

4-20-1951

## Industrial Resources: Logan County - Russellville

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# ECONOMIC & INDUSTRIAL SURVEY

of

## Russellville, Ky.



Prepared By

THE RUSSELLVILLE CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

ECONOMIC AND INDUSTRIAL SURVEY

OF

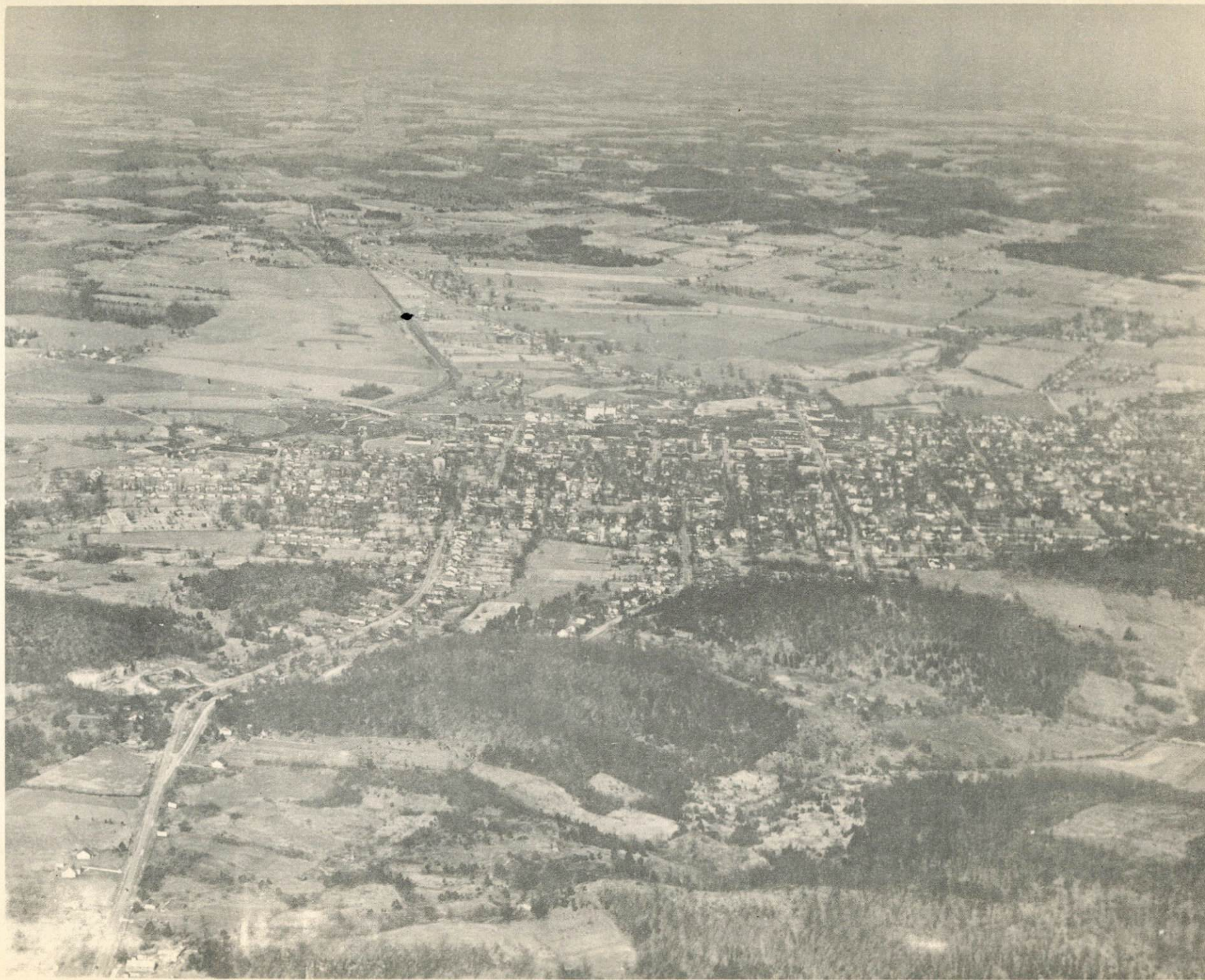
RUSSELLVILLE, KENTUCKY

Prepared by

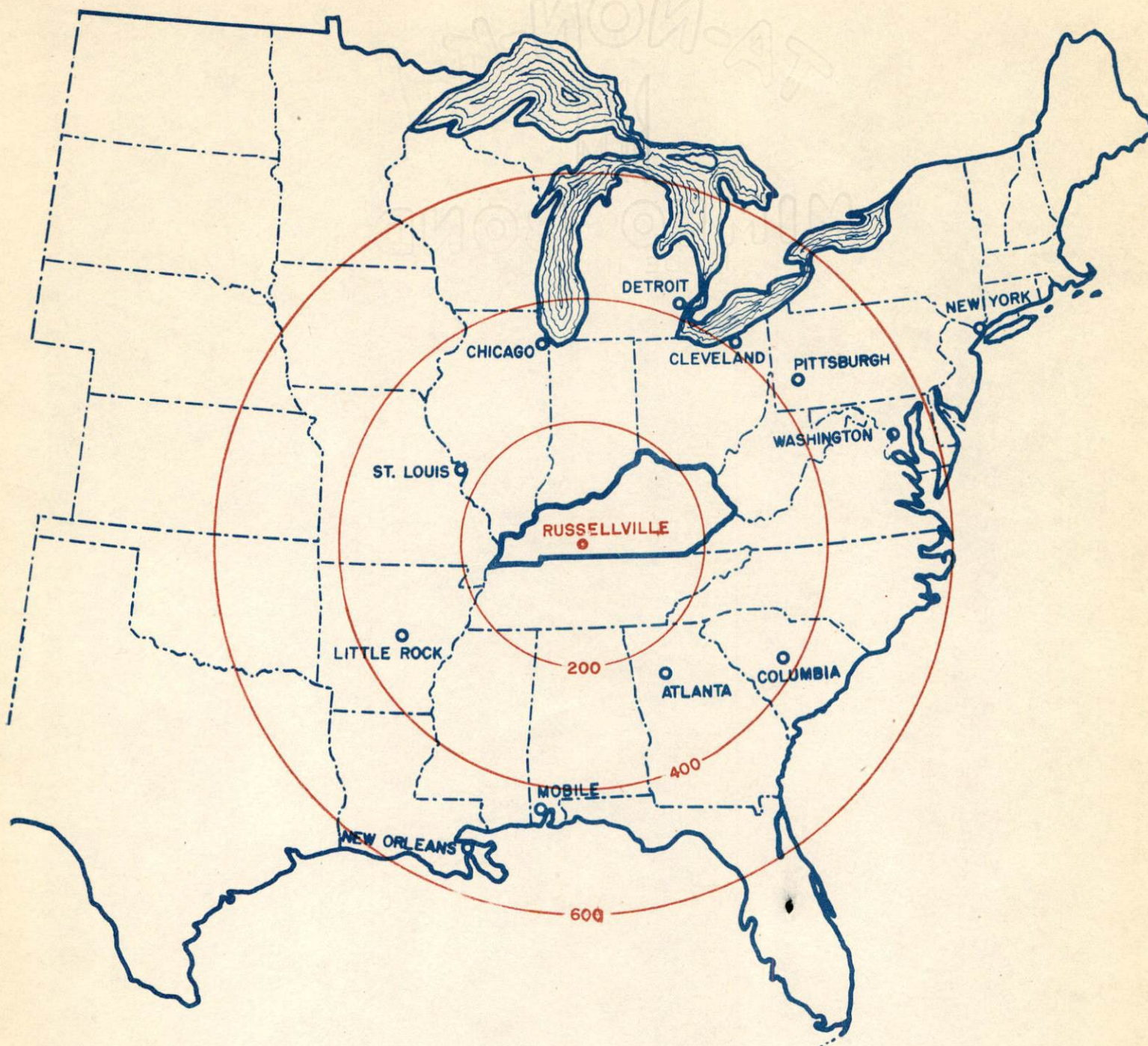
The Russellville Chamber of Commerce  
and  
The Agricultural and Industrial Development Board  
of  
Kentucky

April 20, 1951









## RUSSELLVILLE, KENTUCKY

HAS 50,000,000 CUSTOMERS  
WITHIN ITS MARKET AREA



## TABLE OF CONTENTS

	<u>Page</u>
POPULATION AND LABOR	1, 2, 3
TRANSPORTATION	3, 4
COMMUNICATIONS	4
UTILITIES	4, 5
CITY GOVERNMENT & SERVICES	5, 6, 7
LOCAL CONSIDERATIONS	7, 8, 9, 10, 11, 12
INDUSTRIAL MARKETS	12
AVAILABLE INDUSTRIAL SITES	12



## RUSSELLVILLE, KENTUCKY

Russellville is the seat of government for Logan County. It is located in mid-western Kentucky, with the state of Tennessee adjoining it on the south. Highest elevation is 740 feet above sea level. (See Appendix A for History & General Description).

### POPULATION AND LABOR:

#### Population Figures 1890 to 1950

	<u>Russellville</u>	<u>Logan County</u>
1890		23,812
1900		25,994
1910	3,111	24,977
1920	3,124	23,633
1930	3,297	21,875
1940	3,983	23,345
1950	4,535	22,311

Population Characteristics - The population of Russellville has shown an increase of 13.9% during the past 10 years. Of the 4,535 residents in 1950, 52% are female and 48% male. Six persons were listed as foreign born, with 77% being native-born white and the remaining 23% colored.

Income derived from industrial wages would be considered as a supplement to present incomes for many of the farm residents. Local sources report that many persons with industrial experience would welcome the opportunity for local employment. The characteristics of the population within commuting distance of Russellville are similar to those in the city.

Labor Area - Russellville is 28 miles west of Bowling Green. The population of Logan County was 22,311 according to preliminary 1950 census estimates, a drop of 4.4% during the past 10 years. The population of Russellville, on the other hand, increased from 3,983 in 1940 to 4,534 in 1950.



The Russellville labor supply area would include Logan, Todd, Simpson, and Butler Counties, and at least a major portion of Warren, Muhlenberg, and Christian Counties. A portion of the Tennessee Counties immediately south of the state line would also be included in the labor supply area.

Industrial Pattern - The Russellville labor market area is predominantly rural with more than one-half of employed workers engaged in farm work. Manufacturing employment is relatively light in the area except for Warren County with 1,700 in manufacturing, and Christian County with 1,024 in manufacturing in June, 1950. Employment in the clothing and leather industries dominates the manufacturing pattern in the area. There were 620 employed in manufacturing in Logan County in June, 1950, with 417 of these working at clothing plants.

Labor Supply - Within the Russellville labor supply area, at least 3,000 workers could be recruited, probably one-half of these being women. Labor supply would be composed mostly of persons with unskilled and semi-skilled work background. It is likely that a considerable number of women could be recruited with no previous work experience except as housewives.

<u>Current Wage Scales</u> -	Male		Female	
	<u>from</u>	<u>to</u>	<u>from</u>	<u>to</u>
Skilled	\$1.15	\$1.50	\$ .90	\$1.15
Semi-skilled	.90	1.15	.75	.90
Unskilled	.75	.90		

(See Appendix B for table showing number of workers covered by Kentucky Unemployment Insurance for Logan and adjoining counties).





Logan Manufacturing Company



Neon Fluorescent Engineering Company



Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Brown-Richardson Lbr. Co.	Lbr. & Bldrs. Supplies	9	1	10
Coca Cola Bottling Co.	Coca Cola	16	1	17
Commonwealth Fertilizer Co.	Fertilizers	20	0	20
Gromo Co., Inc.	Dog Food	6	0	6
Ky. Animal By-Products Co.	Grease, meat scrap packaged	16	1	17
Kentucky Stone Co.	Crushed stone, lime, etc.	25	0	25
Logan Mfg. Co.	Cotton work garments	31	281	312
McCarley & Richardson	Flour, meal, feeds	12	1	13
Neon Fluorescent Engineer Co.	Neon signs	13	1	14
Russellville Casket Co.	Burial caskets	10	5	15
Russellville Concrete Prod. Co.	Concrete Products	12	0	12
Russellville Lumber Co.	Lbr. & Bldrs. Supplies	13	0	13
Russellville Venetian Blind Co.	Venetian blinds	4	0	4
Swift and Co.	Cheese	13	3	16
C. E. Travelsted Lumber Co.	Lbr. & Bldrs. Supplies	4	0	4
		<u>204</u>	<u>294</u>	<u>498</u>

Union Affiliations - None

TRANSPORTATION:

Railroads - Louisville & Nashville Railway System.

Carload Transit Times

Atlanta, Ga.	- 36 hrs.	New Orleans, La.	- 58 hrs.
Chicago, Ill.	- 42 hrs.	New York, N. Y.	- 72 hrs.
Cleveland, Ohio	- 38 hrs.	Pittsburgh, Pa.	- 44 hrs.
Detroit, Mich.	- 59 hrs.	E. St. Louis, Ill.	- 36 hrs.
Mobile, Ala.	- 48 hrs.	Washington, D. C.	- 74 hrs.

Highways - U.S. #68, 79; Ky. #105, 75, 96, 100

Highway Distances to Major Cities in Area

Atlanta, Ga.	323	Knoxville, Tenn.	241
Birmingham, Ala.	274	Louisville, Ky.	134
Chicago, Ill.	520	Nashville, Tenn.	51
Cincinnati, Ohio	239	New York, N. Y.	767
Detroit, Mich.	569	Pittsburgh, Pa.	507
		St. Louis, Mo.	296



Bus Lines Serving Russellville - Bowling Green-Hopkinsville Bus Co., making connection with other bus lines at Owensboro, Hopkinsville, and Bowling Green, Ky., and Clarksville and Springfield, Tenn.

Truck Lines Serving Russellville - Meeks Motor Service; Durrett Transfer Co.; Hayes Freight Lines.

Air - Nearest airport is the Bowling Green-Warren County Airport, 21 miles distant, with lighted, hard-surface runways 4,000 feet long.

#### COMMUNICATIONS:

Postal Facilities - Russellville has a 2nd class post office with 26 employees. There are 2 city routes, 1 auxiliary route, 5 rural routes, and 2 star routes. Mail is received 8 times daily. Total postal receipts for 1949 were \$39,000.

Telephone and Telegraph - Russellville is served by the Southern Bell Telephone & Telegraph Company. There are 1,500 subscribers and 25 employees. (See Appendix C-1 for rates).

#### UTILITIES:

Water - Source of supply - Briggs Lake. Water is pumped into the city plant where facilities include a 1,000,000 gallon reservoir, and filtration plant with a 600 gpm capacity. Present use for the city is 250,000 gallons daily. Plant could supply a capacity of 1,000,000 gallons per day. Pressure of 75 pounds per sq. in. is maintained throughout the system. (See Appendix C-2 for rates).



Gas - Natural gas, with a BTU content of 1,000 and 300 lbs. high pressure is supplied Russellville by the Western Kentucky Natural Gas Company. (See Appendix C-3 for rates).

Electricity - Electric Plant Board purchases power from TVA. Incoming voltage of 66,000 is broken down to 2,400. (Will be 4,000 within 18 months). (See Appendix D for rates).

Sewage - The sewage disposal plant, completed in 1946, has a capacity flow of 300,000 gallons daily, with a present flow of 250,000. The main sewer trunk line is 14" with 8" coming off the 14" line.

Coal - Prices on coal are not given in this report, due to constant changes. Prices will be furnished upon request.

Oil - Because of the many types and grades of fuel oil and the change in prices from time to time, no price is given in this report. Delivery prices of any grade of fuel oil in tank car lots will be furnished within 24 hours.

#### CITY GOVERNMENT & SERVICES:

Type Government - Russellville has a Mayor and 6 Councilmen. The Mayor is elected for a 4-year term and the Councilmen for 2-year terms. (See Appendix E for Resolution showing attitude of city toward new industry).

#### Tax Rates and Laws -

##### Property Tax Rates per \$100 last year -

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



(See Appendix F for Kentucky Corporation Taxes).

Assessment Practice - City - 40% of true value  
County - 40% of true value

Total Assessment of all Property - City - \$2,984,890  
County - \$18,073,175

Bonded Indebtedness - City - Total of \$340,000 in revenue bonds were issued for water works and sewer system. Street Assessment Bonds (\$2,112) and General Bonds (\$47,000) are paid from the General Fund as they mature. All Bonds will be retired by 1970.

County - \$111,000 road bonds were issued and will be retired by 1961. \$75,000 is invested in government bonds for their retirement (approximate value \$90,000 at present.) There is \$20,456 cash on hand. \$250,000 hospital issue (2 1/4% interest bonds), which will be retired by property tax of 15¢ per \$100 (included in 70¢ county tax rate).

Average Annual City Income - \$122,157.12

Average Annual City Expenditures - \$106,747.99

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

Tax Exemption - City - 5 years. State law permits a 5-year exemption which cannot be extended.

Businesses Requiring Licenses - An occupational license tax is levied.

Services -

Police Protection - The Police Department consists of a Police Chief, 4 Patrolmen, and 1 patrol car. Both residential and business areas are patrolled.





Street Scene - Business Section



Residential Street Scene



High School Stadium



Fire Protection - The fire department consists of a Chief, Assistant Chief, Engineer, and 8 volunteers. Equipment includes a 1929 LaFrance 500 gpm pumper, a 1941 Ford 750 gpm pumper, and 2800 feet of hose. Russellville has a 7th class fire insurance rating. The fire department serves an area of 2 miles outside the city limits. There are 55 fire hydrants.

Streets - The street crew consists of 2 permanent employees and 1 dump truck. There are 8 miles of paved streets.

#### LOCAL CONSIDERATIONS:

Housing - Prevailing type housing is 5-room, single story, frame. It is estimated that building costs are from 50¢ to 55¢ per cu. ft.

General Contractors - H. J. Appleton; Green Brothers, Inc.; R. T. Phillips; E. C. Riley; C. P. Mullen & Co.; John W. Costello; Victor Kempf; Gorrell and Riley; W. K. Waters & Sons; Hendon Electric Co.; Evans Electric Co.; Wallace Plumbing Co.; and R. L. Briston & Co.

Several new subdivisions have been created in the last few years to provide residences for new families moving into the community. Chief among such developments are Ryan Drive, Ryan Addition, Briggs Addition, Westwood Heights, and Boxwood Addition.

#### Health -

Hospitals - Logan County Hospital with 55 beds.

Doctors - 7 MD's; 1 surgeon; 5 dentists; 8 registered nurses.

Russellville has a full-time public health officer.

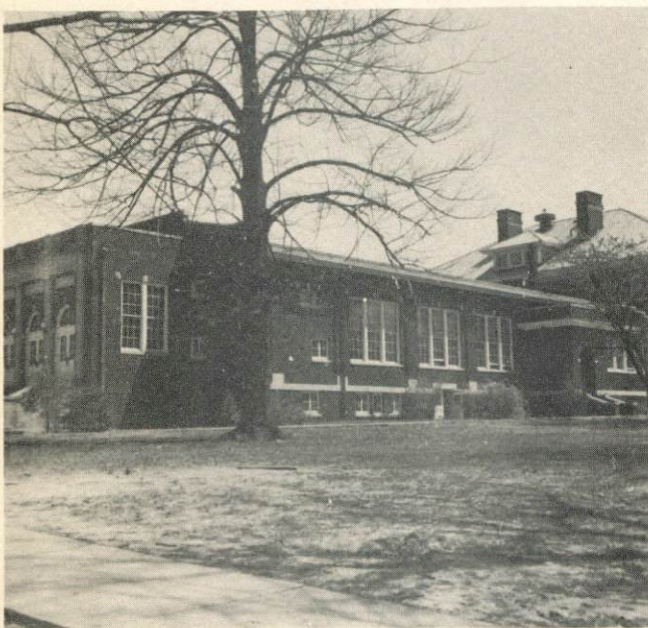




Logan County Court House



U. S. Post Office



Russellville High School



Logan County Hospital



<u>Schools</u> -	Grade		High	
	<u>Enrollment</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Capacity</u>
<u>City</u> - white	442	at capacity	280	310
colored	133	" "	140	165
<u>County</u> - white	1,833	" "	1,136	at capacity
colored	277			

Private - Sacred Heart School with enrollment of 53

Colleges - Western State College and Bowling Green Business College,

both accredited four-year colleges, are located at nearby Bowling Green.

Churches - Christian, Church of Christ, Holiness, Baptist, Methodist, Catholic, Episcopal, Pentecostal, and Church of God.

Libraries - The Logan County Public Library has approximately 5,000 volumes, and a yearly circulation of 11,602.

Recreation -

Russellville Recreation Program - The city has an organized recreation program operated by the Playground Association. The playground is open during the summer months to all children of the city. This playground is well equipped, and such games as badminton, softball, baseball, basketball, tennis, table tennis, horse-shoe pitching, etc. are supervised by paid directors. The City Softball League, sponsored by the businessmen of the city, contribute the proceeds of their games to the recreation program.

Theaters - Two - both change programs four times weekly. Two complete shows each night. Matinee on Saturday and Sunday.

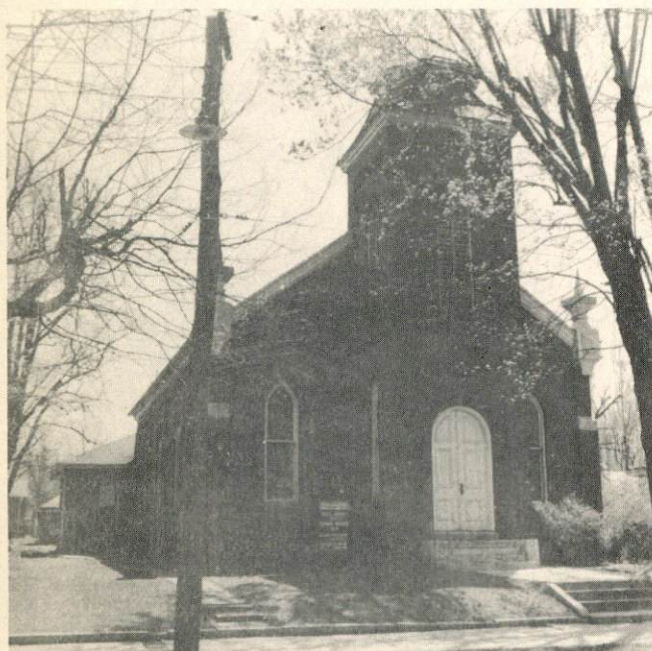




First Baptist Church



Methodist Church



First Presbyterian Church



First Christian Church



Country Club - Russellville Country Club, just outside the city limits, has a spacious rock club house, a 9-hole golf course, and two tennis courts lighted for night playing.

Stadium - Rhea's Stadium built of native limestone and completed in 1940 at a cost of approximately \$100,000, has a seating capacity of 2,100. Here the high school football games are played, also softball in the summer. It is also used for various community gatherings. It is well-lighted for night use.

Armory - Headquarters for Company M 149th Inf. RCT. Kentucky National Guard. The armory is open to the public for basketball and badminton games, dances, parties, and other social and community gatherings.

Swimming - The Public School Gymnasium Swimming Pool is open to the public during the summer months.

Camping, boating, hunting, fishing and swimming - Briggs Lake, located about one mile from Russellville, covers 17 acres, affording good fishing and boating facilities. Dove, quail, rabbit, squirrel, fox and coon are abundant in the area.

Kentucky Lake, 75 miles west of Russellville, is a favorite spot for the sport lovers of this community, who go there often for camping, fishing and boating. Mammoth Cave, 65 miles distant, and Dunbar Cave, 35 miles southwest, are enjoyed by both tourists and residents.



Tourist Accommodations - The Kaintuck Hotel with 45 rooms; Felts Hotel with 28 rooms; Gabel Hotel with 20 rooms; Hotel Main with 16 rooms; Newberry Motel with 14 units; and Colonial Motel with 14 units.

Newspapers - The News Democrat, weekly, has a paid circulation of 3,000.

Banks - Citizens National Bank with deposits of \$3,106,000 and resources of \$3,240,000; Southern Deposit Bank with deposits of \$2,268,000 and resources of \$2,402,000.

Retail Businesses

Food-groceries	23
Drugs	3
Clothing	8
Furniture	5
Farm Supplies & Hardware	8
Electrical appliances	10
Bakery	1
Plumbing	3

Service Establishments

Laundry & cleaning	3
Auto Dealers	8
Frozen Food Lockers	1
Shoe Repair	2
Barber & beauty shops	13
Undertakers	2
Service Stations	21
Restaurants	14

Retail Sales - Total retail sales in Logan County in 1948 were \$11,550,000 and total receipts for service establishments were \$440,000 for the same year, according to the "1948 Census of Business."

Wholesale Businesses

Guy Bailey Seed Co.  
Banner Seed Co.  
Coca Cola Bottling Co.  
Commonwealth Fertilizer Co.  
Jack's Auto Supply  
Ky. Animal By-Products Co.  
Ky. Stone Co.  
Logan County Seed Co.  
Logan Mfg. Co.  
McCarley & Richardson, Inc.  
Neon Fluorescent Engineer Co.  
Ray's Produce Co.  
R. B. Hatcher Co.  
Russellville Casket Co.

Distributing Stations

Aetna Oil Co.  
Gulf Refining Co.  
Mid-Continent Pet. Corp.  
Shell Oil Co.  
Standard Oil Co.

\*\*\*\*\*

Russellville Concrete Prod. Co.  
Russellville Wholesale Co.  
Swift & Co.



Wholesale Sales - Total wholesale sales were \$5,409,000 in 1948, according to the "1948 Census of Business."

Clubs and Organizations -

Civic Clubs - Rotary, Lions, Chamber of Commerce, Junior Chamber of Commerce, and PTA.

Fraternal - Masonic, Royal Arch Masons, IOOF, American Legion, VFW, WOW, Brotherhood of Railroad Trainmen, Brotherhood of Firemen and Engine Men, Brotherhood of Locomotive Engineers, and Shrine.

Women's Clubs - DAR, American Legion Auxiliary, Women's Club, Jr. Women's Club, Rebekah Lodge, Logan County Garden Club, Woodman's Circle, Brotherhood of Railroad Trainmen Auxiliary, Brotherhood of Firemen and Engine Men Auxiliary, Musical Art Club, Homemakers, and Aftermath Club.

Youth Clubs - 4-H Clubs, FFA, and Boy Scouts.

Climate -

Average Precipitation, Temperature and Humidity

	Temp.	Prec.	Rel. Hum		
			7 am	n	7 pm
Jan.	34.6	4.23	82	66	72
Feb.	36.2	2.92	77	64	69
Mar.	46.8	4.44	77	58	63
Apr.	55.7	4.02	73	50	57
May	65.4	4.01	74	52	58
June	73.8	3.87	76	54	59
July	77.7	3.19	76	49	56
Aug.	76.0	3.25	80	54	61
Sept.	70.4	3.13	81	54	62
Oct.	58.8	3.36	80	54	61
Nov.	47.0	3.38	79	61	64
Dec.	36.9	3.63	81	68	72
Ann. Ave.	56.6	43.43	78	57	63



Prevailing Winds - South

Percentage of Sunshine - 63%

Weather data from Bowling Green, which is 28 miles from Russellville.

#### INDUSTRIAL MARKETS:

There is within the market area of Russellville, an estimated 50,000,000 customers. Cities in the area include: St. Louis, Chicago, Detroit, New York, Pittsburgh, and Atlanta.

#### AVAILABLE INDUSTRIAL SITES:

There are several industrial sites available, adjacent to railroad sidings and highways, with all utilities available. These sites range from 15 to 50 acres.

For more complete information write Mr. B. M. Stuart, Chairman of the Industrial Foundation, Russellville, Kentucky, or the Agricultural and Industrial Development Board, 415 Ann Street, Frankfort, Kentucky.



## APPENDIX

History and General Description	App. A
Table showing number of workers covered by Kentucky Unemployment Insurance	App. B
Telephone Rates	App. C-1
Water Rates	App. C-2
Gas Rates	App. C-3
Power Rates	App. D
Resolution	App. E
Kentucky Corporation Taxes	App. F
Kentucky Revised Statutes - Bond Issue Plan	App. G
Cooperating State Agencies	App. H



HISTORY & GENERAL DESCRIPTION

Logan County is located in midwestern Kentucky, with the State of Tennessee adjoining it on the south. It is in the central-southern portion of the Pennyryle Region. It was organized in 1792 out of Lincoln County, and originally embraced nearly all of the State lying south of the Green River. Twenty-eight counties have been created in whole, or in part, from its original territory. The county was named for General Benjamin Logan, a fearless Indian fighter, pioneer champion of Daniel Boone. Logan County has given the State four of its Governors. It has an area of 411,520 acres and is the third largest Kentucky county. Highest elevations are about 740 feet above sea level.

Russellville, the county seat, was laid out in 1795, and in 1830 ranked sixth in population among the towns in Kentucky. Originally the town was called Big Boiling Spring, but its name was changed to Russellville to honor General William Russell, an officer in the Revolutionary Army.

Advocates of State sovereignty met at Russellville in 1861 and passed an Act of secession, declared Kentucky a Confederate State, established Bowling Green as the capital, and elected George W. Johnson Provisional Governor.

The original growth of the Pennyryle Section, in which Russellville is located, consisted of chestnut, walnut, gum, oak, maple and linn. It is estimated that today less than 10% of the area is in woodland, the remainder being in farmland or pasture.



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

County	Total	Food & Kindred Products	Tobacco	Clothing, Textiles, Leather	Lumber and Furniture	Printing, Publishing Paper	Chemicals, Petroleum, Coal and Rubber	Stone, Clay, Glass	Pri- mary Metals	Mach., Metal Prod., Equip.	Other
Logan	620	76	16	417	48	7	29	16	0	0	11
Todd	286	6	0	168	109	3	0	0	0	0	0
Muhlenberg	252	42	30	0	158	8	0	14	0	0	0
Butler	0	0	0	0	0	0	0	0	0	0	0
Warren	1,689	408	145	977	37	75	4	6	0	10	7
Simpson	210	16	0	154	0	7	0	33	0	0	0
Totals	3,057	548	191	1,716	352	100	33	69	0	10	18

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

County	All Industries	Mining and Quarrying	Contract, Con- struction	Manufac- turing	Transpor- tation, Com- munication, & Utilities	Whole- sale & Retail Trade	Finance, Insurance & Real Estate	Services	Other
Logan	1,462	35	165	620	78	474	46	44	0
Todd	549	29	1	286	60	141	15	8	9
Muhlenberg	3,457	2,233	82	252	217	508	37	128	0
Butler	128	71	0	0	0	46	7	4	0
Warren	5,259	56	381	1,689	495	1,731	158	711	38
Simpson	828	11	29	210	54	376	14	124	10
Totals	11,683	2,435	658	3,057	904	3,276	277	1,019	57



TELEPHONE RATES - App. C-1

	<u>Individual</u>	<u>Two-Party</u>	<u>Four-Party</u>	<u>Extension</u>
Business	\$6.75	\$6.00	none	\$1.50
Private	3.25	2.75	\$2.50	1.00

WATER RATES - App. C-2

First	2,000 gal.	75¢ per m. gal.
Next	8,000 gal.	70¢ per m. gal.
Next	10,000 gal.	60¢ per m. gal.
Next	80,000 gal.	45¢ per m. gal.
Over	100,000 gal.	30¢ per m. gal.

Minimum charge for water is \$1.50; Sewage \$1.65

Sewage charge is 3/4 of water bill after 3,000 gallon.

GAS RATES - App. C-3

First	1,000 cu. ft.	\$1.25
Next	1,000 cu. ft.	1.00
Next	1,000 cu. ft.	.75
Over	3,000 cu. ft.	.50

Minimum monthly charge \$1.25



POWER RATES

If the customer's demand for the month does not exceed 10 kw:

First	200 kwh per mo.	2.5¢ per kwh
Next	350 kwh per mo.	1.5¢ per kwh
Next	950 kwh per mo.	1.0¢ per kwh
Additional Energy		0.75¢ per kwh

If the customers demand for the month is between 10 and 100 kw:

Demand Charge: First 10 kilowatts of demand per mo. no demand charge.  
Excess over 10 kilowatts demand per mo. 85¢ per kw.

Energy Charge: First	200 kwh per mo.	2.5¢ per kwh
Next	350 kwh per mo.	1.5¢ per kwh
Next	950 kwh per mo.	1.0¢ per kwh
Next	12,500 kwh per mo.	0.75¢ per kwh
Additional energy		0.45¢ per kwh

If the customer's demand for the month is 100 kilowatts or higher:

Demand Charge: \$1.15 per kw of demand per mo. including payment for  
40 kwh use for each kw of demand.

Energy Charge: For use in excess of 40 kwh per kw of demand:

First	10,000 kwh per mo.	0.75¢ per kwh
Next	65,000 kwh per mo.	0.45¢ per kwh
Next	100,000 kwh per mo.	0.3¢ per kwh
Next	500,000 kwh per mo.	0.25¢ per kwh
Additional Energy		0.2¢ per kwh



RESOLUTION

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

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

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNCIL OF THE CITY OF RUSSELLVILLE, 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, the Chamber of Commerce, and the citizens in general. We further pledge our cooperation in an effort to have issued and floated revenue bonds for the purpose of erecting and renting a building or buildings for the location of industrial plants of properly certified rating in our City, insofar as same can be legally done.

WHEREFORE, by unanimous vote of the City Council of the City of Russellville, this Resolution was passed and approved the 28th day of December, 1950.

CITY OF RUSSELLVILLE

\_\_\_\_\_  
J. Taylor Fuqua, Mayor

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

<sup>1</sup> Temporary rate of  $4\frac{1}{2}\%$  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% 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 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

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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 semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

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

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



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

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

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

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

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

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



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

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

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

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



COOPERATING STATE AGENCIES

As a state, Kentucky 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 highway and bridges were placed under contract at a total cost of \$35,000,000. This brings the total of the last three years to more than \$88,000,000 for 7,000 miles of highway construction. In national standing, according to the United States Bureau of Public Roads, Kentucky was 7th in the number of miles of highway construction placed under contract in 1950, and 11th in the amount of money spent. If the national war emergency does not interfere, they expect to exceed this figure in 1951.

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

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

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

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

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