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Industrial Resources: Muhlenberg County - Central City

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ECONOMIC & INDUSTRIAL SURVEY

of

Central City, Ky.



Prepared By

CENTRAL CITY - MUHLENBERG COUNTY DEVELOPMENT ASSOCIATION

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

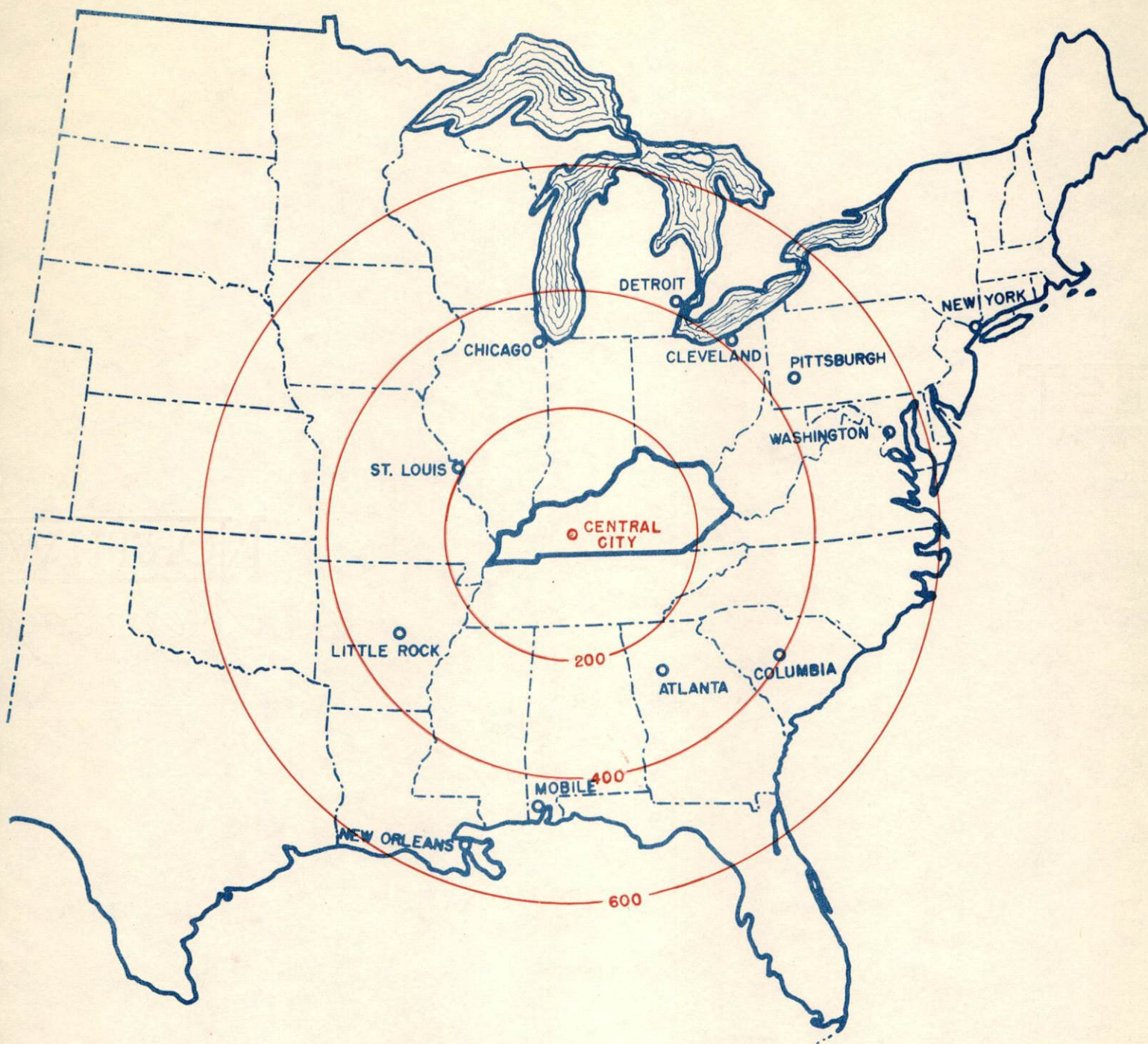
ECONOMIC & INDUSTRIAL SURVEY
OF
CENTRAL CITY, KENTUCKY

Prepared by

The Central City-Muhlenberg County Development Association
and

The Kentucky Agricultural and Industrial Development Board

November 13, 1951



CENTRAL CITY, KENTUCKY
HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

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CENTRAL CITY, KENTUCKY

Central City is located in Muhlenberg County, 8 miles north of Greenville, the county seat, 35 miles south of Owensboro, 134 miles southwest of Louisville, and 103 miles east of Paducah. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1890 to 1950

	<u>Muhlenberg County</u>	<u>Central City</u>
1890	17,955	1,144
1900	20,741	1,348
1910	28,598	2,545
1920	33,353	3,108
1930	37,784	4,321
1940	37,554	4,199
1950	32,501	4,110

Population Characteristics - The population of Central City has decreased 2.1% during the past ten years, while Muhlenberg County has decreased 13.5% during the same period. 93.9% of the population of the County are native-born white, 0.2% foreign-born white, and 5.9% negro.

Labor Supply - Counties which are included in the Central City labor supply are: Hopkins, Ohio, McLean, and large parts of Christian, Todd, Logan and Butler Counties. It is estimated that the available labor supply within commuting distance of Central City would be about 5,000 workers, with 2,000 of these being women. The labor supply would consist largely of unemployed miners, unskilled farm labor, housewives, and some women with previous factory experience.

Industrial Pattern - About one out of every four employed persons in Muhlenberg and Hopkins Counties are in the mining industry with about the same percentage in agriculture. There is very little manufacturing in these two counties. Ohio County also has a larger mining employment than manufacturing employment. The other counties in this area have over one-third of their employed persons earning their living by agriculture and less than one-tenth in manufacturing. The manufacturing in the entire area is concentrated largely in clothing and textiles, lumber and furniture, and food industries.

Out of the 17,939 workers in the entire area covered by unemployment insurance in March, 1951, 6,992 were in mining and 3,118 in manufacturing. Of the manufacturing, 1,061 were in the lumber and furniture industry, and 1,290 in the clothing and textile industry. Muhlenberg County had a total covered employment of 3,194, of which 1,983 were in mining, and only 240 in manufacturing. 162 of the manufacturing employees were in the lumber and furniture industry.

Wage Rate Data - The limited wage rate data available for this area would indicate that the average hourly wage rate for manufacturing production workers would be slightly under one dollar.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Central City Furniture Co.	Duncan Phyfe Tables	6	54	60
Central City Coca Cola Bottling Co.	Coca Cola	11	1	12
Croslin Construction Co.	Concrete blocks	6	0	6
Ross & Company	Mine timbers & green lumber	21 44	0 55	21 99

TRANSPORTATION:

Railroads - Central City is served by the Illinois Central Railroad and the Louisville & Nashville Railroad. The Illinois Central has an extensive local shop for heavy repair, with capacity of local roundhouse being 12 engines.

Terminal Facilities - Terminals for the Illinois Central are Central City (from an operating standpoint), and Louisville on the north, and Princeton on the south. Terminals for the Louisville & Nashville are Owensboro and Russellville.

Major Points on Line - Illinois Central - Omaha, Chicago, St. Louis, Indianapolis, Louisville, Memphis, Birmingham, Shreveport, and New Orleans. L & N - Cincinnati, Louisville, Evansville, St. Louis, Memphis, Nashville, Knoxville, Atlanta, Birmingham, Montgomery, Pensacola, and New Orleans.

Type Freight - Outbound loading is 99% coal; miscellaneous other items are forest products, scrap iron and furniture. Inbound shipments consist mainly of forest products, cement, lime, plaster and wallboard, canned goods, potatoes, sugar, cereal, feed and flour, mine supplies, sand stone and gravel machinery, petroleum products, salt and explosives.

Transit Times from Central City to

Atlanta, Ga.	3 days	New York, N.Y.	5 days
Chicago, Ill.	2 days	Pittsburgh, Pa.	4 days
Detroit, Mich.	4 days	St. Louis, Mo.	2 days
New Orleans, La.	3 days		

Highways - U. S. #62; Ky. #70, #75, #227

Highway Distances to -

Atlanta, Ga.	364	Knoxville, Tenn.	301
Birmingham, Ala.	321	Louisville, Ky.	134
Chattanooga, Tenn.	244	Nashville, Tenn.	108
Chicago, Ill.	439	New York, N. Y.	887
Cincinnati, Ohio	239	Pittsburgh, Pa.	522
Detroit, Mich.	502	St. Louis, Mo.	255

Truck Lines Serving Central City - Eck Miller Truck Lines,

Owensboro, Kentucky, operating between Evansville, Louisville, Owensboro, and St. Louis, with terminal at Owensboro; Arnold-Ligon Truck Line, Princeton, Kentucky, operating between Louisville, Evansville, Paducah, and Nashville, with terminals at Madisonville, Hopkinsville, and Princeton; Turley Transfer Company and Durrett Transfer Company.

Bus Lines Serving Central City - Kentucky Bus Lines to

Louisville and Paducah, Owensboro and Central City; Greenville Bus Lines to Madisonville, Owensboro, and Morgantown; Hale Bus Lines from Central City to Hopkinsville and Providence.

Air - The nearest commercial airports are at Owensboro, 36 miles distant, and the Bowling Green-Warren County Airport, 66 miles southeast, which are served by Eastern Airlines. The Greenville-Central City Airport is for light craft only.

Water - Water transportation is available at Owensboro, 35 miles north, on the Ohio River. Owensboro is served by American Barge Lines, Pittsburgh, Pa., Mississippi Valley Barge Lines, St. Louis, Mo., and Union Barge Lines, Pittsburgh, Pa.

COMMUNICATION:

Postal Facilities - Central City has a 2nd class post office with 13 employees. There are 4 rural routes and 2 city routes. Mail is received and forwarded 4 times daily.

Express Facilities - Railway Express Agency

Telephone and Telegraph - Central City is served by the Southern Bell Telephone and Telegraph Company, with 33 employees and 1,558 stations. (See Appendix C-1 for rates). Central City is also served by the Western Union Telegraph Company.

UTILITIES:

Water - The source of supply for the Municipal Water Works System is Green River, which assures an adequate supply of water for industrial use. The temperature of the water is ideal for condensation, and is treated with flourine. The filtration plant has 3 filter beds and a pumping capacity of 650 gpm. Pressure is maintained at 80 pounds per square inch, and consumption is 18 to 20 million gallons per month with from 10 to 12 million gallons going to the I. C. Railroad. (See Appendix C-2 for rates).

Natural Gas - Natural gas is not now available for Central City. The Texas Gas Transmission Company has a line nearby.

Power - The Kentucky Utilities Company has a new 11 million dollar steam generating plant with a present expansion plan for a 9 million dollar addition to start in January, 1952. Present plant, producing 75,000 K. W. is located 4 miles from Central City. (See Appendix D for rates).

Sewage - A combination storm and sanitary sewer system serves Central City. The system does not have a sewage disposal plant, but one is anticipated in the near future.

Coal - Coal from the #9 and #11 seams is available in Muhlenberg County. Prices will be quoted by the A&ID Board on 24 hour notice.

Oil - Current prices of fuel oil delivered to Central City in tank car lots will be quoted by the A&ID Board on 24 hour notice.

CITY GOVERNMENT AND SERVICES:

Type Government - Central City is governed by a Mayor, being elected for 4 years, and 8 councilmen, being elected for 2 year terms.

Tax Rates and Laws -

Property Tax Rates per \$100 in 1950

	<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

(See Appendix E for Kentucky Corporation Tax information).

Assessment Practice - City - 30% of true value
County - 27% of true value

Total Assessment 1950 - City - \$2,380,356
County - \$17,786,000

Bonded Indebtedness - City - \$90,000 in revenue bonds issued to build gymnasium; \$44,000 voted to be retired by taxation.

County - \$172,688 in 36-year bonds issued in 1924 for improvement of roads and bridges.

Average Annual City Income - \$109,000

Average Annual City Expenditures - \$109,000

Laws Affecting Industry - (See Appendix F for act governing bond issue plan).

Business License Fees - All business establishments operating in the city are required to pay an annual license fee.

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

City Services -

Fire Protection - The fire department has 2 full-time fireman and 12 volunteers. Equipment includes one 1941 GMC 750 gallon pumper and one 1925 American LaFrance 600 gallon pumper.

Central City has a 7th class fire insurance rating.

Police - The police department consists of 4 officers. Equipment includes 1 patrol car which is equipped with a 2-way radio.

Streets - The 33 miles of paved streets in Central City are maintained by a street crew of 4 men.

Garbage Disposal - Central City has municipal garbage disposal with a crew of 4 men and one truck

LOCAL CONSIDERATIONS:

Housing - Average sale price for five-room, single-story, frame houses is \$7,000. Average rental for above type house is \$35.00 per month.

Construction Companies - Central City - Central City Lumber Company, Divine Lumber Company, R & G Building Supplies; Greenville - Malone Lumber Company, Wice Lumber Company, Greenville Concrete & Ready Mix Company, and Chappell Planing Mill.

Real Estate Agents - Central City - F. E. Massey Real Estate, C. A. Lawton & Son; Greenville - Arbucke & Kimmel, Otha Ford.

Health -

Hospitals - The Muhlenberg County Hospital, Greenville, Kentucky, with 57 beds, 16 bassinets, and 4 cribs.

Doctors - 4 MD's in Central City; 30 RN's in Muhlenberg County.

Public Health Program - The Muhlenberg County health department program comprises: immunizations and tests; venereal disease control; tuberculosis control program offering X-ray and clinic services; maternal and child health services; general sanitation services; laboratory services; and health education program.

<u>Schools</u> -	Grade		High	
	<u>Enrollment</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Capacity</u>
<u>City</u> (W)	442	500	276	400
(C)	66		attend school at Drakesboro	
<u>County</u> (W)	4,360	4,500	1,176	1,250
(C)	108	115	130	150

Private - Catholic Grade School

Colleges - Colleges in the area include: Western State College and Bowling Green College of Commerce, Bowling Green; Murray State College, Murray; Bethel College, Hopkinsville; St. Joseph Catholic Women's College and Kentucky Wesleyan College, Owensboro.

Trade Schools - Madisonville Area Trade School, Madisonville, Kentucky, 30 miles west of Central City, with instruction at the school itself and in extension activities including: industrial electricity, sheet metal work, air conditioning, general machine shop, auto mechanics, auto body mechanics, woodworking, welding, radio, retail merchandising, office practice, drafting and cosmetology.

Present enrollment is 267 with facilities for additional students.

Churches - Central City is represented by the following denominations: Baptist, Christian, Church of Christ, Methodist, Catholic, Southern Presbyterian, Cumberland Presbyterian, and Church of God.

Libraries - The Greenville Public Library with 5,000 volumes, and free circulation to residents of Muhlenberg County.

Recreation -

Parks - City Ball Park

Theaters - One in Central City, Greenville and Drakesboro respectively.

Swimming - The Municipal swimming pool maintains supervised swimming program. Green River Beach also affords excellent swimming facilities. There is a country club, located 2 miles south of Greenville, and 10 miles from Central City, which has a 9-hole golf course, a lake for fishing, a modern swimming pool, clay tennis courts, and a club house.

Fishing and Hunting - Within a radius of 20 miles of Central City may be found excellent fishing, either in Green River or Mud River, at the 50 acre lake at Luzerne, and in numerous other lakes. Squirrels, quail, ducks, doves, and rabbit abound and may be hunted during the open season.

Other Clubs - The Conservation Club of Muhlenberg County, is presently sponsoring a proposed sportsman's lake of 75 acres, which will not only be used for fishing, boating and swimming, but camp sites and cabin building lots will be available.

Tourist Accommodations -

Hotels - Central Hotel with 20 rooms; Lu Ray Hotel with 85 rooms.

Motels - Y Cafe and Court with 6 units; Underwood Cabins with 8 units.

Newspapers - The Central City Messenger (weekly) with a circulation of 3,300; The Times Argus (weekly) with a circulation of 1,149.

Radio Stations - Stations in the area are: Madisonville WFMW, Liberty Broadcasting Company; Owensboro WPMI, Mutual Broadcasting Company; Hopkinsville WHOP, Columbia Broadcasting Company; Henderson WSON, Mutual Broadcasting Company.

Banks - The Citizens Union Bank with total deposits of \$981,000 and total resources of \$1,078,000; The First National Bank with total deposits of \$2,571,000 and total resources of \$2,798,000.

Retail Businesses

Drugs-sundries	5
Department stores & clothing	9
Electrical appliances	9
Food-groceries	24
Furniture	6

Service Establishments

Filling Stations	15
Funeral Homes	2
Insurance Agencies	6
Laundry	1
Restaurants	9

Retail Sales - 1948 Census of Business - Central City - 108

establishments - \$5,701,000 sales receipts; Muhlenberg County - 387

establishments - \$14,722,000 sales receipts.

Wholesale Sales - 1948 Census of Business - Muhlenberg County -

20 establishments - \$6,408,000 sales receipts.

Clubs and Organizations -

Civic - Lions and Rotary Clubs, Chamber of Commerce, Muhlenberg County Medical Society, Muhlenberg County Development Association, Green River Valley Citizens League.

Fraternal - Masonic, IOOF, Redmen of America, American Legion, VFW.

Women's Clubs - Lioness Club, Rotary Ann Club, Jr. Women's Club, Sr. Women's Club, Aeolian Music Club, Homemakers Club, Muhlenberg County Medical Auxiliary.

Other - Business Men's Chorus

Climate -

Prevailing Winds - from southwest

Killing Frost Average Dates - Frost Free period - April 20 to

October 20; average length of frost - free period (days) 200.

	Precipitation (34-yr. rec.) (Greenville)	Temperature (34-yr. rec.) (Greenville)	Humidity (Louisville)
Jan.	4.51	36.1	65
Feb.	3.37	39.3	68
Mar.	5.13	47.7	64
Apr.	4.75	57.0	60
May	3.84	65.1	61
June	4.51	74.3	64
July	3.80	77.8	62
Aug.	3.49	76.6	65
Sept.	2.98	70.8	65
Oct.	3.33	59.3	64
Nov.	3.44	47.2	67
Dec.	3.73	38.4	70
Ann. Avg.	46.88	57.5	65

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

RESOURCES:

Mineral - The hard rocks of this district are embraced chiefly within the Coal Measure, significant sequences of the Pottsville, Allegheny, and Conemaugh (Pennsylvanian) being present. Representatives of the uppermost Chester are found, however, somewhat south of Wier on the headwaters of Long Creek and Pond River. Alluviums of Pleistocene and Recent age are present in the valley flats. The regional structure of Muhlenberg County is a monocline tilted at low angles to the northwest into the interior of the Western Kentucky Coal Field. The county's northern boundary is roughly parallel with the axis of the geo-syncline. The regional structure is deformed by a member of generally northeast southwest striking faults, some of which pass completely across the county are are coincident with major areal

geological boundaries. A number of important flexures of plunging anticlinal type are present, particularly in the southern part of the county.

The chief mineral resource of Muhlenberg County is bituminous coal which is produced principally in the northern part of the district.

About 8 identifiable coals are known to be present in this region, and, of these, the No. 9 and No. 11 are the most important.

Oil and gas in commercial quantities have been recovered in Muhlenberg County, principally in the vicinity of Twin Tunnels on the middle waters of Rocky Creek. Clays and clay shales of alluvial and residual origin are available in this district.

Surface and Soil - The surface is rolling, with broad stream bottoms, and with hills of considerable prominence in the southern section.

Water Supply - Green River, with its wide and fertile bottom lands, forms many miles of the county's northeastern boundary. Mud River completes the eastern boundary. Pond River describes the entire western border line. Numerous tributaries of these streams complete the district's natural water and drainage system.

INDUSTRIAL MARKETS:

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

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites available in Central City.

For information on these sites write: The Central City-Muhlenberg
County Development Association; or, the Agricultural and Industrial
Development Board, 415 Ann Street, Frankfort, Kentucky.

APPENDIX

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

HISTORY & GENERAL DESCRIPTION

Muhlenberg County was organized in 1798 from territory taken from Logan and Christian Counties. It was named in honor of General John Peter Gabriel Muhlenberg, a Pennsylvania preacher, who raised a regiment and fought in the Revolutionary War. That the territory was inhabited long before the time of either the Indians or the Whites, is evidenced by the finding of tracks of domestic animals in sandstone, of carved hierglyphic on sandstone rocks and of mounds containing skeletons.

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

County	Total	Food & Kindred Products	Tobacco	Clothing, Textiles, Leather	Lumber & Furniture	Printing, Publishing & Paper	Chemicals, Petroleum, Coal and Rubber	Stone, Clay, Glass	Pri- mary Metals	Mach., Metal Prod., Equip.	Other
Muhlenberg	240	37	31	0	162	6	0	4	0	0	0
McLean	218	0	0	0	218	0	0	0	0	0	0
Hopkins	472	68	0	63	290	45	3	3	0	0	0
Christian	1,131	310	0	614	155	29	14	9	0	0	0
Todd	365	5	0	226	134	0	0	0	0	0	0
Logan	578	64	9	387	39	7	36	25	0	0	11
Butler	3	0	0	0	3	0	0	0	0	0	0
Ohio	111	36	0	0	60	15	0	0	0	0	0
Total	3,118	520	40	1,290	1,061	102	53	41	0	0	11

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

County	All Industries	Mining & Quarrying	Contract, Con- struction	Manufac- turing	Transpor- tation, Com- munication & Utilities	Whole- sale & Retail Trade	Finance, Insurance & Real Estate	Services	Other
Muhlenberg	3,194	1,983	50	240	221	542	33	125	0
McLean	375	84	6	218	0	49	11	7	0
Hopkins	6,856	4,120	56	472	263	1,501	76	356	12
Christian	4,339	63	474	1,131	460	1,631	116	428	36
Todd	630	22	0	365	59	152	15	9	8
Logan	1,305	16	74	578	92	444	44	49	8
Butler	152	77	0	3	0	59	7	6	0
Ohio	1,088	627	43	111	40	179	33	55	0
Totals	17,939	6,992	703	3,118	1,135	4,557	335	1,035	64

TELEPHONE RATES - Appendix C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Extension</u>
Business	\$7.25	\$6.50	\$5.75	\$1.50
Residential	3.50	3.00	2.75	1.00

WATER RATES - Appendix C-2

First	2,000 gal. per mo.	\$1.75
Next	20,000 gal. per mo.	.40 per MCF
Next	225,000 gal. per mo.	.20 per MCF
<u>Industrial Rate</u>		
Next	4,750,000 gal. per mo.	.10 per MCF
Over	5,000,000 gal. per mo.	.095 per MCF

Kentucky Utilities Company
Incorporated

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

COMBINED LIGHTING & POWER SERVICE - RATE LP

AVAILABILITY

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

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

RATE

Maximum Load Charge

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

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

Plus an Energy Charge

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

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

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

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

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

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

DETERMINATION OF MAXIMUM LOAD

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

MINIMUM ANNUAL BILL

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

DUE DATE OF BILL

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

RULES AND REGULATIONS

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

PRIMARY DISCOUNT

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

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

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

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

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

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

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

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

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed
by the

Agricultural and Industrial Development Board
of
Kentucky

415 Ann Street
Frankfort, Kentucky

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COOPERATING STATE AGENCIES

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

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

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

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

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

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

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