

4-1951

Industrial Resources - Fulton County - Hickman

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

Follow this and additional works at: https://digitalcommons.wku.edu/fulton_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 - Fulton County - Hickman" (1951). *Fulton County*. Paper 24.
https://digitalcommons.wku.edu/fulton_cty/24

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

ECONOMIC & INDUSTRIAL
SURVEY

of

Hickman, Ky.



Prepared By

THE INDUSTRIAL FOUNDATION OF HICKMAN, KY.

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

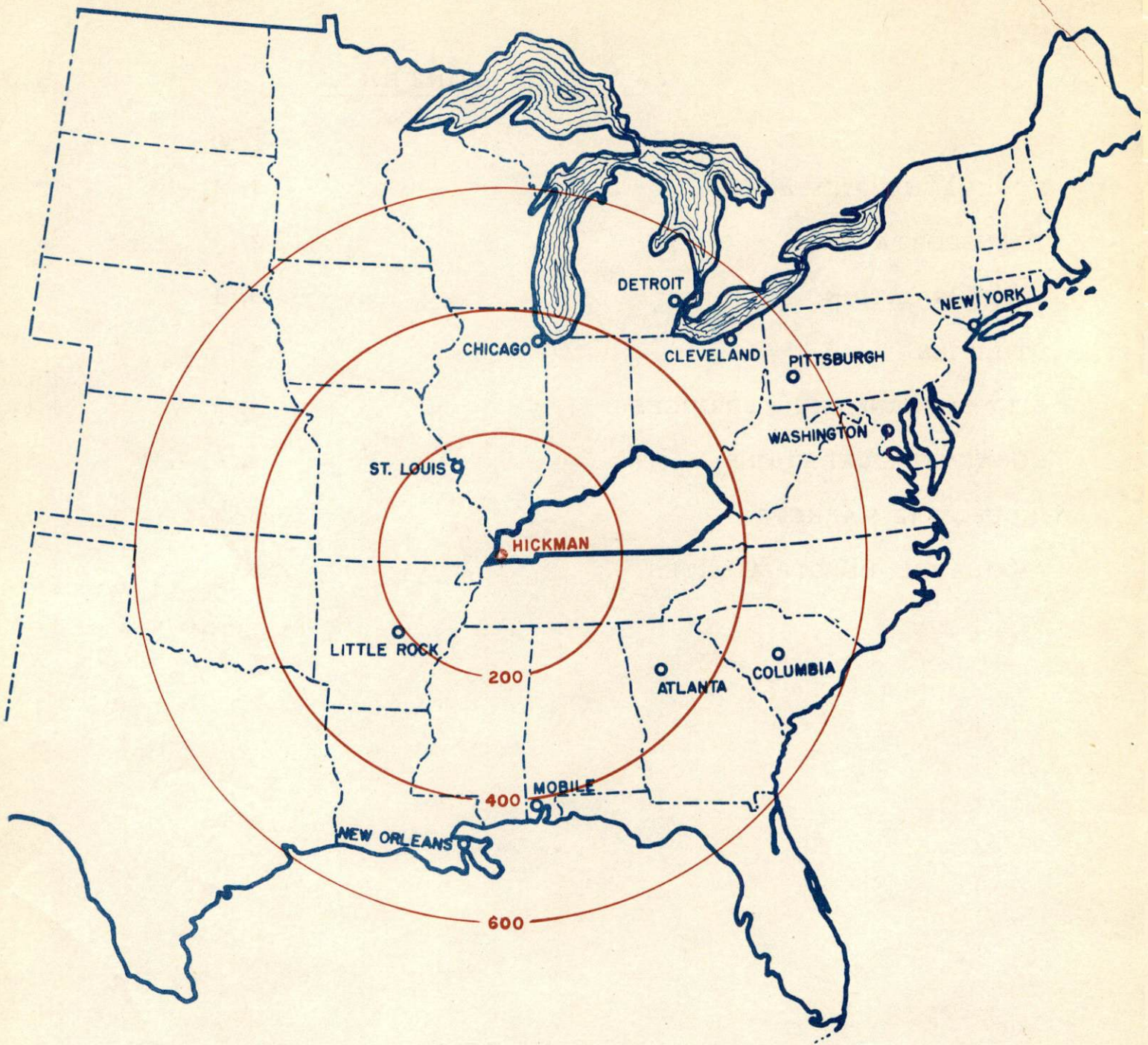
ECONOMIC AND INDUSTRIAL SURVEY
OF
HICKMAN, KENTUCKY

Prepared by
The Hickman Industrial Foundation
and
The Agricultural and Industrial Development Board
of
Kentucky

April 17, 1951

TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR	1, 2
TRANSPORTATION	3
COMMUNICATION	3, 4
UTILITIES	4
CITY GOVERNMENT & SERVICES	4, 5
LOCAL CONSIDERATIONS	5, 6, 7, 8
INDUSTRIAL MARKETS	8
AVAILABLE INDUSTRIAL SITES	9



NINEO BOND

HICKMAN, KENTUCKY

HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

HICKMAN, KENTUCKY

Hickman, the county seat of Fulton County, Kentucky, is located on a high bank overlooking the Mississippi River. This western most city in the State enjoys a unique position, being the shopping center and common meeting ground for people of three states; Tennessee, Missouri, and Kentucky. It is at the junction of Kentucky highways 94, 125, and 309. The Illinois Central and N. C. & St. L. Railways meet at Hickman. (See Appendix A for History & General Description).

POPULATION AND LABOR:

Population Figures 1850 to 1950 -

	<u>Fulton County</u>	<u>Hickman</u>
1850	4,446	301
1860	5,317	1,006
1870	6,161	1,120
1880	7,977	1,264
1890	10,005	1,652
1900	11,546	1,589
1910	14,114	2,321
1920	15,197	2,633
1930	14,927	2,736
1940	15,413	2,268
1950	13,627	2,030

Population Characteristics - With a present population of 2,030, Hickman has shown a decrease of 10.5% during the past ten years. 51% of the population is female; 49% male. Less than 1% are foreign born, with approximately 7% of the residents being Negro.

Labor Supply - Manufacturing employment in Hickman and Fulton County is heavily dominated by the clothing industry. An analysis of labor supply in Fulton County is difficult because the basic supply data includes Fulton, Hickman, Graves, and Calloway Counties. Very little is known about labor supply in the Missouri and Tennessee Counties bordering on Fulton. While this area is heavily weighted by agriculture,

it is estimated that at least from 1,000 to 1,500 workers could be recruited within commuting distance of Hickman for industrial employment. During World War II employment in non-war plants in Fulton and Graves Counties was at approximately the same level as at present. In addition to supplying the workers for the clothing industries in these two counties during World War II, a fireworks plant in Graves County was staffed with approximately 2,500 workers with a vast majority being women. This would indicate that the available labor supply in this area will expand greatly when attractive job opportunities are available. (See Appendix B for table showing number of workers covered by Kentucky Unemployment Insurance Law).

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
H. B. Callison Lumber Co.	Lumber	25	0	25
Coca Cola Bottling Co.	Soft Drinks	6	0	6
Kentucky Ice Plant	Ice	4	0	4
Riverside Canning Co.	Canned vegetables	25	100	125
Roper Pecan Co.	Pecans	25	75	100
Stimson Lumber Co.	Rough hardwood lbr.	70	1	71
Two-States Concrete Products	Concrete Products	10	1	11
		<u>165</u>	<u>177</u>	<u>342</u>

Union Affiliations - None

TRANSPORTATION:

Railroads - Hickman is served by the Illinois Central and NC & St. L

Highways - #94 and 125

Highway Distances to Major Cities in Area

Atlanta, Ga.	439	Lexington, Ky.	329
Birmingham, Ala.	287	Louisville, Ky.	261
Chicago, Ill.	599	Mobile, Ala.	491
Cincinnati, Ohio	368	Nashville, Tenn.	170
Detroit, Mich.	650	Pittsburg, Pa.	667
Knoxville, Tenn.	364	St. Louis, Mo.	199

Bus Lines Serving Hickman - Newsome Bus Lines

Truck Lines Serving Hickman - Hayes Freight Lines, Southeastern,
and Southern Woodenware.

Air - Nearest airport is in Union City, Tennessee, about 12 miles
southeast of Hickman.

Water - Hickman is located on the Mississippi River. The following
common carriers of general commodities are licensed for service on
the Mississippi River: American Barge Line, Central Barge Company,
Federal Barge Lines, Mississippi Valley Barge Line Company, and Union
Barge Line Company.

COMMUNICATION:

Postal Facilities - Hickman has a 2nd class post office with 16
employees. Two daily routes serve the urban and 4 routes the surrounding
county.

Telephone and Telegraph - Hickman is served by the Southern Bell Telephone and Telegraph Company. A dial system has been in operation since June, 1950. (See Appendix C-1 for rates).

UTILITIES:

Water - City water is obtained from two deep wells - one 8" well 640' and one 6" well 630', which have a combined pumping capacity of 800 gpm. Eight inch mains supply the downtown area, while four inch mains supply the remainder of the city. (See Appendix C-2 for rates).

Electricity - Power is provided by the Kentucky Utilities Company in the city, and by REA in the rural area. TVA supplies power to REA. (See Appendix C-3 for TVA rates and Appendix D for Kentucky Utilities rates).

Gas - There are, at present, no natural gas facilities in Hickman. However, preparations are being made for service in the immediate future.

Sewage - Combined storm and sanitary sewers empty into the Mississippi River.

CITY GOVERNMENT & SERVICES:

Type Government - Councilmanic, Mayor and 6 Councilmen.

(See Appendix E for Resolution by Hickman City Council, indicating a most favorable attitude toward new industry).

Tax Rates & Laws -

Property Tax Rates per \$100 last year -

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.50	.50
School	1.50	1.50
City	1.85	
Road		.20
Special	.10	
Total	<u>\$ 4.00</u>	<u>\$ 2.25</u>

(See Appendix F for Kentucky Corporation Taxes).

Assessment Practice - City - 33 1/3% of true value
County - 33 1/3% of true value

Total Assessment last year - City - \$850,825
County - \$10,258,831

Bonded Indebtedness - City \$82,500 (1949); County \$325,000

Laws Affecting Industry - (See Appendix G for copy of Act governing bond issue plan).

Businesses Requiring Licenses - An occupational license is levied in Hickman.

Services -

Fire Protection - The municipality employs a fire chief and 12 paid volunteers who are responsible for fire protection within the city limits. Equipment consists of a 1947 International truck with an Oran pumper having a capacity of 500 gpm. 33 fire hydrants are located in the city.

Police Protection - The Police Department consists of a chief and two patrolmen.

Streets - A crew of 3 men, using one dump truck, are charged with street repairs and cleaning.

LOCAL CONSIDERATIONS:

Housing - One and two-story frame dwellings are the more prevalent type. It is estimated that building costs are approximately 60¢ per cu. ft.

Health - Hickman has 3 MD's, 1 Dentist, and 11 Registered Nurses.

There are no hospitals in Hickman; however, facilities are available in Fulton, 20 miles away, and Mayfield, 43 miles away. The County Health Department, with one physician, 2 nurses, and 2 clerks, has its headquarters in Fulton. The public health program comprises immunizations and tests, tuberculosis control program, venereal disease control program, maternal and child health program, general sanitation services and laboratory services.

<u>Schools</u> -	Grade		High	
	<u>Enrollment</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Capacity</u>
<u>City</u>	665	1000	231	500
<u>County</u>	875	1200	290	500
<u>Private (Catholic)</u>	35	150	5	50

Colleges - Murray State College, 50 miles to the east.

Churches - Hickman has 10 churches representing the following denominations: Methodist, Baptist, Christian, Church of God, Catholic, Church of Jesus Christ, Episcopal, and Church of Christ.

Recreation -

Theaters - One - picture changes 4 times weekly

Parks - One park is located in the downtown area, with the American Legion Ball Park on the outskirts of the town.

Other - Sportsmen's Club, Bowling Alley, and Reelfoot Lake, a nationally known vacation center, 13 miles away.

Tourist Accommodations - Two hotels, the LaClede with 24 rooms, and Pendleton House with 8 rooms.

Newspapers - The weekly Hickman Courier, with a circulation of 1,200.

Banks - Citizens Bank with total resources of \$1,648,000 and deposits of \$1,493,000.

<u>Retail Businesses</u>		<u>Service Establishments</u>	
Food-groceries	24	Beauty Shops	4
Hardware	4	Barber shops	4
Clothing - new	7	Automatic laundry &	
used	2	dry cleaning	3
Jewelry	3	Filling Stations	8
Drugs	2	Garages	6
Variety	1	Shoe Repair	2
Furniture - new	2		
used	2		
Farm Implements	1		

Retail Sales - Total retail sales in Fulton County, as shown in the Census of Business for 1948 were \$12,042,000. Service trade receipts for the same period totaled \$591,000.

Wholesale Businesses - John Pierson, Auto Parts; Smiley Sand and Gravel Company.

Wholesale Sales - Total wholesale sales in Fulton County for the year, 1948, totaled \$4,811,000.

Clubs and Organizations -

Civic - Lions Club

Fraternal - American Legion, Masonic, WOW, Odd Fellows

Women's Clubs - Women's Club, PTA, Homemakers, Legion

Auxiliary, and Eastern Star.

Youth Clubs - Girl and Boy Scouts, Boys of Woodcraft, Conservation Club, 4-H Club.

Climate -

Average Precipitation, Temperature

	<u>Temperature</u>	<u>Precipitation</u>
Jan.	36.7	4.71
Feb.	40.1	3.35
Mar.	49.4	4.84
Apr.	58.3	4.41
May	67.1	4.12
June	75.5	3.73
July	79.1	3.88
Aug.	78.0	3.48
Sept.	72.1	3.07
Oct.	61.1	2.98
Nov.	48.5	3.73
Dec.	39.8	3.99
Ann. Ave.	58.8	46.29

Precipitation and Temperature were secured from the Mayfield Weather Bureau, 43 miles away.

INDUSTRIAL MARKETS:

Within the market area of Hickman there are an estimated 50,000,000 customers. The area includes such cities as St. Louis, Chicago, Detroit, Pittsburgh, New York, and Atlanta.

AVAILABLE INDUSTRIAL SITES:

Several good industrial sites are available in Hickman, ranging in size from 5 to 20 acres. For further information, write the Hickman Industrial Foundation, 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 Law	App. B
Telephone Rates	App. C-1
Water Rates	App. C-2
TVA Power Rates	App. C-3
Kentucky Utilities Rates	App. D
Resolution	App. E
Kentucky Corporation Taxes	App. F
Kentucky Revised Statutes	App. G
Cooperation of State Agencies	App. H

HISTORY & GENERAL DESCRIPTION

Hickman, the county seat of Fulton County, is located on the banks of the Mississippi River, being the farthest west of all Kentucky cities. The town was established by Act of the Legislature in 1819 under the title of Mill's Point, in honor of the first settler there. The present name was adopted in 1837, after the maiden name of the wife of G. W. L. Marr, who, together with A. S. Tyler, laid out the original town.

Territory to make this county was taken from the southwestern part of Hickman County in 1845, Fulton being the 99th county in order of formation. It was named for the enterprising engineer of steamboat fame, Robert Fulton. The county contains 184 square miles, and is literally cut in two by the Mississippi River, so that in going from the main or eastern part of the county it is necessary to pass over about 8 miles of Tennessee territory. The county is divided between Mississippi bottoms and the uplands. The topography is generally rolling with only a small portion of hill country. The area is drained by the Little Obion River, Bayou de Chien, Mud, Rush, and Dixon Creeks, in addition to the Father of Waters. The soil is generally good, with certain sections exhibiting high fertility.

Hickman has an elevation of 360 feet above sea level with some of the Mississippi bluffs rising to a height of 460 feet.

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR FULTON 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
Fulton	895	82	0	457	316	19	0	21	0	0	0
Hickman	51	28	0	0	19	4	0	0	0	0	0
Graves	3,301	217	0	2,816	70	34	15	148	0	1	0
Totals	4,247	327	0	3,273	405	57	15	169	0	1	0

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR FULTON 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
Fulton	1,772	0	44	895	110	514	25	184	0
Hickman	170	0	0	51	11	64	13	31	0
Graves	5,045	75	107	3,301	147	1,085	46	277	7
Totals	6,987	75	151	4,247	268	1,663	84	492	7

Telephone Rates - App. C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Extension</u>
Business	\$6.25	\$5.50	--	\$1.50
Private	3.00	2.50	\$2.25	1.00

Water Rates - App. C-2

First	2,000 gal. per mo.	\$1.50
Next	8,000 gal. per mo.	.50 per m. gal.
Next	40,000 gal. per mo.	.40 per m. gal.
Next	50,000 gal. per mo.	.30 per m. gal.
Over	100,000 gal. per mo.	.20 per m. gal.

TVA Rates - App. C-3

First	15,000 kwh	8 mills
Next	25,000 kwh	6 mills
Next	60,000 kwh	4 mills
Next	400,000 kwh	3 mills
Over	500,000 kwh	2.5 mills

COMBINED LIGHTING AND 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 and 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.

RESOLUTION

WHEREAS, it is desirable that new industry come to our City; and

WHEREAS, our City is well situated with regard to transportation, labor, and education, and other facilities:

NOW THEREFORE, BE IT RESOLVED BY THE Mayor and City Council OF THE CITY OF HICKMAN, KENTUCKY AS FOLLOWS:

A cordial invitation is extended to acceptable industrial enterprises and businesses to locate in our City, and we pledge our cooperation and assure them of the aid and good will of our officials, all the civic organizations, and the citizens in general.

WHEREFORE, by unanimous vote of the City Council present, this Resolution was passed and approved the 12th day of February, 1951.

CITY OF HICKMAN, KENTUCKY

BY John C. Bondurant
John C. Bondurant, Mayor

ATTEST: Frances Johnson
Frances Johnson, City Clerk

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 nonprofit 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

¹Temporary 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 exempted, 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 per cent 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 per cent 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 Kentucky, less the amount loaned to shareholders residing in this 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 reconversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semiannually, 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 six percent, except as provided in subsection (2) of 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 realizes 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 highways 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.