

3-1961

## Industrial Resources: Letcher County - Whitesburg

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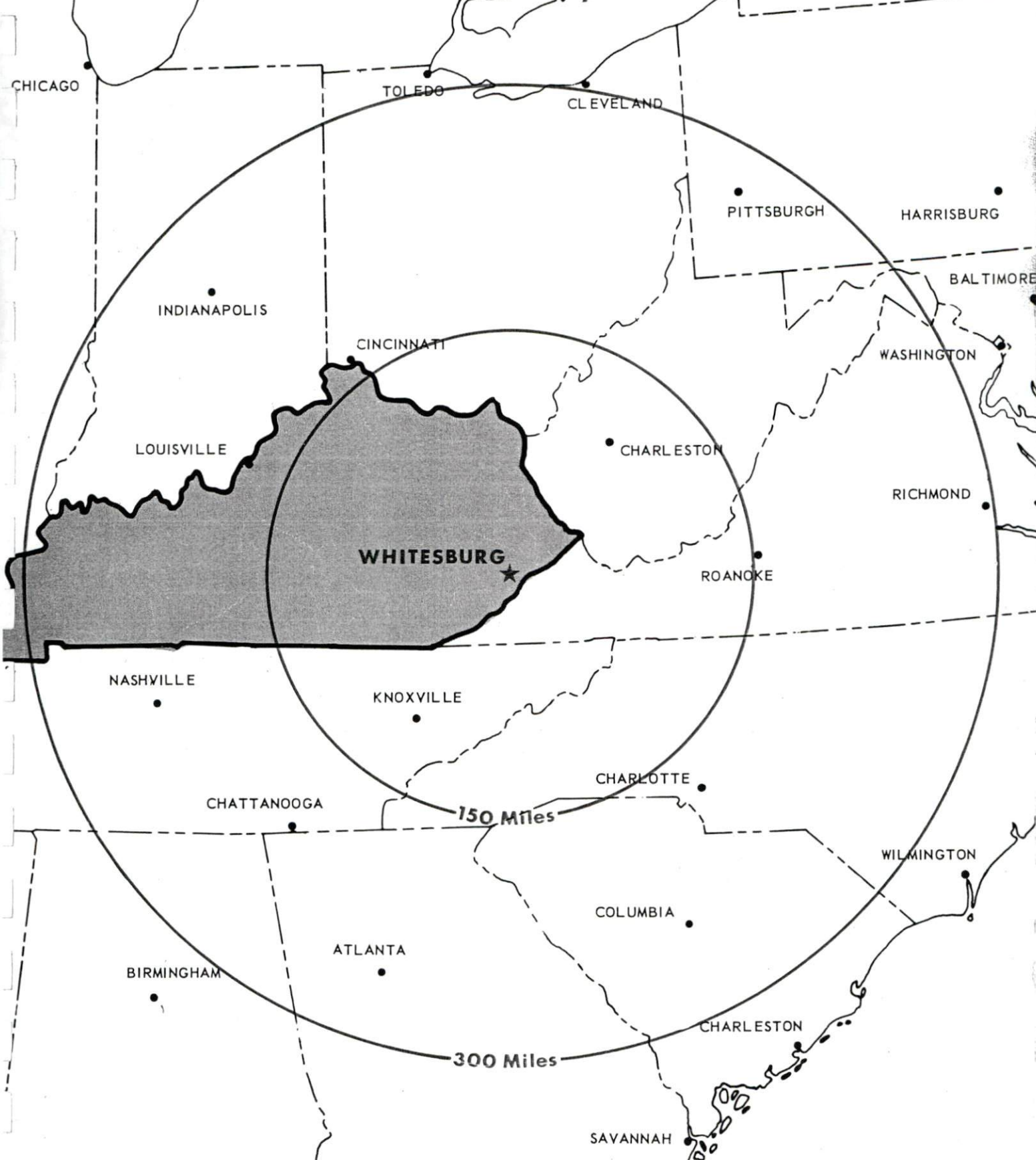
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# INDUSTRIAL RESOURCES

## WHITESBURG, KENTUCKY



INDUSTRIAL RESOURCES  
WHITESBURG, KENTUCKY

21910

Prepared by  
The Whitesburg Chamber of Commerce  
and  
The Kentucky Department of Economic Development  
Frankfort, Kentucky  
March 1961

INDUSTRIAL RESOURCES  
WHITESBURG, KENTUCKY

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## SUMMARY DATA FOR WHITESBURG, KENTUCKY

POPULATION, 1960: Whitesburg - 1,774 Letcher County - 30,102

WHITESBURG LABOR SUPPLY AREA: Includes Letcher and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 8,590 men and 13,385 women. Number of workers available from Letcher County - 1,405 men and 2,098 women.

### TRANSPORTATION:

Railroads: Whitesburg is served by the Louisville and Nashville Railroad Company, operating between Winchester and Fleming.

Air: Tri-City Airport, Bristol, Virginia, 106 miles, is served by Piedmont and Capital Air Lines.

Trucks: Whitesburg is served by six common carrier truck lines, providing both interstate and intrastate service.

Bus Lines: Whitesburg is served by Cumberland Coach Lines.

### HIGHWAY DISTANCES: From Whitesburg, Kentucky

To	Miles	To	Miles
Atlanta, Ga.	345	Louisville, Ky.	237
Chicago, Ill.	545	Nashville, Tenn.	349
Cincinnati, Ohio	251	Pittsburgh, Pa.	445
Detroit, Mich.	509	St. Louis, Mo.	485
Knoxville, Tenn.	153	New York, N.Y.	623

### UTILITIES:

Electricity: Electricity is supplied Whitesburg by Kentucky Power Company.

Natural Gas: Whitesburg does not have natural gas.

Water: Water is supplied by the Whitesburg Municipal Waterworks, whose source of raw water is a drilled well. The average daily use is 150,000 gallons, leaving a surplus of 50,000 gallons per day.

Sewerage: Whitesburg is served by a municipally-owned sewerage system with separate storm and sanitary sewers.





Main Street, Whitesburg, shows a variety of growing businesses.



## POPULATION AND LABOR

### Population

Table 1 shows the population and rates of growth in Whitesburg, Letcher County, and Kentucky, 1900-1960.

Table 1. Population Growth in Whitesburg, Letcher County and Kentucky					
Year	<u>Whitesburg</u>		<u>Letcher County</u>		<u>Kentucky</u>
	Population	% Increase	Population	% Increase	% Increase
1900	194		9,172		
1910	321	65.5	10,623	15.8	6.6
1920	706	119.9	24,467	130.3	5.5
1930	1,805	155.7	35,702	45.9	8.2
1940	1,616	- 10.5	40,592	13.7	8.8
1950	1,393	- 13.8	39,522	- 2.6	3.5
1960	1,774	27.4	30,102	- 23.8	2.4
Per cent of nonwhite population in county - 2.4					

### Labor Force 1/

Definition of Population Trend. The Whitesburg labor supply area is defined for the purposes of this statement to include Letcher and the adjoining Kentucky counties of Harlan, Knott, Perry, and Pike. The population centers of all area counties are within 40 miles of Whitesburg, which makes commuting feasible from any point in the area.

According to the 1960 United States Bureau of Census, the population of this 5 county area was 200,247, which was a decrease of 59,066 from the 1950 Census of 259,313.

Economic Characteristics of the Area. This area is economically dependent upon the mining and quarrying industries with approximately 12,233 people employed in this industry. There were 540 farms in the area listed as commercial. Of this number, 483 farms had an income of less than \$2,500. Letcher County had 2,156 employed in the mining and quarrying industries in 1960.

In June 1960, there were 1,137 manufacturing jobs in the area, with 145 of this number in Letcher County. Harlan County had 522 persons employed in manufacturing, which was the greatest number of manufacturing jobs of any area county.

Per capita income for the state in 1957 was \$1,372, as estimated by the University of Kentucky Bureau of Business Research. Area counties ranged from \$364 in Knott to \$1,599 in Harlan.

Estimated Labor Supply for Industrial Jobs. There are three major components of the estimated area labor supply.

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

It is estimated that there are 8,590 men and 13,385 women in the Whitesburg area who would be available for industrial jobs. Letcher County alone could furnish 1,405 men and 2,098 women included in the above total.

Due to the dislike of commuting and other factors, not all of the labor supply would be available for jobs located at Whitesburg or any other one site in the area. However, it is estimated that 2,442 men and 3,284 women would be available for jobs at Whitesburg.

In addition to the current labor supply, 37,583 boys and 36,700 girls in the area will become eighteen years of age during the next ten years, with 5,676 boys and 5,561 girls of this number residing in Letcher County. It is likely that at least 80 per cent of the boys and 40 per cent of the girls will want jobs upon reaching working age.

Wages. Some examples of wages in the area are: clerical & secretarial - \$150 to \$300 per month; laborer - \$.75 to \$1.25 per hour; semi-skilled - \$1.50 to \$1.75 per hour; skilled - \$2.00 to \$3.50 per hour; truck driver - \$1.25 to \$1.50 per hour; and maintenance \$1.20 to \$2.50 per hour.

Labor-Management Relations. Labor-management relations in Whitesburg are described locally as good.

## EXISTING INDUSTRY

### Existing Firms, Products and Employment

The following list of manufacturing firms indicates something of the demand for labor and products available in the immediate area of Whitesburg.

Table 2. Manufacturing Firms, Products and Employment

Firm	Product	Employment		
		Male	Female	Total
Coca-Cola Bottling Works	Bottled soft drinks	8	2	10
Caudill Lumber Co.	Lumber	10	0	10
Rufus & Robert Holbrook	Drop bottom mine cars	3	0	3
The Mountain Eagle	Newspaper publishing	2	2	4
Electric Machine Supply	Rebuilt machinery	48	4	52
Home Lumber Co.	Ready-mixed concrete	3	0	3
Royal Crown Bottling Co., Inc.	Bottled soft drinks	50	2	52
Whitesburg Block Co., Inc.	Concrete blocks	10	1	11

### Unionization

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

## TRANSPORTATION

### Railroads

Whitesburg is served by the Louisville and Nashville Railroad Company, operating between Winchester and Fleming. There are four local freight trains daily. Switching service is provided daily, except Sunday, with three tracks accommodating 68 cars. The average number of inbound carloads per month is 15. These consist mainly of sand, cement, and feed. There are approximately 1,000 carloads of coal leaving the area daily.

Railway Express pick-up and delivery service is available.

Table 3. Railway Transit Time from Whitesburg, Kentucky 2/

To	Arrive (hrs.)	To	Arrive (hrs.)
Atlanta, Ga.	70	Louisville, Ky.	42
Birmingham, Ala.	60	Los Angeles, Calif.	185
Chicago, Ill.	79 1/2	Nashville, Tenn.	53
Cincinnati, Ohio	57 1/2	New Orleans, La.	77 1/2
Cleveland, Ohio	93	New York, N.Y.	108
Detroit, Mich.	98	Pittsburgh, Pa.	95
Knoxville, Tenn.	62	St. Louis, Mo.	64 1/2

### Highways

Highways serving the area are U.S. Route 119 and State Route 15. The transportation map on the following page shows the railroads, major highways, recreation areas and navigable waterways in Kentucky.



Truck Lines. Common carrier service is provided by Combs Truck Line, Hazard; Conken Transit Co., Harlan; Hazard Express, Lexington; Hayes Freight Lines, Inc., Indianapolis, Indiana; and Pinson Transfer Co., Inc., Huntington, West Virginia.

Table 4. Truck Transit Time from Whitesburg, Kentucky 3/					
To	Arrive (days)		To	Arrive (days)	
	TL	LTl		TL	LTl
Atlanta, Ga.	2	3	Louisville, Ky.	1	2
Birmingham, Ala.	3	4	Los Angeles, Calif.	7	7
Chicago, Ill.	2	2	Nashville, Tenn.	2	2
Cincinnati, Ohio	1	2	New Orleans, La.	5	6
Cleveland, Ohio	2	2	New York, N.Y.	3	4
Detroit, Mich.	2	2	Pittsburgh, Pa.	2	3
Knoxville, Tenn.	2	3	St. Louis, Mo.	2	3

Bus Lines. Whitesburg is served by Cumberland Coach Lines, operating between Cumberland, Hazard and Jenkins, with two buses to Cumberland and four buses to Hazard and Jenkins daily.

Table 5. Highway Distances from Whitesburg, Kentucky			
To	Miles	To	Miles
Atlanta, Ga.	345	Lexington, Ky.	168
Birmingham, Ala.	423	Louisville, Ky.	237
Chicago, Ill.	545	Nashville, Tenn.	349
Cincinnati, Ohio	251	New York, N.Y.	623
Detroit, Mich.	509	Pittsburgh, Pa.	445
Knoxville, Tenn.	153	St. Louis, Mo.	485

#### Airways

The nearest commercial airport is Tri-City Airport, Bristol, Virginia, 106 miles. This airport is served by Piedmont and Capital Air Lines.

A landing field is being constructed at Whitesburg to accommodate light aircraft. This field will be completed by May 1961.

### UTILITIES

#### Electricity

Electricity is supplied by Kentucky Power Company. This company is an integral part of the American Electric Power Company's interconnected system which has a generating capacity of 6,346,000 kilowatts. The area served by Kentucky Power Company is substantially covered with transmission and distribution lines. Large users of electricity may be assured



of an adequate and dependable supply of low cost electricity.

Current rates may be obtained from Kentucky Power Company, Hazard, Kentucky.

#### Natural Gas

Whitesburg does not have natural gas facilities.

#### Water

Water is provided by the Whitesburg Municipal Waterworks. The source of raw water is a drilled well, which supplies approximately 200,000 gallons a day. Storage facilities include one 150,000 gallon elevated tank and one 90,000 gallon elevated tank. The pumping capacity is 200 gpm, and the average pumping time to meet requirements is 16 hours. The maximum daily use is 200,000 gallons, and the average daily use is approximately 150,000 gallons. The mains vary from 2 to 8 inches, and the pressure is maintained at 90 psi.

Current monthly rates per 1,000 gallons:

First	3,000	\$3.50	(minimum)	
Next	1,000	1.40	Next	15,000 \$ .85
Next	1,000	1.20	Next	25,000 .70
Next	1,000	1.20	Next	50,000 .55
Next	5,000	1.00	Over	100,000 .40

#### FUEL

#### Fuel Oil

There are ample supplies of fuel oil in Kentucky and surrounding states to meet the needs of an industry locating in the area.

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

#### Coal and Coke

Whitesburg is located in the heart of the Kentucky River coal district, which produced 9,706,293 tons of coal in 1959. The total Kentucky production was 64,990,298 tons in that year. The total Eastern Kentucky coal production was 64,990,226 tons. 4/ High grade coke is available from nearby sources. Current delivered prices of coal and coke may be obtained from the Kentucky Department of Economic Development.

High grade coke is available from nearby sources.

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

## COMMUNICATIONS

### Postal Facilities

Whitesburg has a second class post office with nine employees. Mail is received five times and dispatched seven times daily. Postal receipts for 1959 were \$32,000.

### Telephone and Telegraph

The Southern Bell Telephone Company serves 1,810 Whitesburg subscribers with a dial system.

Telegraph service is provided by the Louisville and Nashville Railroad Company.

## INDUSTRIAL SITES

Site # 1. This site contains approximately 11 acres of level land located 1/2 mile northeast of the city limits on State Route 15. This site is bordered on the east by the Louisville and Nashville Railroad. Electricity is available.

Site # 2. This site contains approximately 6 acres of level land located at the edge of the city limits on State Route 15. The Louisville and Nashville Railroad borders the site on the north. Electricity is available.

Site # 3. This site contains approximately 5 acres of level land located at the west edge of the city on State Route 15. This site is bordered on the north by the Louisville and Nashville Railroad. Electricity, water and sewerage are available.

## LOCAL GOVERNMENT AND SERVICES

### Type Government

Whitesburg, a fifth class city, is governed by a mayor, who is elected for a four-year term, and five councilmen, elected for two-year terms.

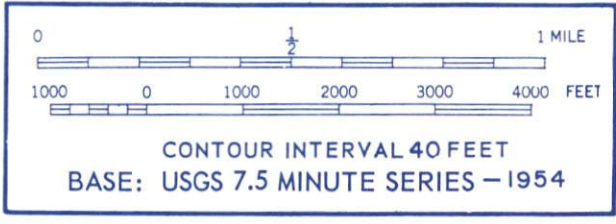


**LEGEND:**  
**UTILITIES AVAILABLE**  
**W - WATER**  
**E - ELECTRICITY**  
**S - SEWERAGE**

**SITE-3**  
**II A**  
**W E S**

**SITE-1**  
**II A**  
**E**

**SITE-2**  
**II A**  
**E**





## Laws Affecting Industry

Exemption to Industry. As provided by state law, Whitesburg may allow a five year property tax exemption to new industry. This tax exemption cannot be extended beyond the five year period.

Business Licenses. The city of Whitesburg requires a business license ranging from \$25 to \$275, depending on the type of business.

Planning and Zoning. Whitesburg has a planning commission which has a contract with the Department of Economic Development's Planning and Zoning Division for technical planning service. Planning projects which have been completed to date are: Base Map; Land Use Map; Existing Land Use Analysis; Zoning Ordinance and Map; Subdivision Regulations. The planning commission is now preparing a Major Street Plan. The City has an approved program for community improvement and has established a Municipal Housing Commission. The housing commission is contemplating the initiation of housing and urban renewal programs.

## City Services

Fire Protection. The fire department is staffed with a chief and 16 volunteer firemen. Equipment includes: a 1949 International, 500 gpm pumper truck with a 350 gallon booster tank, 1,400 feet of 2 1/2 inch hose, 250 feet of 1 inch booster hose, a two-way radio, gas masks, hand extinguishers and a respirator ; a 1937 Chevrolet, 500 gpm pumper truck, with a 350 gallon storage tank, 1,200 feet of 2 1/2 inch hose, 400 feet of 1 1/2 inch hose, 200 feet of 1 inch booster hose, hand extinguishers, 10 gallons of foam and a two-way radio; and a 1958 Edsel car. Plans are being made for the purchase of a new fire truck.

Whitesburg has a Class 7 fire insurance rating. The basic insurance rate per \$100 assessed value for masonry or wooden dwellings located inside the city limits is \$.18 and \$.26, respectively. The rate for the same type dwellings located outside the city limits is \$.42 and \$.62, respectively.

Police Protection. The Whitesburg Police Department is staffed by a chief and three patrolmen. Motorized equipment consists of one patrol car equipped with a two-way radio.

Garbage and Sanitation. Municipal garbage collection is made twice weekly in the residential sections and daily in the business district. The collection fee is \$1 per month for residences and \$3 per month for businesses. Disposal is by means of a city dump.

Sewerage. Whitesburg has a municipally owned sewerage system which consists of separate storm and sanitary sewers and a disposal plant designed for a population of 3,000. Sewerage mains are 6 to 15 inches. Maximum daily flow is 100,000 gallons. Planned construction calls for the extension of facilities to all recently annexed areas. The sewerage rate is 50% of the water bill.

## TAXES

Table 6 shows the property taxes applying in Whitesburg and Letcher County for 1960.

Table 6. Property Tax Rates per \$100 of Assessed Value: Whitesburg and Letcher County, 1960

	Whitesburg	Letcher County
County	\$ .70	\$ .70
State	.05	.05
City	.91	
School	1.50	1.50
Total	\$ 3.16	\$ 2.25

<u>Ratio of Assessment</u>	Whitesburg	37%
	Letcher County	37%

<u>Total Assessment</u>	Whitesburg	\$ 1,822,032
	Letcher County	\$ 21,327,471

<u>City Income and Expenditures, 1960</u>	\$ 102,535
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City Bonded Indebtedness -

Sewers	\$191,000	
Water	\$124,000	
Parking Lot	\$ 29,000	
City Hall	\$ 11,000	
		\$ 355,000

<u>Estimated County Budget, fiscal year 1960-61</u>	\$ 171,062
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County Bonded Indebtedness -

Road & Bridge	\$393,000	
General	\$ 50,000	
		\$ 443,000

## LOCAL CONSIDERATIONS

### Housing

A few housing units are available for rent or sale. The rental range for two and three bedroom houses is \$40 to \$60 per month. Construction cost for two and three bedroom houses is \$10,000 to \$15,000, depending on location and type of materials used.



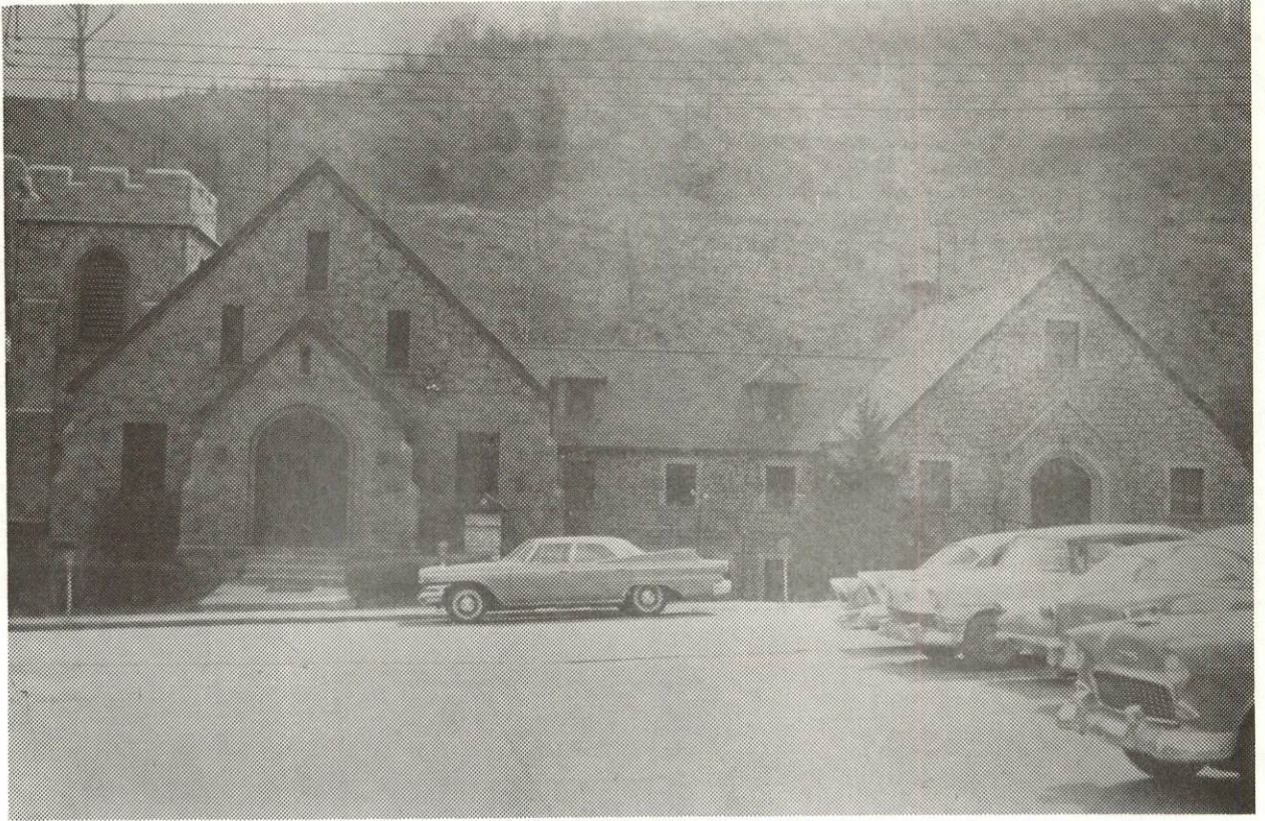


Whitesburg Municipal Building houses City Hall, Fire Department and serves as quarters for the Fire Chief.



Modern Coal Mining is a trade mark of Whitesburg and vicinity.





Church facilities are excellent in Whitesburg.



Whitesburg Memorial Hospital...one of most modern in U.S.



## Health

Hospitals. The Whitesburg Memorial Hospital, one of ten hospitals built by the Miners Memorial Hospitals Association, is located in Whitesburg. This 75-bed hospital has facilities for general medical care, obstetrics, surgery, physical therapy, in-patient and out-patient service, laboratory and X-ray services. This hospital employs a chief of special medicine, chief of obstetrics and gynecology, chief of pediatrics, and several general practitioners.

Public Health. The County Health Department is located in Whitesburg. This department is staffed with a doctor and one nurse. Services provided by the department include: immunizations, tuberculosis control, sanitation and communicable disease control. The department has a clinic providing services for disease control, dental health, X-ray and crippled children.

There are four doctors and two dentists practicing in Whitesburg.

## Education

Graded Schools. The Letcher County system has a total enrollment of 5,643 elementary students and 1,656 high school students. The student-teacher ratio is approximately 28-1 in the elementary grades and approximately 25-1 in the high school. Whitesburg Elementary School and Whitesburg High School, which are a part of the county system, have enrollments of 666 and 825, respectively. Tentative plans are being made for a new high school building.

Table 6. Schools, Enrollment and Number of Teachers in Whitesburg and Letcher County, 1960-61.

System	Enrollment	Number of Teachers
Letcher County Elementary (total)	5,643	204
Letcher County High (total)	1,656	68
Jenkins Elementary (Ind.) (total)	903	33
Jenkins High (Ind.) (total)	418	21

Vocational Schools. Kentucky's vocational education program utilizes fourteen highly specialized regional schools, which are partly integrated with secondary education. These special area schools prepare Kentuckians for a variety of trade and industrial occupations. Whitesburg is served by the Hazard Area Vocational School, Hazard, Kentucky. Courses offered include auto mechanics, auto body mechanics, drafting, electronics, general industrial electricity, heavy equipment operation and maintenance, machine shop, welding, woodworking and carpentry.

The trade preparatory courses listed above are normally two years in length. In addition to the above, short unit courses for upgrading of employed workers are offered on a continuous basis wherever needs exist and upon

request. These short unit courses are provided in all occupations of an industrial nature. New courses are constantly being added as needs arise and facilities will permit.

Colleges. Institutions of higher learning in the area include: Pikeville College, Pikeville, 50 miles; Cumberland Extension of the University of Kentucky, Cumberland 22 miles; Clinch Valley Extension of the University of Virginia, Wise, Virginia, 35 miles; and the University of Kentucky, Lexington, 168 miles.

#### Libraries

Library service is provided by Letcher County Library, which has 4,094 volumes and an annual circulation of 36,334. Letcher County bookmobile serves the county.

#### Churches

There are six churches in Whitesburg representing the following denominations: Baptist, Church of God, Methodist and Presbyterian.

#### Banks

	Statement as of December 31, 1960	
	Assets	Deposits
Bank of Whitesburg	\$7,869,518.10	\$7,161,506.61

#### Hotel and Motel Accommodations

Daniel Boone Hotel	44 rooms
Pine Mountain Motel	18 units
Johnson Motel	17 units

#### Newspapers, Radio and Television

Newspapers. The Mountain Eagle is a weekly newspaper with a circulation of 2,745. Louisville and Lexington papers are received daily.

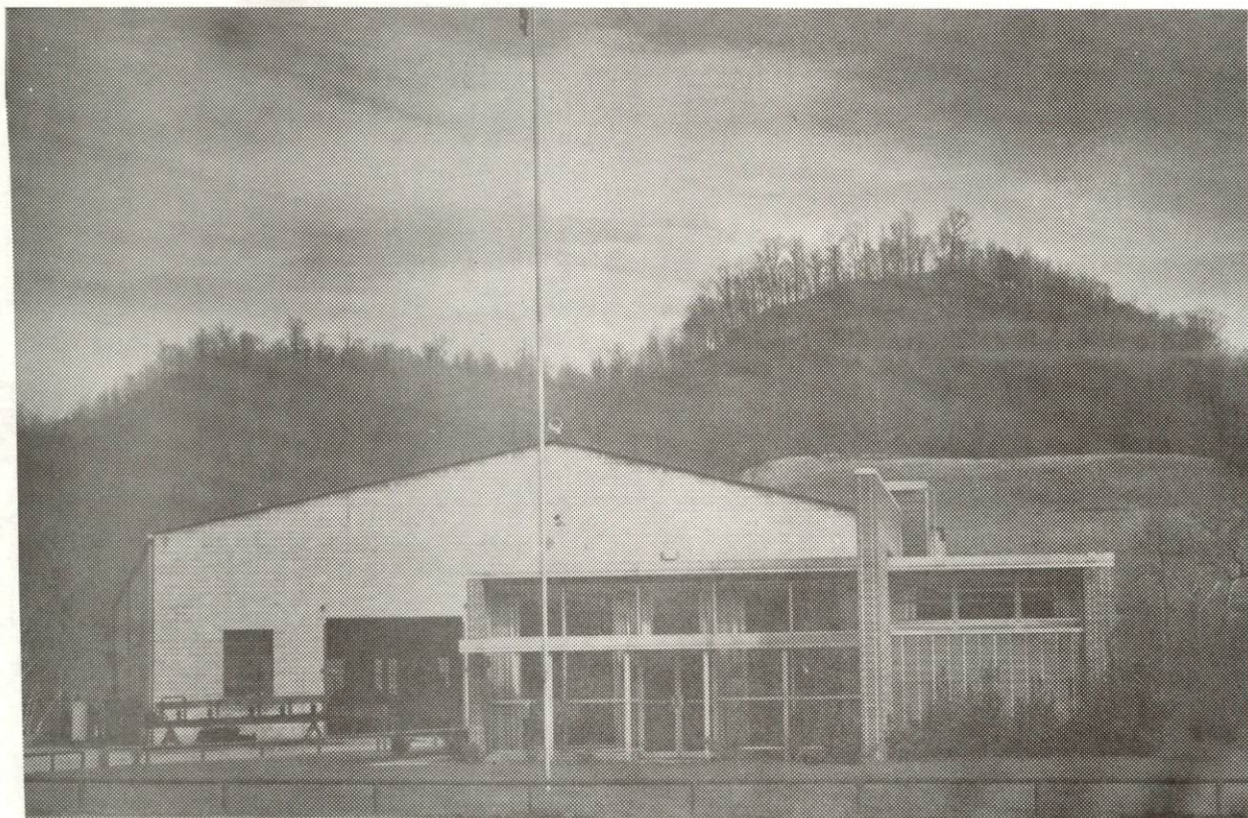
Radio. Located in Whitesburg is WTCW, an independent station, operating on 1,000 KC. Radio reception is also good from Neon, Kentucky and Norton, Virginia.

Television. Television reception is from Huntington and Bluefield, West Virginia, and Bristol, Virginia.



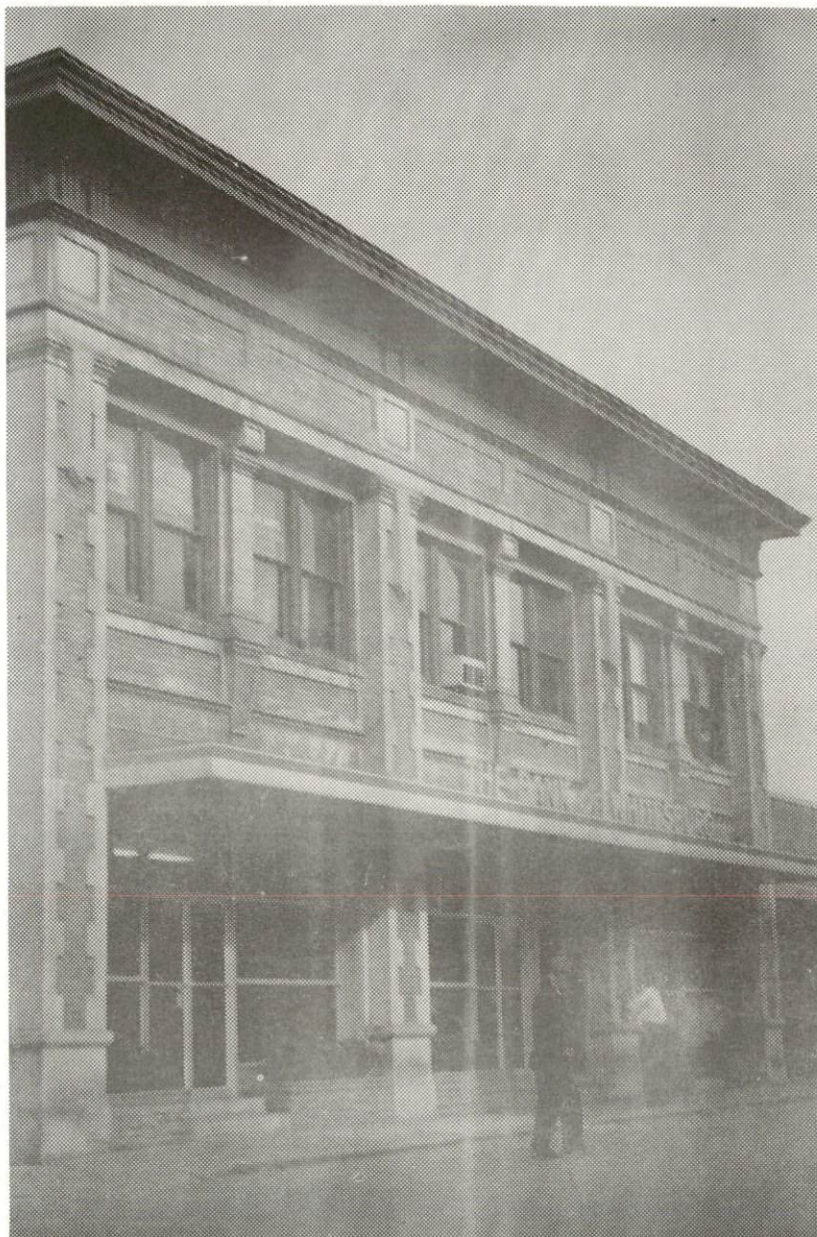


School facilities are progressing rapidly in Letcher County.



Electric and Machine Supply-rebuilders of mining equipment.





Bank of Whitesburg, . . . new modern front and recently remodeled interior



Miss Kentucky 1959-60 (Carol Brown, from Whitesburg) enjoys the  
Whitesburg climate and beautiful area.



### Clubs and Organizations

Civic. Chamber of Commerce, Junior Chamber of Commerce, Lions, Rotary, and Whitesburg Community Development Association.

Fraternal. Masonic, Eastern Star, and VFW.

Women's. Woman's Club, Business and Professional Woman's Club, Homemakers, Beta Sigma Phi Sorority, Garden Club, and VFW Auxiliary.

Youth. Boy Scouts, Girl Scouts, Brownies, Cub Scouts, and 4-H Club.

### Recreation

Local Facilities. Local recreational facilities include a city park with a swimming pool and playground equipment, a movie theater, drive-in movie, and tennis courts at the hospital.

Area Facilities. Jennie Wiley State Park and Dewey Lake, Prestonsburg, 72 miles; Buckhorn Lake State Park, 50 miles; Black Mountain, 45 miles; Pine Mountain State Park and Mountain Laurel Festival, Pineville, 70 miles; and Cumberland Gap National Historical Park, Middlesboro, 88 miles.

### Community Improvements

Community improvements during the past few years include the following: free mail delivery; sewerage disposal plant at a cost of \$330,000; a municipal parking lot at a cost of \$31,000; the resurfacing of the main streets; a new county fire truck; sidewalks reconditioned; and a city park. Whitesburg has recently formed the Whitesburg Community Development Association and is working in cooperation with the Community Development Division of the Kentucky Department of Economic Development.

Future plans are: purchase of a new \$17,000 fire truck; the completion of the Whitesburg Airport at a cost of \$80,000; the expansion of the city park by adding several pieces of carnival equipment; a new county health department; a new city jail; a white-way; a new Baptist Church; construction of a picnic area with tennis courts, picnic tables, outdoor fireplaces, swings and horseshoe pits will be undertaken by the Presbyterian Church.

Whitesburg's application for public housing has been approved by the Federal Housing Administration.

# NATURAL RESOURCES

## Agricultural Products

In 1954 there were 1,574 farms in Letcher County covering 82,240 acres, an average of 52.2 acres per farm. As shown in the following table, the chief crops are corn and hay.

6/

Table 7. Agricultural Statistics for Letcher County Area\* and Kentucky, 1958

Crops		Acres Harvested	Yield Per Acre	Total Production
<u>Corn:</u>				
Letcher Co. Area	(bu)	25,100	39.3	987,000
Kentucky	(bu)	1,501,000	49.0	73,549,000
<u>Wheat:</u>				
Letcher Co. Area	(bu)	40	17.5	700
Kentucky	(bu)	168,000	23.5	3,948,000
<u>Soybeans:</u>				
Letcher Co. Area	(bu)			
Kentucky	(bu)	155,000	24.5	3,798,000
<u>Burley Tobacco:</u>				
Letcher Co. Area	(lbs)	492	1,530.4	753,000
Kentucky	(lbs)	199,000	1,510.0	300,490,000
<u>Alfalfa Hay:</u>				
Letcher Co. Area	(tons)	850	2.2	1,840
Kentucky	(tons)	305,000	2.3	702,000
<u>Clo-Tim Hay:</u>				
Letcher Co. Area	(tons)	9,000	1.9	10,300
Kentucky	(tons)	515,000	1.3	721,000
<u>Lespedeza Hay:</u>				
Letcher Co. Area	(tons)	5,400	1.2	6,620
Kentucky	(tons)	698,000	1.3	942,000

Livestock		Number on Farms as of January 1, 1959
<u>All Cattle and Calves:</u>		
Letcher Co. Area		16,550
Kentucky		1,843,000
<u>Milk Cows:</u>		
Letcher Co. Area		9,250
Kentucky		628,000
<u>Sheep:</u>		
Letcher Co. Area		
Kentucky		604,000

\* Letcher County Area includes Letcher and the surrounding counties of Harlan, Knox, Perry, and Pike.



## Forests

There are approximately 178,000 acres of forests in Letcher County which comprise 82% of the total land area. The principal types of trees are oak, hickory, beech, yellow poplar and pine.

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacturing within the state could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain. Less than one-fourth of the lumber, veneer and bolts produced (500 to 600 million board feet per year) is used in manufacturing in the state.

## Minerals

Coal constitutes the most important mineral resource of Letcher County. Other minerals of importance include limestone, petroleum and natural gas, sand and sandstone, and clay. Gravels for limited local use can be found along the major streams. In 1959, the county ranked seventh in the State in total value of mineral production. (Mineral Yearbook, 1959)

## Coal

Production: For the period 1890 through 1959, Letcher County produced nearly 228 million tons of coal and ranked fourth among the coal producing counties of Kentucky. In 1959, production totaled 4,310,633 tons from seven rail mines and 267 truck mines. Several seams are mined, with Elkhorn, Whitesburg and Hazard No. 4 being outstanding producers. Small amounts of cannel coal have also been produced in the county.

Quality: The coals of Letcher County rank among the nation's highest quality coal. They are high volatile bituminous, of low ash and sulphur content, and high in b. t. u. value. The County, along with adjacent counties in southeastern Kentucky, contains coals which, when blended with low volatile coals to produce coke, have not been excelled in the United States. Selected analyses of the major seams are as follows:

Seam	Moisture	Volatile Matter	Fixed Carbon	Ash	Sulphur	B. T. U.	Ash Softening Temp. °F
Elkhorn No. 3	2.0	36.6	60.2	3.2	0.6	14,300	2,550
Whitesburg and Hazard #4 (Blinded)	3.0	37.0	54.5	5.5		13,700	2,740
Hazard No. 4	3.1	38.0	55.8	3.1	0.6	14,100	2,710

Source: Keystone Coal Buyers Manual, 1960.



Reserves: Total remaining reserves as of January 1, 1952 amount to 1,950.93 millions of short tons. (Estimated by U.S. Geological Survey in a recent publication, "Coal Resources of Eastern Kentucky".) This includes measured, indicated and inferred resources in beds fourteen inches or more in thickness.

### Limestone

Mississippian limestones outcrop along the northwest flank of Pine Mountain where they have been brought to the surface by the Pine Mountain overthrust fault. This system contains high-calcium zones which, when present, are suitable for agricultural lime and other chemical uses. Most of the County's limestone at present is used for roadway construction. Two quarries have been reported in operation.

### Petroleum and Natural Gas

The first reported oil production in Letcher County was in 1953 when 129 barrels were recorded. Over one thousand (1,000) barrels were recorded for the first time in 1959. This figure jumped to 13,351 barrels in 1960. Production has been reported from the Maxon and Salt sands.

The Southern portion of the Big Sandy gas field extends into Letcher County. This field produces over 95% of the annual gas produced in Kentucky. Production is chiefly from joints and fractures within the Devonian black shale.

### Sand and Sandstone

Sand and sandstone suitable for general construction purposes may be obtained from the Lee formation (basal Pennsylvanian) near the top of Pine Mountain. Recent investigation indicates that this sandstone offers possibilities for the manufacture of glass. The recent uncovering of large quantities of high-grade silica sand near Elkhorn City, Pike County, in this formation may pave the way for further development along Pine Mountain.

### Clay

Thin clays and shale deposits occur interbedded with coals, sandstones and conglomerates of the Coal Measures and alluvial clays exist along major streams. These are deemed suitable for the manufacture of common brick and other structural clay products.

In 1959 Kentucky ranked 10th in the nation in the value of minerals produced. Total production was valued at \$416,391,000 and the principal minerals in order of value were coal, petroleum, stone, and natural gas. Among the States, Kentucky ranked second in ball clay and fluorspar production and third in bituminous coal output.

Table 8. Kentucky Mineral Production in 1959			7/
Mineral	Unit	Quantity	
Barite	Short tons	26,598	
Clays	Short tons	984,000	
Coal	Short tons	62,810,000	
Fluorspar	Short tons	18,579	
Gem stones			(1)
Lead (recoverable content of ores, etc.)	Short tons	409	
Natural gas	Million cubic feet	72,400	
Natural-gas liquids:			
Natural gasoline	Thousand gallons	35,868	
LP-gases	Thousand gallons	213,171	
Petroleum (crude)	Thousand 42-gal. bbls.	26,343	(2)
Sand and gravel	Short tons	5,081,000	
Silver (recoverable content of ores, etc.)	Troy ounces	75	
Stone	Short tons	16,063,000	
Zinc (recoverable content of ores, etc.)	Short tons	673	

(1) Quantity not canvassed.

(2) Preliminary figures.

### Water

Surface Water: Letcher County is drained by the headwaters of the Middle Fork Kentucky River and Poor Fork Cumberland River. Other surface water supplies may be secured by impoundment of small streams.

Ground Water: Ground water constitutes the chief source of water for domestic and industrial uses. The occurrence of ground water is from the rocks of the Pennsylvanian system except along Pine Mountain fault where Devonian and Mississippian rocks are aquifers. This is summarized in Hydrologic Investigations Atlas HA-10 (USGS) as follows:

Devonian and Mississippian Systems, Undifferentiated: "The outcrop areas of the Devonian and Mississippian systems are along the Pine Mountain thrust fault. The limestone yields water to springs, one of which is used for public supply.



Pennsylvanian System: "Where sandstone, siltstone, or conglomerate crops out in broad uplands or in valleys, it yields enough water for domestic use to most drilled wells. A number of wells yield more than 50 gpm for public and industrial supplies. Some water is obtained from limestone and coal beds. Little water is available from shale. Sandstone and conglomerate yield water to numerous springs and seeps, but most of the springs are small and go dry in late summer."

Because of local variations, the above conditions may not apply to any given locality but should serve only as a guide to the general ground water conditions in these systems.

## MARKETS

Kentucky and the seven adjoining states make up one-fourth of the national market. In 1957, the population was 39,901,000, or 23.4% of the United States; personal income was \$80,029,000,000, or 23.2% of the United States; and value added by manufacturing was \$40,684,782,000, or 28.2% of the United States. In 1958, retail sales in this area totaled \$44,817,920,000, or 22.3% of the United States. 8/

In 1958, retail sales in Letcher County were \$14,799,000. 9/  
Per capita income in Letcher County in 1957 was \$1,054. 10/

## CLIMATE

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

Winter is usually relatively open with midwinter days averaging 32 degrees in the northern parts, to 40 degrees in the southern for about six weeks duration. Midsummer days average 74 degrees in the cooler uplands, to 79 degrees in the lowland and southern areas. The growing season varies from 180 days in the North to 210 in the South. Seasonal heating degree days average about 4,500 for the state. Sunshine prevails for an average of at least 52 per cent of the year, and increases to 60 per cent or more to the southwest.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. Warm to cool weather prevails with only short periods of extreme heat and cold.

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- 8/     Kentucky Industrial Directory, 1959-60, Kentucky Department of Economic Development
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## APPENDIX

History	Appendix A
Employment by Industry Division	Appendix B
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## HISTORY

Letcher County, the 95th county in order of formation, was established in 1842 out of parts of Perry and Harlan Counties. It was named Letcher County in honor of Governor Robert P. Letcher.

Whitesburg, the county seat, was named for Charles White who was a member of the legislature at that time.

## Appendix B

Covered Employment by Major Industry Division, Letcher County, Kentucky				
Industry, September, 1960	Letcher County		Kentucky	
	Number	Per cent	Number	Per cent
All Industries	3,165	100.0	456,188	100.0
Mining & Quarrying	2,109	66.6	33,672	7.3
Contract Construction	71	2.2	37,503	8.2
Manufacturing	132	4.1	172,028	37.7
Food and kindred products	89	2.8	26,979	5.9
Tobacco	0		10,603	2.3
Clothing, tex. & leather	0		26,586	5.8
Lumber & furniture	18	.5	14,995	3.2
Printing, pub. & paper	16	.5	10,302	2.2
Chemicals, petroleum, coal & rubber	0		13,632	2.9
Stone, clay & glass	9	.3	6,222	1.3
Primary metals	0		9,120	1.9
Machinery, metal & equip.	0		51,219	11.2
Other	0		2,368	.5
Transportation, Communication & Utilities	60	1.8	33,704	7.3
Wholesale & Retail Trade	486	15.3	120,282	26.3
Finance, Ins. & Real Estate	34	1.0	20,138	4.4
Services	273	8.6	36,976	8.1
Other	0		1,885	.4



## Appendix C

## Economic Characteristics of the Population for Letcher County and Kentucky: 1950

Subject	Letcher County		Kentucky	
	Male	Female	Male	Female
Total Population	19,942	19,580	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	12,234	11,981	1,039,654	1,048,459
Labor force	8,538	1,010	799,094	214,162
Civilian labor force	8,531	1,009	777,155	213,916
Employed	8,053	919	748,658	206,328
Private wage & salary	6,518	522	437,752	156,377
Government workers	222	235	45,354	28,787
Self-employed	1,119	108	235,407	15,104
Unpaid family workers	194	24	30,145	6,060
Unemployed	478	90	28,497	7,588
Experienced workers	475	90	28,082	7,281
New workers	3	0	415	307
Not in labor force	3,696	10,971	240,560	834,297
Keeping house	54	8,614	5,495	665,564
Unable to work	756	237	70,583	38,564
Inmates of institutions	---	---	14,764	7,223
Others and not reported	2,886	2,120	149,718	122,946
14 to 19 years old	1,806	1,641	84,410	85,890
20 to 64 years old	882	413	47,447	28,942
65 and over	198	66	17,861	8,104

MAJOR OCCUPATION GROUP  
OF EMPLOYED PERSONS

All employed	8,053	919	748,658	206,328
Professional & technical	204	189	34,405	25,410
Farmers & farm mgrs.	466	8	169,728	2,264
Mgrs., officials and props.	539	93	57,432	9,706
Clerical & kindred workers	220	157	33,228	47,520
Sales workers	193	166	35,141	20,534
Craftsmen and foremen	809	5	107,292	3,096
Operatives & kindred wkrs.	4,823	47	152,280	37,609
Private household wkrs.	2	72	1,584	21,408
Service workers	108	133	30,522	28,000
Farm laborers, unpaid fam.	185	6	29,165	3,260
Farm laborers, other	99	2	38,358	788
Laborers, ex. farm and mine	316	5	49,848	1,843
Occupation not reported	89	36	9,675	4,890

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

# CLIMATIC DATA FOR LETCHER COUNTY, KENTUCKY

Month	Temperature Norm 1/ Degrees Fahrenheit	Total Prec. Norm 1/ Inches	Average Relative Humidity Readings 2/ 6:30 AM	6:30 PM (CST)
January	36.9	3.63	85	74
February	38.5	3.39	83	62
March	49.0	4.32	79	58
April	52.7	3.60	78	57
May	67.1	3.78	86	65
June	75.0	4.34	87	68
July	77.6	4.60	91	73
August	77.0	4.19	92	75
September	70.6	2.88	92	73
October	59.9	2.69	91	69
November	47.1	2.78	82	66
December	37.8	3.47	82	67
Annual Norm:	57.8	43.67		

1/ Thirty year norm: Station location - Pikeville, Pike County, Kentucky.

2/ Length of record: 7:30 AM - 3 years; 7:30 PM - 3 years.

— Station location - Bristol, Tennessee.

Days cloudy or clear: (14 years of record) - 85 clear; 124 partly cloudy; 156 cloudy.

Per cent of possible sunshine: Not available.

Days with precipitation over 0.01 inch: (14 years of record) - 134 days.

Days with 1.0 or more snow, sleet, hail: (8 years of record) - 3 days.

Days with thunderstorms: (8 years of record) - 53 days.

Days with heavy fog: (8 years of record) - 50 days.

Prevailing wind: (11 years of record) - West.

Seasonal Heating Degree Days: (14 years of record) - approximate long-term means, 4,272 degree days.



## KENTUCKY CORPORATION TAXES

### Corporation Organization Tax

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

	<u>Rate Per Share</u> <u>(Par Value)</u>	<u>Rate Per Share</u> <u>(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 rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net

income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.

State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year.

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

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

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

#### Franchise Company Taxes

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

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

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



## 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.

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

### Corporation Income Tax

The corporation income tax rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net

income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.

State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year.

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

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

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

#### Franchise Company Taxes

Property of franchise companies (public service companies, railroad companies, common carrier trucking companies etc.) is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; non-operating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$1. 50; and franchise (value over and above the actual value of tangible property), 50¢. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and non-operating intangibles, such property is also subject to local taxation.

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

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



## General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1955, the statewide assessment level on real estate and tangible personalty is about 35 per cent, and on intangible personalty is approximately full value.

State ad valorem tax rates, applicable to the various classes of property are shown on the table below. Property which may be taxed locally, subject to constitutional or statutory limits, is indicated by the designation "full" or by the maximum rate which may be levied on a particular class of property.

	Rate Per \$100 Assessed Value			
	State	County	City	School
Annuities	\$ .05	\$No	\$No	\$ No
Bank deposits	.10	No	No	No
Bank shares	.50	.20	.20	.40
Brokers accounts receivable	.10	No	No	No
Building and loan association capital stock	.10	No	No	No
Car lines	1.50	No	No	No
Distilled spirits	.50	Full 1/	Full	Full
Farm products in storage	.05	.05 (tobacco) .15 (other)	.05 (tobacco) .15 (other)	No
Farm products in the hands of producers or agent	.25	No	No	No
Intangibles, franchise	.50	Full	Full	Full
Intangibles, franchise nonoperating	.25	No	No	No
Intangibles, not elsewhere specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified 2/	.50	Full	Full	Full

1/ County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

2/ Includes automobiles and trucks, merchants inventories and manufacturers finished goods, business furniture and fixtures, etc.

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

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

City and city school assessment and payment dates vary.

#### Special Taxes

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

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

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

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

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



MAJOR KENTUCKY STATE AND LOCAL TAXES  
APPLICABLE TO A MANUFACTURING CONCERN

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, <u>after</u> deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capitol stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	<p>Individual income tax consisting of:</p> <p>(1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after</u> the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption. (Effective January 1, 1961, individual income taxes were reduced by an average of 40%.)</p>	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 per cent of current market value.	Local rates vary within limits imposed by law.									
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 per cent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 per cent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	Three per cent retail sales and use tax with broad exemptions for industry.	None									
Intangible Property	<p>The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follow:</p> <table> <tr> <td>Bank Deposits</td><td>100%</td><td>1/10 of 1¢</td></tr> <tr> <td>Stocks &amp; Bonds</td><td>100%</td><td>25¢ per \$100</td></tr> <tr> <td>Accounts Receivable</td><td>85%</td><td>25¢ per \$100</td></tr> </table>	Bank Deposits	100%	1/10 of 1¢	Stocks & Bonds	100%	25¢ per \$100	Accounts Receivable	85%	25¢ per \$100	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of 1¢									
Stocks & Bonds	100%	25¢ per \$100									
Accounts Receivable	85%	25¢ per \$100									

KENTUCKY REVISED STATUTES  
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES  
OF  
INCORPORATION FOR FOREIGN CORPORATIONS  
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky is required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.
3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Henry H. Carter,  
Secretary of State,  
Commonwealth of Kentucky.

## COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Economic Development, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth. Since it is a statutory function of the Department of Economic Development "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year 1959, 2,645 miles of highway and bridges were placed under contract at a total cost of \$62,905,575. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

The Department of Economic Security will furnish data regarding potential labor supply, prevailing wage rates, characteristics of labor supply and employment and economic characteristics for any area in the State. The Department's Division of Employment Service with offices in 24 cities in the State is available at all times to assist in recruitment of workers for industry both old and new. All local offices in the State are equipped to administer specific aptitude tests for 270 different occupations as a part of the recruitment process. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

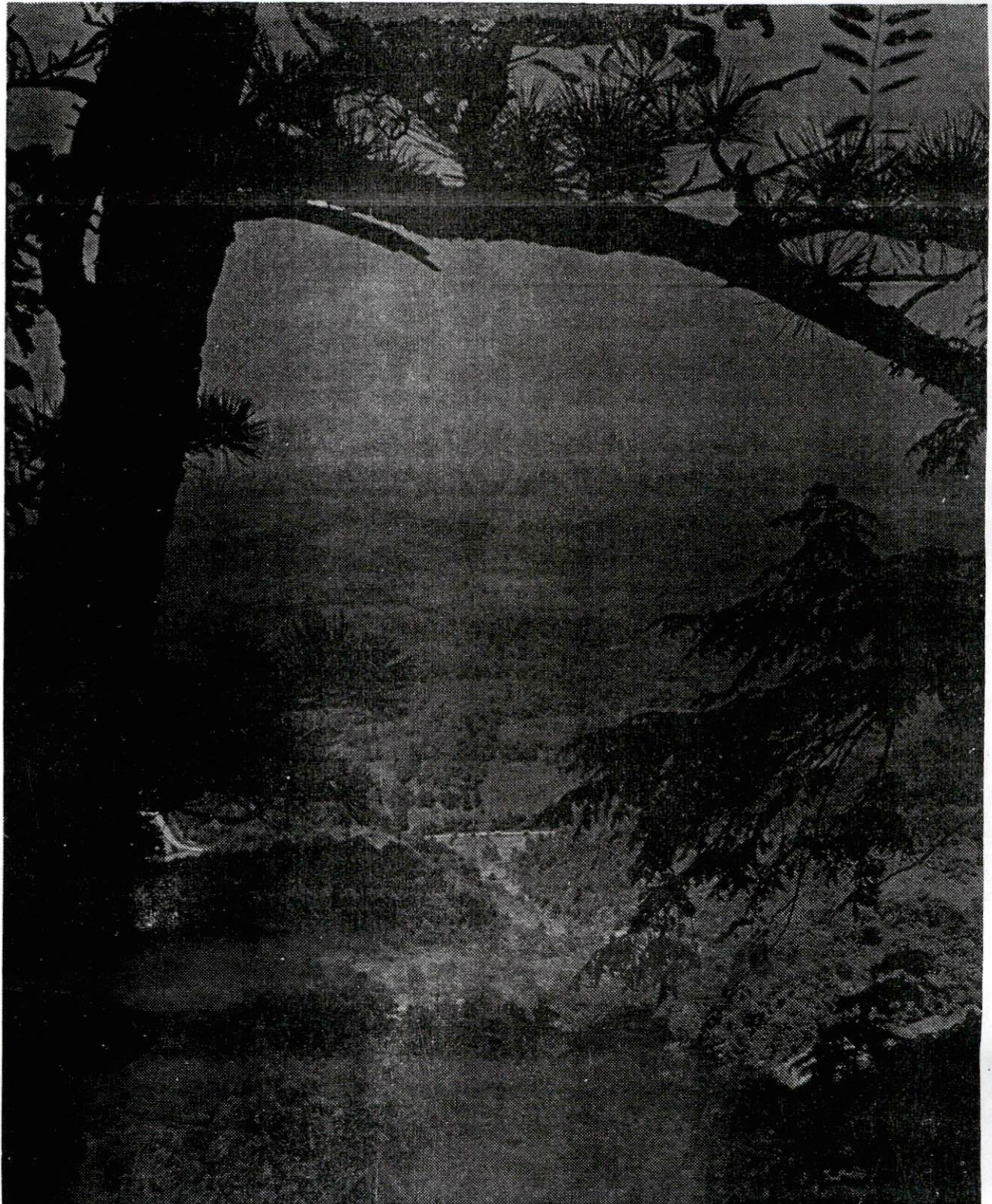
The Kentucky Department of Industrial Relations has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

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

The Kentucky Department of Economic Development takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry. Established industries have found the state to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to our present family of industries.



# Industrial Resources



Scenic view from Pine Mountain....2 miles from Whitesburg.

**WHITESBURG, KENTUCKY**