry; Union Affiliations	3
TRANSPORTATION	
Railroads; Highways	3
Air	4
COMMUNICATIONS	
Postal Facilities; Railway Express; Telephone	4
UTILITIES	
Electricity; Gas; Water	4
Sewage	5
CITY GOVERNMENT AND SERVICES	
Type Government; Tax Rates and Laws	5
Laws Affecting Industry; City Services	6
LOCAL CONSIDERATIONS	
Housing; Health; Schools	7
Churches; Recreation; Tourist Accommodations;	
Newspapers; Radio and Television Stations; Banks;	
Retail Dealers; Service Establishments; Retail,	
and Service Trade Sales	8
Clubs and Organizations; Climate	9
RESOURCES	
Mineral	10
INDUSTRIAL MARKETS	11
APPENDIX Following Page 11	



## LEBANON JUNCTION, KENTUCKY

### POPULATION AND LABOR:

#### Population Figures 1850 - 1950

	<u>Lebanon Junction</u>	<u>Bullitt County</u>
1850		6,775
1860		7,289
1870		7,781
1880		8,521
1890		8,291
1900	599	9,602
1910	807	9,487
1920	882	9,328
1930	1,267	8,868
1940	1,141	9,511
1950	1,243	11,349

Population Characteristics - The population of Lebanon Junction has shown an increase of 8.9% during the past decade, while the population of Bullitt County has shown an increase of 19.3% during the same period. 97.2% of the population of Bullitt County are native white, 0.5% foreign born white, and 0.3% negro.

Labor Market Area - The Lebanon Junction labor market area includes Bullitt, Nelson, Larue, and Hardin Counties. This is the area from which workers would be drawn to jobs at Lebanon Junction, and the population center of each county is within 30 miles of the city.

Economic Characteristics - Agriculture is the dominant activity in this area. According to the 1950 Census of Agriculture, 10,237 persons were working on the 7,244 farms in the four counties. In Bullitt County, 1,614 were working on 1,062 farms. The area's 7,244 farms included 2,391 with 1949 cash income below \$600 with 400 of these in Bullitt County.



Late in 1952, there were 6,459 jobs covered by unemployment insurance in the area. Hardin County had 3,634 of these jobs, Nelson County 1,971, and Bullitt County only 537. Included in covered employment were 1,852 in manufacturing with 1,233 of these in the food and related industries primarily distilling. Of the 294 manufacturing jobs in Bullitt County, 291 were in the food group.

Per capita income in the four counties is a study in contrasts. Hardin County reflecting the Fort Knox influence had an estimated per capita income of \$1,700 in 1950, the highest of any county in the state. Per capita income for the other counties was: Bullitt \$818, Larue \$661, and Nelson \$795.

Labor Supply - In this entire block of four counties, approximately 1,600 men and 1,900 women would be available for industrial employment. However, only 1,000 of the men and 1,100 of the women would be available for jobs located in Lebanon Junction due to commuting problems. The male labor supply would be drawn heavily from low income farms. Women would come from groups not now in the labor force.

Average Weekly Covered Wages - The average weekly wage for jobs covered by unemployment insurance in this area is higher than in most rural counties. During the third quarter of 1952, the weekly wage averaged \$57.09 for the state while in these counties it was: Bullitt \$53.23, Hardin \$47.00, Larue \$40.71, and Nelson \$48.00.



Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Logan Murray Grocery Co.	Groceries & produce	11	2	13

Industrial employment for the county is shown on Page 2.

Union Affiliations - None

TRANSPORTATION:

Railroads - Lebanon Junction is served by the Louisville & Nashville Railroad. The town is located on the main line and is the junction point for the Atlanta Division of the line. There are 8 freight stops north, and 8 freight stops south each day.

Approximate Transit Times To

Atlanta, Ga.	31 hrs.	Louisville, Ky.	2 hrs.
Birmingham, Ala.	24 hrs.	Mobile, Ala.	36 hrs.
Chicago, Ill.	28 hrs.	Nashville, Tenn.	7 hrs.
Cincinnati, O.	8 hrs.	New York, N. Y.	61 hrs.
Cleveland, O.	27 hrs.	New Orleans, La.	45 hrs.
Detroit, Mich.	48 hrs.	Pittsburgh, Pa.	33 hrs.
Knoxville, Tenn.	23 hrs.	St. Louis, Mo.	23 hrs.

Highways - Ky. #'s 61, 434

Highway Distances To

Atlanta, Ga.	376	Lexington, Ky.	78
Birmingham, Ala.	356	Louisville, Ky.	30
Chicago, Ill.	445	Nashville, Tenn.	191
Cincinnati, O.	145	New York, N. Y.	791
Detroit, Mich.	408	Pittsburgh, Pa.	426
Knoxville, Tenn.	386	St. Louis, Mo.	307

Truck Lines Serving Lebanon Junction - The Sadler Truck Line

makes regular stops each day from the Louisville terminal.

Lebanon Junction is also served by the McDuffy Lines which

operate between Campbellsville, Kentucky, and Cincinnati, Ohio.



Bus Lines Serving Lebanon Junction - The Kentucky Bus Line serves Lebanon Junction with two busses north and two busses south each day. These busses operate between Louisville and Paducah.

Air - The nearest commercial airport is Standiford Field, Louisville, approximately 30 miles distant. This airport is served by Eastern, Delta, Piedmont, and TWA Airlines.

#### COMMUNICATIONS:

Postal Facilities - Postal service is provided by a third class post office which employs two persons. There is one rural route and annual receipts of the post office are \$9,000.

Railway Express - There are two express deliveries from the north each day, and two from the south.

Telephone - The Southern Bell system serves Lebanon Junction and connects with main lines at Louisville. There are 330 local subscribers. (See Appendix A-1 for rates).

#### UTILITIES:

Electricity - Lebanon Junction is served by the Kentucky Utilities Company. (See Appendix B for rates).

Gas - Lebanon Junction is not served by a natural gas system.

Water - The water distribution system is municipally owned and operated. The principal source of supply of raw water is Rolling Fork River. Water is brought to the filtration plant by low and high lift



pumps where it is treated with alum, chlorine, and lime. Water is stored in a 100,000 gallon tank and distributed to the town through 8", 6", and 4" mains. The business section is served by an 8" main and the residential area by 6" and 4" mains. The present water capacity is used to only 40% of its capacity. The system averages 62 pounds psi. pressure in the business area. (See Appendix A-2 for rates).

Sewage - Sewage disposal is by means of septic tanks, as no municipal plant is provided.

CITY GOVERNMENT AND SERVICES:

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

Tax Rates and Laws -

Property Tax Rates per \$100 in 1951

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

(See Appendix C for Kentucky Corporation Tax Information).

Assessment Practice - City - 40% of sale value  
County - 35% of sale value

Total Assessment - City - \$615,917.00  
County - \$9,977,300.00



City Bonded Indebtedness - \$52,000 in revenue bonds outstanding.

The original issue was in the amount of \$65,000, issued in 1935 under a 30-year payment plan.

County Bonded Indebtedness - \$125,000 road and bridge bonds issued 6/19/26 at 3 1/2%, \$35,000 outstanding, to be retired 11/1/67; \$70,000 courthouse bonds issued 5/1/47 at 2 1/2%, \$45,000 outstanding, to be retired 5/1/61.

Annual City Income - \$6,500

Annual City Expenses - \$6,000

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

Exemption to Industry - City - 5 years. State law permits the five-year local tax exemption which cannot be extended.

City Services -

Fire Protection - Provided by a 12-man volunteer fire department which is equipped with one 1953 Chevrolet truck with a 500 gpm Laverne pumper, 1500' of 2 1/2" hose. There are 29 fire hydrants. The city has an 8th class fire insurance rating.

Police Protection - Provided by two patrolmen.

Streets - Lebanon Junction has 3 1/4 miles of paved streets and 1 1/2 miles of unpaved streets.

Garbage - Garbage collection and disposal is by private contract as the municipality does not provide this service.



LOCAL CONSIDERATIONS:

Housing - The residents of Lebanon Junction generally own their homes. There is no rental property. A two-bedroom, frame house could be purchased or constructed for about \$6,000. A new desirable building addition of 25 dwelling lots has recently been opened on the east side of Ky. #61, within the city limits.

Health -

Hospitals - The nearest hospital is at Bardstown, 18 miles distant.

Doctors - MD's - 1; RN's -2.

Public Health Program - The county health department program comprises: communicable disease control, immunizations and tests, tuberculosis and venereal disease control, maternal and child health, school health, laboratory services, and public health activities.

Schools - The Lebanon Junction school system is comprised of one independent school which includes both elementary and high school, and a parochial school which includes both elementary and high. The independent school has an enrollment of 297, a capacity of 400, and 13 teachers. The parochial school has an enrollment of 41, a capacity of 60, and 3 teachers.

Colleges - Colleges in the area include: University of Louisville, Louisville (30 miles); University of Kentucky and Transylvania College, Lexington (78 miles); Georgetown College, Georgetown, (75 miles).



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

Recreation - A municipal playground, which includes a softball field and two tennis courts, is maintained. There is one theater which changes programs 3 times weekly.

Tourist Accommodations - The Rainey Hotel - 15 rooms.

Newspapers - There is no local newspaper. The city is served by the Louisville Courier-Journal and Times.

Radio and Television Stations - Lebanon Junction is served by Louisville radio stations: WAVE, NBC Network; WGRC, MBS Network; WHAS, CBS Network; WKLO, ABC Network; WRXW, NBC Network; WFPL, WINN, WKYW, WLOU, WSDX; and Louisville television stations WAVE-TV, ABC, NBC, DuMont Networks, Channel Three; WHAS-TV, CBS Network, Channel Eleven.

Banks - The Peoples Bank with total resources of \$1,807,000 and total deposits of \$836,000.

Retail Dealers

Auto dealers	1
Drugs	1
Furniture	1
Groceries	6
Hardware	1

Service Establishments

Beauty shops	2
Barber shops	3
Funeral homes	1
Laundry & cleaning	1
Service Stations	3

Retail and Service Trade Sales - Retail and service establishments located in Bullitt County, Kentucky, showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to the 1948 Census of Business.



Retail sales in the county during 1948 aggregated \$3.3 million, an increase of 267% over the \$0.9 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$136,000 in 1948 compared with \$52,000 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 137 paid employees for the workweek ended nearest November 15, 1948, as compared with a total of 84 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Lions Club, Chamber of Commerce

Fraternal - Masonic, Odd Fellows, Macabees

Women's Clubs - Homemakers, Eastern Star

Youth -- Boy and Girl Scouts

Climate -

	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	Relative Humidity		
			6:30 a. m. (51-yr. rec.)	12:30 p. m. (21-yr. rec.)	6:30 p. m. (16-yr. rec.)
Jan.	33.9	4.74	83	75	73
Feb.	35.8	3.58	82	70	68
Mar.	45.5	4.89	80	65	65
Apr.	54.9	4.22	75	59	60
May	64.4	4.09	76	59	64
June	72.8	4.20	78	58	66
July	76.6	3.43	78	56	67
Aug.	75.2	3.68	81	58	67
Sept.	69.5	2.98	81	58	65
Oct.	57.8	2.92	79	58	62
Nov.	45.6	3.39	80	66	68
Dec.	35.7	4.10	84	73	70
Ann. Norm.	55.6°F	46.22			



Frost-free Period - April 18 to October 19; Growing season - 184 days.

Days Cloudy or Clear (62-yr. rec.) - Clear - 129; Partly Cloudy - 106; Cloudy - 130.

Percent of Possible Sunshine (34-yr. rec.) - Annual - 52%

Number of Days With - Prec. over 0.01 in. - (66-yr. rec.) - 133  
1.0 or more snow, sleet, hail (62-yr. rec.) - 6  
Thunderstorms (62-yr. rec.) - 44  
Heavy Fog (44-yr. rec.) - 11

Prevailing Winds (62-yr. rec.) - from southwest

Seasonal Heating Degree Days (49-yr. rec.) - Long-term means,  
4,763 degree days.

#### RESOURCES:

Mineral - The important mineral resources of Bullitt County are limestones, shales and clays, and sands. Small amounts of petroleum and natural gas have been produced. Sandstone, which might be used for some types of construction, occur.

Available limestones can be used for road construction, building construction, and railroad ballast.

Clays and shales occur which can be used for brick manufacture.

Bituminous shale, in this county, might, in the future, be used for the manufacture of synthetic liquid fuels.

Reports on sands of Bullitt County describe two deposits of molding sands which have working faces of 100' in length and 30' in height, and 50' in length and 20' in height, respectively. Sands have been shipped from both these deposits.



**INDUSTRIAL MARKETS:**

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



APPENDIX

Telephone Rates	App. A -1
Water Rates	App. A -2
Power Rates	App. B
Kentucky Corporation Taxes	App. C
Kentucky Revised Statutes - Bond Issue Plan	App. D
Cooperating State Agencies	App. E



## TELEPHONE RATES - Appendix A-1

	<u>Individual</u>	<u>Two-party</u>	<u>Rural</u>
Business	\$5.50	\$4.50	
Residential	2.50	2.00	\$1.75

These rates do not include tax

## WATER RATES - Appendix A-2

Residential

First	3,000 gal. per mo.	\$2.50 (minimum)
Next	1,000 gal. per mo.	.45 per M gal.
Next	1,000 gal. per mo.	.25 per M gal.
Next	5,000 gal. per mo.	2.25
Next	5,000 gal. per mo.	2.00
Over	25,000 gal per mo.	.35 per M gal.

Commercial

First	3,000 gal. per mo.	\$2.50 minimum
Next	1,000 gal. per mo.	.50 per M gal.
Next	1,000 gal. per mo.	.50 per M gal.
Next	1,000 gal. per mo.	.45 per M gal.
Next	2,000 gal. per mo.	.80 per M gal.
Over	8,000 gal. per mo.	.35 per M gal.



**KENTUCKY UTILITIES COMPANY**  
INCORPORATED

P. S. C. No. 2

FORM KU 17-12

ELECTRIC RATE SCHEDULE

L. P.

Billing Code No. 56

**Combined Lighting and Power Service**

APPLICABLE in all territory served by Company.

**AVAILABILITY**

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

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

**CHARACTER OF SERVICE**

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

**RATE**

**Maximum Load Charge**

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

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

**Plus an Energy Charge**

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

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

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

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

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

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

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

**DETERMINATION OF MAXIMUM LOAD**

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

**MINIMUM ANNUAL BILL**

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

**DUE DATE OF BILL**

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

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

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

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

**RULES AND REGULATIONS**

Service will be furnished under the Company's general RULES AND REGULATIONS or TERMS AND CONDITIONS.

**PRIMARY DISCOUNT. (Applicable to customers having a maximum of 50 kilowatts or more.)**

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

Date of Issue October 1, 1951

Date Effective November 1, 1951

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



## KENTUCKY CORPORATION TAXES

### Corporation Organization Tax

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

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

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

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

### Corporation License Tax

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

### Corporation Income Tax

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



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

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

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

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

#### Franchise Company Taxes

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

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

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

#### General Property Taxes

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



**STATUTE GOVERNING RIGHT OF CITIES TO  
CONSTRUCT INDUSTRIAL BUILDINGS**

**KENTUCKY REVISED STATUTES (1948)**

**Sec. 103.200 - 103.280**

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

**Distributed  
by the  
Agricultural and Industrial Development Board  
of  
Kentucky**

**Frankfort, Kentucky**



KENTUCKY REVISED STATUTES

1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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



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.



## 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.



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.