

7-15-1953

## Industrial Resources: Carter County - Olive Hill

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ECONOMIC & INDUSTRIAL  
SURVEY

of

Olive Hill, Ky.



Prepared By

THE OLIVE HILL ROTARY CLUB

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

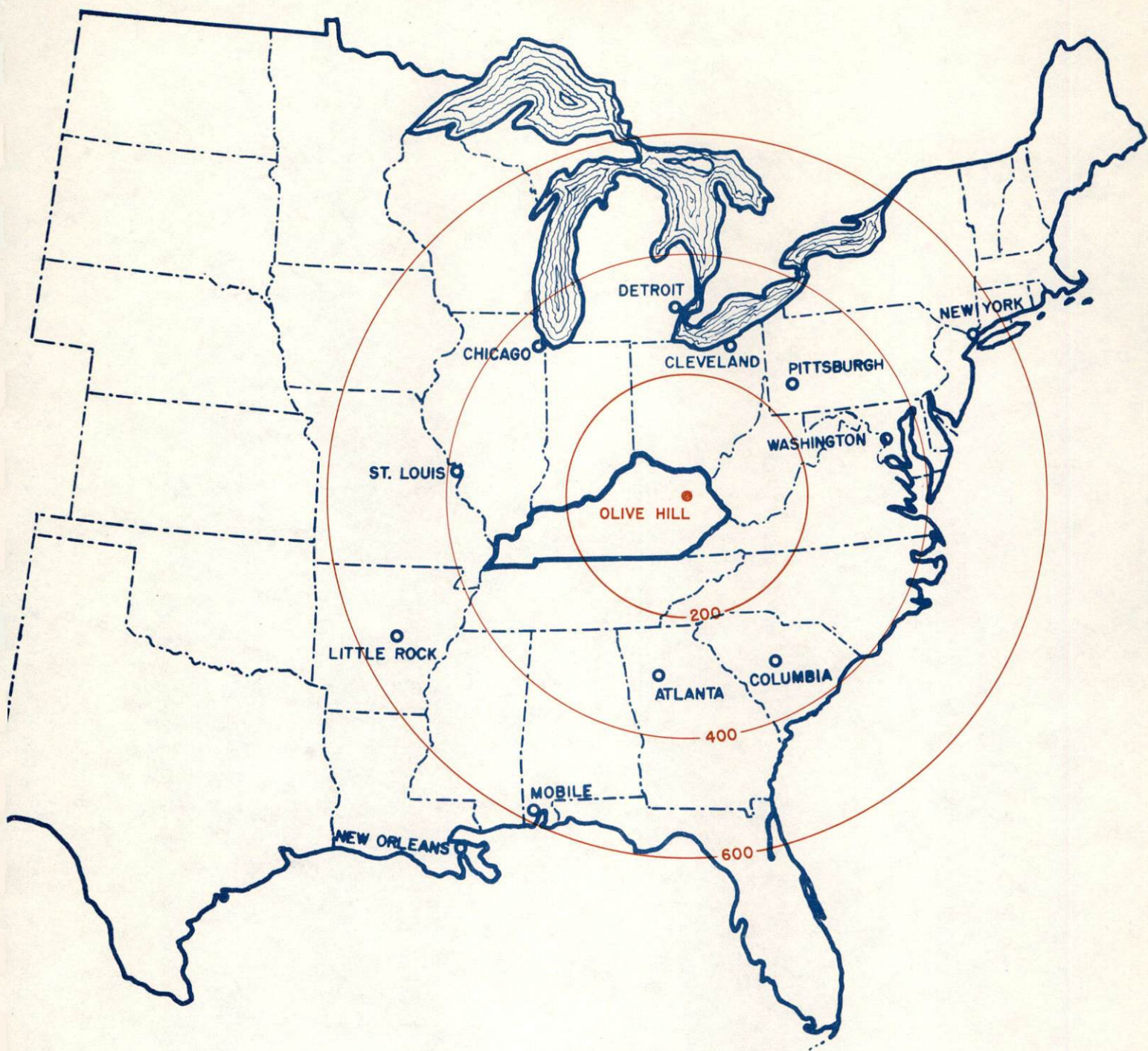
KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY  
OF  
OLIVE HILL, KENTUCKY

Prepared by

The Olive Hill Rotary Club  
and  
The Kentucky Agricultural & Industrial Development Board

July 15, 1953



**OLIVE HILL, KENTUCKY**  
**HAS 50,000,000 CUSTOMERS**  
**WITHIN ITS MARKET AREA**

NO. 1 WEST  
*apond*

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## OLIVE HILL, KENTUCKY

Olive Hill is located in Carter County, Kentucky, 41 miles west of Ashland on U. S. Highway #60 and on the Chesapeake & Ohio Railroad. (See Appendix A for History and General Description).

### POPULATION AND LABOR:

#### Population Figures 1890 - 1950

|      | <u>Olive Hill</u> | <u>Carter County</u> |
|------|-------------------|----------------------|
| 1890 | 186               | 17,204               |
| 1900 | 291               | 20,228               |
| 1910 | 1,132             | 21,966               |
| 1920 | 1,395             | 22,474               |
| 1930 | 1,484             | 23,839               |
| 1940 | 1,491             | 25,545               |
| 1950 | 1,351             | 22,559               |

Population Characteristics - The population of Olive Hill has shown a decrease of 9.4% during the past ten years, while Carter County has shown a decrease of 11.7% during the same period. 99.8% of the population of the County are native white, 00.1% foreign-born white, and 00.1% negro.

Labor Market Area - The Olive Hill labor supply area would include Carter, Rowan, Elliott, and Lewis Counties. The greatest source of employment in this area is agriculture with 8,209 reported as working on farms by the 1950 Census of Agriculture. Employment covered by unemployment insurance totaled 4,161 in December, 1952, including 2,185 jobs in Carter County. There are about 2,405 manufacturing jobs in the area, heavily concentrated in Carter and Rowan

counties. Employment in refractories dominates manufacturing employment in the area, although production of apparel is also fairly important. Of the 6,156 farms in the area, about 2,600 had 1949 cash income of less than \$600. Per capita income of all counties in the area was well below the state average of \$959 in 1950. Per capita income was estimated at \$504 in Carter County.

Labor Supply - Within the Olive Hill labor supply area, there would be at least 2,000 men and 2,500 women who would be available for factory jobs. However, due to travel distances involved, it is unlikely that all of these potential workers would be available for jobs at Olive Hill. It is estimated that 2,700 of these workers -- 1,500 women and 1,200 men -- would be available for jobs at Olive Hill. About 800 of the men and 1,000 of the women would be available from Carter County alone. The labor supply would consist primarily of persons with an unskilled background. The male labor supply would be drawn heavily from low income farms, and the female workers would be housewives and other women not now in the labor force.

Existing Industry

| <u>Industry</u>               | <u>Product</u>            | <u>M</u>   | <u>F</u>   | <u>T</u>     |
|-------------------------------|---------------------------|------------|------------|--------------|
| Acme Stone Co.                | Crushed limestone         | 14         | 0          | 14           |
| Blue Anchor Overall Co.       | Cotton piece goods        | 32         | 200        | 232          |
| *General Refractories Co.     | Refractory products       | 440        | 4          | 444          |
| *Harbison-Walker Refractories | Refractory fire brick     | 153        | 1          | 154          |
| Jones Finishing Co.           | Hand finishing on cards   | 5          | 137        | 142          |
| Olive Hill Lumber Co.         | Kiln drying, planing lbr. | 7          | 0          | 7            |
| Morton M. Rose                | Work clothing             | 15         | 185        | 200          |
|                               |                           | <u>666</u> | <u>527</u> | <u>1,193</u> |

County industrial employment is shown on Page 1.

Union Affiliations - \* United Brick and Clay Workers of America.

TRANSPORTATION:

Railroads - Olive Hill is served by the Chesapeake & Ohio Railway Company.

Approximate Transit Times To

|                |         |                    |          |
|----------------|---------|--------------------|----------|
| Ashland, Ky.   | 24 hrs. | Huntington, W. Va. | 24 hrs.  |
| Chicago, Ill.  | 48 hrs. | Indianapolis, Ind. | 48 hrs.  |
| Cincinnati, O. | 24 hrs. | Louisville, Ky.    | 24 hrs.  |
| Cleveland, O.  | 48 hrs. | New York, N. Y.    | 120 hrs. |
| Columbis, O.   | 24 hrs. | Norfolk Va.        | 48 hrs.  |
|                |         | Philadelphia, Pa.  | 120 hrs. |

Inbound Carloads per year - 175. Principal commodities are construction materials and clay.

Outbound carloads per year - 400. Principal commodities are firebrick, stone and clay.

Highways - U. S. #60; Ky. #'s 2 and 174.

Highway Distances To

|                  |     |                  |     |
|------------------|-----|------------------|-----|
| Atlanta, Ga.     | 460 | Louisville, Ky.  | 164 |
| Birmingham, Ala. | 420 | Nashville, Tenn. | 215 |
| Chicago, Ill.    | 416 | Mobile, Ala.     | 670 |
| Cincinnati, Ohio | 130 | New Orleans, La. | 712 |
| Detroit, Mich.   | 250 | St. Louis, Mo.   | 445 |

Bus Lines Serving Olive Hill - Greyhound Bus Lines with 5 westbound and 5 eastbound busses daily; Fraley Bus Lines with 4 eastbound and 4 westbound daily, and 5 each way on week ends; Graham Bus Lines with 3 trips daily to Graham.

Truck Lines Serving Olive Hill - Pinson Truck Lines.



Air - The nearest commercial airport is at Ashland, 41 miles distant. This is a Class III Airport, having a 5,000 foot graded runway with 4,600 feet surfaced, and is served by Piedmont Airlines.

COMMUNICATIONS:

Postal Facilities - Olive Hill has a second class post office with 6 permanent employees. There are 2 rural routes and 2 star routes. Mail is received and sent out 5 times daily. Postal receipts for 1952 totaled \$16,789.

Telephone - The Ashland Home Telephone Company, with 7 employees, and 485 subscribers, serves Olive Hill. (See Appendix B-1 for rates).

UTILITIES:

Electricity - Electric power, municipally distributed to small industry, business and residential areas, is provided by the Kentucky & West Virginia Power Company through a 33,000 volt line. (See Appendix B-2 for rates).

Natural Gas - The Inland Gas Company serves industrial customers. Industrial rates are subject to negotiation.

Water - A new impoundage reservoir and filtration plant costing \$465,000 was completed in 1952. Storage capacity of the reservoir is 250,000,000 gallons. The filtration plant will have 500 gpm rated capacity, constructed so as to be able to increase capacity to 750 gpm. The average pressure is 70 pounds psi. There are 650 water connections, with 10" mains from reservoir to city limits, and 6" and 4" mains serving the city. Individual rates are subject to negotiation.

Sewage - Raw sewage is discharged into Tigert Creek. Application is pending for Federal engineering grant to design plans for a sewage disposal plant. There are 18" sewer mains with separate storm and sanitary sewers. There is no sewage charge.

CITY GOVERNMENT AND SERVICES:

Type Government - Olive Hill, a 4th class city, has a mayor and council form of government. The mayor is elected for a 4-year term, and the 6 councilmen for 2-year terms.

Tax Rates and Laws -

Property Tax Rates per \$100

|        | <u>Within City Limits</u> | <u>Outside City Limits</u> |
|--------|---------------------------|----------------------------|
| State  | \$ .05                    | \$ .05                     |
| County | .70*                      | .70*                       |
| City   | .75                       |                            |
| School | <u>1.50</u>               | <u>1.50</u>                |
| Total  | \$3.00                    | \$2.25                     |

\*20¢ earmarked for road and bridge bonds.

(See Appendix C for Kentucky Corporation Tax Information ).

Assessment Practice - City - 20%  
County - 25%

Total Assessment 1952 - City - \$1,800,000  
County - \$18,000,000

City Bonded Indebtedness - \$55,000 electric revenue bonds to be retired in 1965; \$465,000 water system revenue bonds to be retired in 1981.

County Bonded Indebtedness - \$75,000 voted road and bridge bonds to be retired in 1956; \$63,000 funding bonds to be retired in 1961; \$74,000 holding bonds to be retired in 1975.

1952 City Income - \$124,026.83

1952 City Expenses - \$117,633.56

City Services -

Fire Protection - The fire department consists of a chief and 15 volunteers. Equipment includes a 1944 Darling 500 gpm pumper, 35' aluminum ladder (12 extension), 1400' of 2 1/2" hose, and 2 leader lines 100' each. There are 38 fire hydrants, and Olive Hill has a 7th class fire insurance rating.

Police Protection - Olive Hill has a night chief and a day chief. Equipment consists of one 1952 Oldsmobile cruiser.

Streets - The city employs a maintenance crew of 2 men, with others being employed as needed. The main street is maintained by the State. There are 8 miles of paved streets.

Garbage - Municipal collection in business section daily, and weekly in the residential areas.

LOCAL CONSIDERATIONS:

Health -

Hospitals - J. Q. Stovall Memorial Hospital, a 20-bed general hospital, is located in nearby Grayson.

Doctors - MD's - 4; Dentists - 4.

Public Health Program - The Carter County Health Department is staffed by a health officer, 2 nurses, a sanitarian and a clerk. The program includes: communicable disease control, infant and pre-school services, school health services, and general sanitation.

| <u>Schools</u> -                     | Elementary        |                 | High School       |                 |
|--------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                      | <u>Enrollment</u> | <u>Teachers</u> | <u>Enrollment</u> | <u>Teachers</u> |
| City-County<br><u>(Consolidated)</u> | 293               | 7               | 526               | 13              |

Erie Private School - Elementary enrollment of 66, 3 teachers; high school enrollment of 78, 11 teachers. This school is operated by the Women's Society of Christian Service to assist under-privileged children.

Churches - The following denominations are represented in Olive Hill: Baptist, Christian, Methodist, Nazarene, and Pilgrim Holiness.

Recreation - There are 2 theaters which change programs 3 times weekly. Five public grounds at schools with facilities for baseball, softball, football and basketball, with directed recreation in the summer months. Carter Caves State Park, 8 miles distant, with camp grounds, picnic facilities, and horseback riding.

Tourist Accommodations - Stamper Hotel - 25 rooms; Cliffs Hotel - 9 rooms; Camp 60 - 7 units.

Newspapers - Carter County Herald, weekly, with a circulation of 2,500.

Banks - The Peoples Bank with total deposits of \$2,229,000 and total resources of \$2,363,000.

Retail Businesses

|                      |    |
|----------------------|----|
| Auto dealers         | 7  |
| Clothing             | 11 |
| Drugs                | 2  |
| Farm supplies & hdwe | 3  |
| Furniture            | 3  |

Service Establishments

|              |    |
|--------------|----|
| Beauty shops | 3  |
| Barber shops | 5  |
| Laundries    | 1  |
| Restaurants  | 10 |

Retail, wholesale, and service establishment sales -

Retail, wholesale and service establishments located in Carter 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 \$6.1 million, an increase of 190% over the \$2.1 million in 1939. Wholesale sales in the county reached a total of \$2.3 million in 1948 as compared with \$1.0 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$120,000 in 1948 compared with \$42,000 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 285 paid employees for the workweek ended nearest November 15, 1948 as compared with a total of 146 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Rotary

Fraternal - American Legion, Masonic

Women's - Eastern Star, DFA, and Women's Club.

Youth - Younger Women's Club.

Climate

|       | Temperature<br>(30-yr. rec.) | Precipitation<br>(30-yr. rec.) | Relative Humidity           |                       |                             |
|-------|------------------------------|--------------------------------|-----------------------------|-----------------------|-----------------------------|
|       |                              |                                | 7:30 a. m.<br>(60-yr. rec.) | Noon<br>(31-yr. rec.) | 7:30 p. m.<br>(60-yr. rec.) |
| Jan.  | 35.8                         | 3.99                           | 82                          | 66                    | 64                          |
| Feb.  | 37.0                         | 3.30                           | 81                          | 63                    | 71                          |
| Mar.  | 46.9                         | 4.32                           | 79                          | 56                    | 64                          |
| Apr.  | 55.5                         | 3.59                           | 74                          | 49                    | 58                          |
| May   | 65.0                         | 4.00                           | 74                          | 51                    | 60                          |
| June  | 73.3                         | 4.21                           | 78                          | 56                    | 66                          |
| July  | 76.7                         | 4.18                           | 80                          | 52                    | 67                          |
| Aug.  | 75.6                         | 3.67                           | 83                          | 57                    | 70                          |
| Sept. | 70.3                         | 2.56                           | 84                          | 51                    | 71                          |
| Oct.  | 58.1                         | 2.48                           | 84                          | 52                    | 70                          |
| Nov.  | 46.8                         | 2.99                           | 81                          | 57                    | 71                          |
| Dec.  | 37.8                         | 3.17                           | 81                          | 64                    | 76                          |

Ann. Norm. 56.6°F      42.46 inches.

Days Cloudy or Clear (63-yr. rec.) - Clear - 110  
 Partly Cloudy - 104  
 Cloudy - 151

Prevailing Winds (63-yr. rec.) - from west

Percent of Possible Sunshine (54-yr. rec.) - Annual - 48%

No. of Days With (63-yr. rec.) - Prec. over 0.01 inch - 144  
 1.0 or more snow, sleet, hail - 6  
 Thunderstorms - 43  
 Heavy Fog - 11

RESOURCES:

The mineral resources of Carter County are coal, fire clays, limestones, sands, common clays and clay shales. Small commercial amounts of oil and natural gas have been produced. Sandstones suitable for local building construction are present. Gravels can be obtained and used for some construction purposes.

Coal - During 1950, Carter County ranked 21st among the coal counties of Kentucky, with a production of 573,582 tons.

Fireclays - Several well developed deposits are present. These have had extensive use in the refractory industry and form an important resource for the county and state.

Limestones - Several quarries are operated. Limestones suitable for building construction, roadway construction, fluxing purposes, etc., are present. Some high calcium limestone occurs.

Sands - The Olive Hill District, which includes Carter and Rowan Counties, has been an important locality for glass sand production. Several deposits in Carter County have been worked. Carter County sands have also been used for mortar, plaster, cement, and concrete.

#### INDUSTRIAL MARKETS:

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

#### AVAILABLE INDUSTRIAL SITES:

There are several industrial sites which are adjacent to both highway and rail facilities. For detailed information write the Olive Hill Rotary Club, or the Agricultural & Industrial Development Board, Capitol Annex Office Building, Frankfort, Kentucky.

APPENDIX

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| Power Rates                                 | App. B-2 |
| Kentucky Corporation Taxes                  | App. C   |
| Kentucky Revised Statutes - Bond Issue Plan | App. D   |
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HISTORY AND GENERAL DESCRIPTION

Olive Hill, in Carter County, is a regional trading center, and is a brickyard town, widely known for the plastic clays of superior quality which abound there. It is 16 miles from Grayson, the county seat of Carter County.

Carter County, formed in 1838, is in the extreme eastern portion of Kentucky and is bounded by Lewis, Greenup, Boyd, Lawrence, Elliott, Rowan and Fleming Counties. The general topography is hilly and broken; however, the valley soil is rich and the hills abound in coal and iron.

Natural Bridge, with a 219 foot span, and 196 feet high, is a nearby tourist attraction. Other scenic wonders which contribute to a substantial yearly influx of tourists are the Carter Caves, the Cascades, and Sinking Creeks.

## TELEPHONE RATES - Appendix B-1

|             | <u>Individual</u> | <u>Two-party</u> | <u>Four-party</u> | <u>Extension</u> |
|-------------|-------------------|------------------|-------------------|------------------|
| Business    | \$6.25            | \$5.50           | ----              | \$1.50           |
| Residential | 3.50              | 3.00             | \$2.75            | 1.00             |

## POWER RATES - Appendix B-2

General Service

Kwhrs equal to first 50 times kw of monthly billing demand:

First 30 kwhrs

5.0¢ per kwhr

Over 30 kwhrs

4.0¢ per kwhr

Kwhrs equal to next 150 times kw of monthly billing demand:

First 3,000 kwhrs

2.4¢ per kwhr

Over 3,000 kwhrs

1.5¢ per kwhr

Kwhrs in excess of 200 times kw of monthly billing demand:

1.0¢ per kwhr

Minimum monthly charge - \$1.00

## 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<br/>(Par Value)</u> | <u>Rate Per Share<br/>(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.

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

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

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

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

City and city school assessment and payment dates vary.

### Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO  
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed  
by the  
Agricultural and Industrial Development Board  
of  
Kentucky

Frankfort, Kentucky

KENTUCKY REVISED STATUTES

1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

As used in KRS 103.200 to 103.280, "industrial 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.

## 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.