

# The Kentucky Press

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Official Publication of The Kentucky Press Service - Vol. 61, No. 3 - March, 1990

## Governor keeps promise, proposes ad, service tax

On Monday, December 4, Kentucky Governor Wallace Wilkinson announced his intentions to propose an advertising and service tax as part of his budget recommendations for the 1990 General Assembly.

Two months later, that promise became a reality when Rep. Joe Clarke filed House Bill 543 on behalf of the governor. The bill, delayed in filing while experts looked over the specific language, seeks to raise nearly \$200 million over the next two years.

Although the governor said he wanted to steer clear of the problems faced two years ago in Florida when that state had a six-month experience with an advertising and service tax, national experts believe the Kentucky package resembles Florida in many areas. Florida, however, did attempt to tax any and all advertising while House Bill 543 creates exemptions for most areas of "national advertising."

The legislation, introduced with just 35 days left before the end of the 1990 General Assembly, faces an uphill battle. The feeling in Frankfort, in anticipating the ad and service tax legislation, was that it could die a quick death. However, the Appropriations and Revenue Committees for both the Senate and House will be holding hearings on the legislation. Earlier, many legislators were giving the ad and service tax a "very slim" chance of making it through the committee process. Since the legislation was filed, however, few public comments have been heard on whether the tax proposal stands any chance of succeeding.

In all, House Bill 543 is a 55-page document, detailing the entire tax package proposed by the governor. Broken down, the advertising tax idea takes up about three of the 55 pages.

The proposal includes a sales tax on legal services; engineering, architectural and surveying services; accounting, auditing and bookkeeping; management and consulting; computer services; detective and security services; janitorial services; advertising; passenger transportation; security and commodity brokers; temporary help towel and linen services; bill collection; and cable television.

The "advertising" section includes:

(a) all advertising agency services under the common meaning of that term including, but not limited to, the following:

\* preparation of copy, artwork and other

creative work;

\* media buying and media consulting services; and

\* preparation of advertising material for billboards, signs, posters, panels, bulletins, handbills, and other items;

(b) placement of advertising services.

"Placement of advertising services" means the sale of advertising services for the delivery or dissemination of information directly to the public by newspaper, radio, television, or other media. For the purposes of "placement of advertising services," out-of-state purchasers are deemed to receive all or part of the economic benefit in this state when the advertisement is purchased from a provider in this state for delivery or dissemination to the public either in this state or both within and without this state. "Placement of advertising services" is subject to the taxes imposed by this chapter:

\* if the delivery or dissemination of the advertising originates in this state, or;

\* if such advertising is purchased from an

out-of-state provider for the purpose of soliciting

*Testimony given by KPA executive director David T. Thompson on the Governor's proposal appears on Page 8 of this issue*

customers for a specific vendor or vendors located in this state;

(c) miscellaneous advertising services including, but not limited to, the following:

\* sound trucks;

\* bus and taxicab advertising;

\* distribution of advertising materials;

\* skywriting and other aerial advertising;

and,

\* display of advertising on billboards, signs, posters, panels, bulletins, handbills and other items.

Two days prior to the legislation being introduced, Revenue Department officials held a press conference to familiarize reporters with the legislation and how it would be administered.

## Hensley fined \$10,300 for falsifying circulation figures

Former Leslie County publisher Paul Hensley received a \$10,300 fine and suspended sentence for his conviction of falsifying circulation figures on a U.S. postal statement.

Hensley was convicted in December on six counts of mail fraud and falsifying government documents following an indictment handed down in 1988. The indictment said Hensley supplied false circulation figures in an effort to get the legal advertising notices from local government agencies in Perry and Leslie County.

U.S. District Judge Eugene Siler said Hensley had a clean criminal record and had numerous letters from associates testifying to his good character. Siler gave Hensley a suspended three-year sentence and probation. He was fined \$3200, including court costs and ordered to pay the Hazard Herald-Voice \$7100 in revenue the Perry County weekly lost for legal ads published by Hensley's Hazard Times.

Hensley, who has since sold the Thousands News to the rival Leslie County News, reported a weekly circulation of 10,000 to 21,000 between 1983 and 1985 while records indicated a circulation of about 3000 to 4000.

Additionally, Hensley filed a Statement of Ownership for the Hazard Times in 1985 and 1986 with claims of paid circulations of 8000 to 9000. Records showed only 2500 copies of the Times were printed each week.

The indictment followed a lengthy investigation by Postal Service inspectors who compared actual numbers of papers printed with the circulation claimed on government forms.

Hensley told Siler he was "sorry for this incident," that he wanted to remain a journalist and that "this will certainly not happen again."

Hensley and his wife, Lois, are also involved in a separate lawsuit concerning the Hazard Times.

Faye and David Vaughn filed the lawsuit in mid-January, alleging that the Hensleys used the newspaper for personal gain. Perry Circuit Judge Calvin Manis issued a temporary restraining order, giving the Vaughns control of the Times and blocking the Hensleys from any access to the paper's assets or operation.

The Vaughns purchased 50 percent of the Times from the Hensleys in November, 1988.

## George Joplin III, former KPA, NNA president, dies

George Joplin III, former publisher of the Somerset Commonwealth Journal and McCreary County Record in Whitley City, died February 13 from complications of an abdominal aneurysm.

"Jop," as he was affectionately known to his many friends in the newspaper industry, was president of the Kentucky Press Association in 1964, and in 1976 became the only Kentucky newspaper representative elected to the presidency of the National Newspaper Association.

Joplin, 61, was active in civic work in Pulaski County and received numerous awards for his community and professional work.

He took over the administration of the newspaper company after his father died in 1957. Under his leadership, the Commonwealth and the Somerset Journal merged into the daily Commonwealth-Journal in 1966.

Both the Commonwealth-Journal and the weekly McCreary County Record received numerous KPA and NNA awards for its editorial excellence.

Joplin became ill in January, 1988, shortly after that year's KPA Winter Convention. He sold the Commonwealth-Journal, McCreary County Record, two controlled distribution weeklies and the family's commercial printing operation to Park Communications in May, 1988.

Joplin, his son George IV and daughter Jane Joplin Evans, all of whom worked for the company at the time it was sold, remained con-



sultants for a short period after Park took over control of the newspapers.

He was one of the founding members of the Somerset Downtown Development Corp. and had served as president of the Pulaski County Industrial Foundation. He also had been a director of the Somerset-Pulaski County Chamber of Commerce, and was a member of the Centre College board of trustees and a director of its alumni association.

Survivors include his wife Alice, sons George IV and John, and daughter Jane. Contributions are suggested to First Presbyterian Church in Somerset or Centre College in Danville.

## McBride, Lowery receive awards at convention

Dave McBride, editor of the Ohio County Times-News, and Steve Lowery, publisher/general manager of the Kentucky Standard in Bardstown, were honored during the 1990 KPA Winter Convention for their contributions to their community and to the Kentucky Press Association.

McBride, a 30-year veteran in the newspaper business, received the Edwards M. Templin Award from the Lexington Herald-Leader. The award is given annually to the newspaper person performing outstanding community service.

McBride, a resident of Owensboro, started the annual Ohio County Octoberfest, an event designed to raise money for needy children. He spends countless hours preparing for the festival and on the actual day can be found working over a hot barbecue pit preparing chicken for hundreds of people.

In just three years, the festival has grown to be Ohio County's most popular annual event. Other than the barbecue, the festival features a parade, arts and crafts, a variety of foods, and an antique car show.

With the proceeds from the Octoberfest and from newspaper solicitations under the heading "The Times News Children's Fund," Dave oversees two giant Christmas parties for needy children. The first party, three years ago,

provided toys, candy, fruits, food, socks and caps for more than 200 youngsters who otherwise might not have known the joy and fun of Christmas. The following year he expanded the charity to two parties -- one for each end of the county -- and served more than 400 youngsters. In the past two years, his charity has provided new, warm winter coats for more than 700 youngsters.

Lowery, who served as an appointed member of the KPA Board in 1989 and has been re-appointed to that position in 1990, has overseen KPA's efforts to rewrite the state's Open Meetings/Open Records law.

Lowery headed a committee of 22 newspaper editors from across the state to examine problems in communities and weaknesses in the law. His efforts resulted in House Bills 360 and 361, now before the General Assembly.

KPA's proposed revisions were written by attorney Jon Fleischaker, of Wyatt, Tarrant and Combs, Louisville, and both bills were introduced in the House by House Majority Whip, Kenny Rapier.

Testimony was scheduled for February 20 before the House State Government Committee.

1989 KPA president Larry Craig presented the award to Lowery.

## The Kentucky Press

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##### District 4

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##### District 5

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#### Advertising Division Chairman

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#### KPA/KPS Central Office Staff

David T. Thompson, Executive Director

Bonnie Howard, Business Manager

Gloria Davis, Advertising Director

Lica Howard, Member Service Director

Reba Lewis, Secretary

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Official Publication of the Kentucky Press Service

# Across the Commonwealth

**George Gabehart**, general manager and editor of the Springfield Sun, since August, 1987, has been named to the same position with the Spencer County Journal-Democrat, in Rockport, Ind. The announcement was made by **Larry Coffey**, president of Landmark Community Newspapers, parent company of both publications. Gabehart previously was news editor of the Mount Washington Star and Shepherdsville Pioneer-News. **Ninie Glasscock**, assistant editor of the Lebanon Enterprise, has been named general manager of the Springfield Sun, replacing Gabehart. Glasscock joined the Enterprise as a reporter in 1979 and named assistant editor in 1987.

**David Greer**, former editor of the Kentucky Standard and most recently editor and general manager of the Spencer County Journal-Democrat in Rockport, Ind., has been named editor of the Elizabethtown News Enterprise, replacing **Paul Carty**.

**Dane Ward**, associate editor of the Kenton County Recorder, has joined the staff of the Kenton County Public Library. Replacing Ward with the Recorder is **Ray Schaefer**.

**Duanne Puckett**, news editor of the Shelbyville Sentinel News since 1982, has been named editor of the Sentinel News. She assumes the duties from **Jim Edelen**, who remains as general manager/publisher. Edelen had served as editor since 1975. Puckett joined the Shelby News in 1971, then was a staff writer for the Sentinel News with the Shelby News and Sentinel merged in 1972.

**Roberta Chesser Young**, who joined the Shelbyville Sentinel News as advertising assistant in 1987, has been named a full-time sales representative for the newspaper.

**Amy Taylor**, who has worked for the Kentucky Standard in Bardstow since 1984, has been named assistant editor of the tri-weekly, according to editor **Tim Ballard**. Taylor joined the Standard's composition staff in 1984, and switched to the news staff in 1988.

**Tim Cornett**, editor of the Pineville Sun, who has spent 12 years with the Bell County weekly in two stints, has joined the public relations staff of the Pineville Community Hospital.

**Donna Mays**, a former teacher's aide and substitute with Lee County Schools, has joined the Beattyville Enterprise staff.

**Trisha Stevens**, who formerly worked for the Southern Star in Dothan, Ala., and the Courier-Press, has joined the Providence Journal Enterprise as a reporter. Stevens attended Murray State University.

**Bill Abner**, sports editor for the Manchester Enterprise, has been named editor of the Clay County weekly. Abner is a 1985 graduate of the University of Kentucky.

**Ed Ashcraft**, publisher of the Owenton News Herald, has been appointed a trustee of Campbellsville College. He will serve a four-

year term.

**Gene Marvin**, former managing editor of the Big Sandy News in Louisville, has been named public relations director for Boyd County schools. Marvin will receive his master's degree from Morehead State University this summer.

**Pam Shingler**, former assistant editor of the Floyd County Times, has been named editor of the twice weekly newspapers, according to publisher **Marty Backus**. Shingler replaces **Anne Chaney**, who became publisher and editor of the Sabine County Reporter and Rambler in Hemphill, Texas.

**Michael Cutrer**, who was circulationsales manager for the Corbin Times Tribune in 1986-87, has returned to the same position after serving as circulation sales manager of the Florence (S.C.) Morning News. Cutrer replaces **Clark Smith** who has been named circulation manager of the Selma (Ala.) Times-Journal.

**Brent New**, former advertising staff member with the Shelbyville Sentinel News, has been named classified advertising manager of the Richmond Register. New, who graduated from Eastern Kentucky University where he was ad director of the Eastern Progress, joined the Register staff in August as an advertising sales representative.

**Terry May**, former managing editor of the Greenup News, has joined the Pikeville Appalachian News Express staff. May is a 1989 honors graduate of Morehead State University.

**Mike Banks**, a recent journalism graduate from Western Kentucky University, has been named sports editor of the McLean County News. He replaces **Mark Chandler** who has returned to his studies at Western. Banks previously was sports reporter for the Sturgis News.

**Patricia Patton**, who has worked for several Cincinnati-area newspapers, has joined the news staff of the Madisonville Messenger. Editor **Tom Clinton** said Patton's emphasis will be in the areas of medicine and social services features.

**Carlisle Mercury** publisher **Hank Bond** has announced several staff changes for the Mercury and Robertson Record. **Marsha Livingston** returns to the Mercury from the London Sentinel Echo to work in sales, composition and circulation. **Jeff Rogers**, who has worked at several Kentucky radio stations and newspapers, most recently with the Bourbon Times, has joined the two newspapers as general manager and director of supplementary projects. **Jeff Spradling**, former managing editor of the Mt. Sterling Advocate, has been named managing editor of both publications. **Pam Bowles**, publisher of the Robertson Record, has been named sales manager of the Carlisle Mercury.

**Teresa Scenters** has joined the staff of the Berea Citizen as advertising sales representative and **Gwen Hensley** has joined the staff as type-setter.

**Hazel Kenney**, a native Bourbon Countian, has joined the staff of the Bourbon Times as controller.

**Joy Tillerson**, former classified obituary clerk for the Lexington Herald-Leader, has been named community news editor of the Henderson Gleaner. Gleaner editor **Ron Jenkins** also announced that **Cathy Clarke**, formerly with the Glasgow Daily Times and a member of the board of directors of the Kentucky Newspaper Photographers Association, has joined the staff as photographer.

**Anne Wooten Green**, Sunday editor of the Owensboro Messenger Inquirer, has been named sports editor of the M-I, becoming the first female sports editor of the Owensboro daily. Green previously worked as a sportswriter for the Paducah Sun and was sports copy editor and news editor at the Elizabethtown News Enterprise prior to joining the Messenger Inquirer. Messenger Inquirer publisher **John Hager** also announced that **Tommy Newton**, former city editor of the Bowling Green Daily News prior to joining the M-I in 1987, has been appointed news editor.

**Ruth Ann Combs**, co-editor of the Bourbon Times, has been named editor of the Montgomery Times and the Central Kentucky Times. She recently returned to the Bourbon Times after a brief stay in the office of U.S. Congressman **Carroll Hubbard**, and prior to that was with the Logan Leader/News Democrat in Russellville.

**Mary Branham**, former editor of the Georgetown News and Times and a reporter for the Corbin Times Tribune prior to accepting a position with the Bowling Green Daily News, has returned to the Times Tribune in a newly created position of news editor/staff writer.

**Jeanie Johnson**, a carrier for the Evansville (Ind.) Courier, will be pulling double duty in the newspaper business. Johnson recently joined the staff of the Providence Journal Enterprise's advertising department. She begins her workday at 3:30 a.m. delivering the Evansville Courier, then heads for Providence to sell advertising. In her spare time, she also sells Mary Kay cosmetics.

**John Thompson** has been promoted to director of data processing for the Courier-Journal.

**Jim Marchal**, vice president for advertising of the Courier-Journal, has been named director-at-large of the International Newspaper Advertising and Marketing Executives organization. INAME is a non-profit group of executives from daily newspapers in the U.S., Canada and several overseas countries. It represents more than 90 percent of the daily newspaper circulation in North America.

# Newspapers in the News

## Register opens Berea bureau

The Richmond Register has opened a bureau in Berea, in an effort to better serve Berea and southern Madison County, according to publisher Fred Hall.

The Berea bureau will include a news and advertising staff. Chris Tackett, who has covered Berea for the Register for two years, Cookie Ely, former advertising sales representative for the Berea Citizen and Joyce Hannon, will staff the office.

"The idea behind the bureau is to make the Register more accessible to our readers and customers in the Berea area," said Hall.

## Times Tribune opens London office

The Richmond Register isn't Kentucky's only daily newspaper announcing a new office in another community.

The Corbin Times-Tribune opened an office in London on January 29. Publisher Wink DeVane said the London office was opened to "enhance the newsgathering operations of the Tri-County area's only daily newspaper."

The Times Tribune London office will be staffed by writer Susan Phelps and clerk/telemarketer Trudy McKnight.

The bureau is linked electronically to the Corbin typesetting system. Stories and ads will be sent directly into the system in Corbin.

## Favorite announces major expansion

The Franklin Favorite is undergoing a major expansion of its commercial printing division.

Henry Stone, general manager of the Favorite said the newspaper and its sister affiliate, WFKN radio, purchased an adjacent building and relocated its printing operation in the new facility.

The company, part of the Kentucky-based Dear Publications, has ordered a new Mark 25 press from the Web Press Corporation. The Franklin press will have eight units and be capable of printing 25,000 copies per hour.

Stone said the press is "state of the art" and will add substantially to the company's printing capabilities. The present Favorite press has six units and could print 14,000 copies per hour.

## Citizen-Times celebrating 100 years

The Scottsville Citizen-Times is celebrating 100 years of service to Allen County this year.

The Citizen-Times plans a year-long celebration with photos and features from the past 100 years.

The Citizen-Times is operated by Billie Pitchford Coots and Roberta J. Pitchford, granddaughter and granddaughter-in-law of the newspaper's founder, Roy Russell (R.R.) Pitchford.

## Adair Progress installs new press

The Adair Progress, Inc., publishers of the Adair Progress, Columbia Newsweek, and the Adair-Russell-Casey Shopper, has announced expansion of its facilities with the purchase of an offset web press.

A five-unit News King press was installed in late December.

"It had been out goal since we started the company in March, 1987, to have a complete newspaper publishing facility," said president Donna Crowe. "And thanks to the continued support of the community, that goal has been attained."

Richard Bowling, who has been in the printing business for 17 years, the last five with as production manager of the Somerset Commonwealth Journal, has assumed the position of production manager and head pressman.

## Gleaner wins Central States competition

The Henderson Gleaner received a first-place award for its "Wake Up to the Gleaner" promotion campaign in the Central States Circulation Manager's Association contest.

The campaign, created by Kolwszar-Woodruff, an Evansville-based advertising, marketing and PR firm, consisted of newspaper advertisements, outdoor board announcements, a new jingle and interviews with area residents.

## Robertson Record increases prices

The Robertson Record, one of Kentucky's

## COMING UP

May 10-11 -- KPA Advertising Seminar, Owensboro Executive Inn

June 14-16 -- KPA 1990 Summer Convention, Kentucky Dam Village State Park, Gilbertsville

newest weekly newspapers, has announced an increase in local subscription rates. The rate was increased by \$2.10 to \$10.50 for a one-year subscription. Newsstand prices were not increased.

Publisher Pam Bowles said the rate increase is being made to offset operational costs involved in mailing the newspaper.

## News Enterprise forms editorial board

New Elizabethtown News Enterprise publisher Mike Anders has announced the formation of an editorial board for the Hardin County daily.

Anders said the board -- consisting of five members -- would meet weekly and would generate two editorials per week in the beginning with a goal of having one in each issue by year's end.

Joining Anders are the editorial board are Floe Bowles, publisher emeritus and past president of the Kentucky Press Association; David Greer, editor; Ben Sharoan, associate editor; and, Tim Johnson, copy desk chief.

Anders acknowledged that the board is a mixture of "locals" and "transplants." He noted that there are "no women, no minorities, no people from outside the News Enterprise and no parents of teenagers." But "in time, that can and should change. This is a good beginning."

## Messenger Inquirer wins Mayor's award

The Owensboro Messenger Inquirer has received the Mayor's Award for Excellence from Owensboro mayor David Adkisson. M-I publisher John Hager said, "Excellence is not a place or destination. It's an attitude that we do our very best every day." Hager accepted the award on behalf of the Messenger-Inquirer staff.

## KSPPA SEEKS WRITERS, PHOTOGRAPHERS

The Kentucky State Police Professional Association is seeking stringer writers and photographers for The Kentucky Trooper, a new publication that will be produced by the KSPPA.

Photos and stories will be about Kentucky troopers in their daily work, and about events in law enforcement that affects Kentuckians.

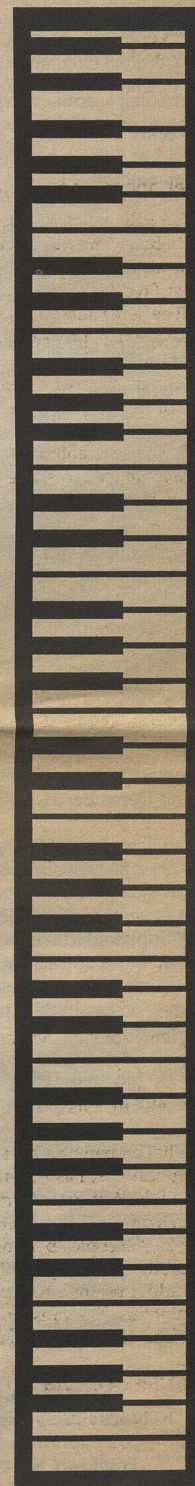
Interested writers and photographers should send letters of interest or resumes to: Ed McKechnie, Project Director, Kentucky State Police Professional Association, 1512 Louisville Road, Frankfort, Ky., 40601. Or call The Kentucky Trooper at 1-800-526-8602.

# Take Note

*The 1990  
Kentucky Press  
Association*

*Better  
Newspaper  
Contest*

Deadline for Entries  
March 15, 1990



CLASSES

Weekly Division: Published One Day Per Week

- Class 1: Certified circulation of 3000 or less
- Class 2: Certified circulation of 3001 to 4700
- Class 3: Certified circulation of 4701 or more

Multi-Weekly Division

Published 2 or 3 times per week, regardless of circulation amount

Daily Division: Published Four Days Per Week or More

- Class 1: Certified circulation of 10,000 or less
- Class 2: Certified circulation of 10,001 to 25,000
- Class 3: Certified circulation of 25,001 or more

Contest Rules

1. All entries must be postmarked no later than March 15, 1990.
2. Contests are open only to paid-up members of the Kentucky Press Association. To be eligible, individuals must have been full- or part-time employees of the newspaper submitting the entry at the time the material was published.
3. A newspaper's entry must be accompanied by payment for all entries in the contest. Please compute carefully. There will be no refunds.
4. Contest publication period for entries in the spring contest includes issues between January 1, 1989 and December 31, 1989.
5. Separate sets of tearsheets or complete copies of issues must be furnished as indicated in each of the individual contest categories. Do not send clippings or scrapbooks. Machine copies of entries are not permitted without specific authorization in advance of the judging. Newspapers must anticipate the submission of entries by saving issues or tearsheets as prospective contest entries appear.
6. Be sure to fill out the entry form and return it with your entries and payment.
7. Type information for each entry on the appropriate enclosed label for each category and affix securely on the upper right-hand corner of the page above your entry. Make sure it does not cover some important area. On each identification tab, enter (a) Name of Newspaper, (b) Contest Category Number, (c) Division, (d) Class.
8. Package all entries into a single packet and mail before March 15, 1990 to:  
 Contest Committee  
 Kentucky Press Association  
 332 Capitol Avenue  
 Frankfort, KY 40601
9. A contest entry fee of \$10 is required of each newspaper for entering, regardless of group

ownership. In order to be eligible, each newspaper must enter separately. A fee of \$4 is to be paid for each entry in each contest category. These fees go toward payment for plaques and judging expenses.

10. All entries, except winning entries, will be retained by the judges. Winning entries can be viewed at the summer convention when critiques of winning entries and presentation of awards will be made.

11. The judges will use the current KPA Yearbook to determine any points upon which information is desired.

12. Appropriate plaques and certificates will be awarded to winners in each contest category, plaques going to the first place winner and certificates to second, third and honorable mention. Honorable mention is not necessarily awarded in each category.

13. In the event only one entry is made in any contest category for a specific class, a certificate of merit will be awarded in that category if the judges determine it to be a quality entry.

Categories

CATEGORY ONE: TYPOGRAPHY

Submit as your entry two issues, plus one issue published during the week of October 2. Entries will be judged on quality of type, neatness, layout and press work.

CATEGORY TWO: COMMUNITY SERVICE

This category is defined as any effort of the newspaper to perform a community service. The project must have been developed, promoted and completed by a newspaper's own efforts. The entry will be judged on the service performed by the newspaper and the effectiveness of the project. The entry may be submitted with an introductory letter and can also include newspaper clippings, background letters and letters from officials in the community. No more than two entries per newspaper. (Example: One recent winning entry developed an employment seminar for its community. The entry included types of applications used by employers, ideas on preparing for job interviews, and a job seminar to get applicants ready for interviewing.)

CATEGORY THREE: FREEDOM OF INFORMATION

Submit as your entry a tearsheet of a story, series of stories, or editorials indicative of efforts to carry forward the fight for the public's right to know. Entries should be based on local situations and may be accompanied by a brief report of some of the obstacles faced in getting the information.

CATEGORY FOUR: FRONT PAGE

Submit as your entry full-page tearsheets of any two issues plus one from the week of October 2.

Judging will be on the factors of appearance and content of the front page. Newsworthiness and good writing are of prime importance. Pictures will be judged on quality and newsworthiness, not on size alone. Factors to be considered include general appearance and reader appeal, including typography, pictures and other illustrations, headlines, use of white space, layout and proofreading. The pages will be judged as a whole, all factors will be considered.

CATEGORY FIVE: EDITORIAL PAGE

Submit as your entry full-page tearsheets from three separate issues. The editorial page will also be judged as a whole. Quality of writing and importance of subjects locally will count. Localized editorials are most desired. Local work, writing, columns, cartoons are more desired than syndicated materials or other outside material. Layout and style of page is also a factor. Advertising will not detract from the judging, providing it occupies more than one quarter of the page.

CATEGORY SIX: NEWSPAPER PROMOTION

Submit a maximum of six individual tearsheets that may include only one promotional series (such as First Amendment Contest, or National Newspaper Week), if desired, which most effectively and originally promoted your newspaper during the year. Tearsheets may consist of house ads, related news stories, editorials, photographs, graphics or feature stories. The award will be given to the newspaper which, during the past year, most effectively and originally promoted the newspaper industry, its aims and objectives.

CATEGORY SEVEN: SPORTS PAGE

Submit as your entry tearsheets of your page or pages from any three separate issues. Advertising is not a detriment to the judging of the contest, but such advertising should be not more than half the page and should be appropriate to the sports page. Sports pages will be judged on layout, writing style, pictures and other illustrations. A variety of coverage is encouraged.

CATEGORY EIGHT: AGRICULTURE PAGE

Submit as your entry tearsheets of your page or pages from any three separate issues. Advertising is not a detriment to the judging of the contest, but such advertising should be not more than half the page and should be appropriate to the agriculture page. Agriculture pages will be judged on layout, writing style, pictures and other illustrations. A variety of coverage is encouraged.

CATEGORY NINE: BUSINESS PAGE/SECTION

Submit as your entry tearsheets of your page or section from any three separate issues. Advertising is not a detriment to the judging of the contest, but such advertising should not be more than half the page or section and should be appropriate to the business page. Business pages will be judged on layout, writing style, pictures and other illustrations. A variety of coverage is encouraged.

**CATEGORY TEN: LIFESTYLE PAGE**

Submit as your entry full-page tearsheets of the Lifestyle or Family Section of three separate issues. This page is to be judged on its appeal to the family and its general appearance. While advertising is permitted, it should not be more than half of the page and it should be appropriate to the page. Points to be considered are use of photographs, news, features and brief personal items.

**CATEGORY ELEVEN: LOCAL NEWS PICTURES**

Submit as your entry only three separate and complete issues with especially newsworthy local pictures. This is to judge the use of news photos. All local news photos will be judged. Pictures will be judged on cropping, balance, newsworthiness and appeal. Emphasis will be placed on how the picture added to the effectiveness and balance.

**CATEGORY TWELVE: LOCAL FEATURE PICTURES**

Submit as your entry three separate and complete issues with especially interesting local feature pictures which have been plainly marked. This is to judge the use of feature pictures. The judging will be based on all feature pictures throughout the newspaper. Judging will be based on appeal, cropping and balance.

**CATEGORY THIRTEEN: LOCAL SPORTS PICTURES**

Submit as your entry full-page tearsheets of pictures of three different sports (both active and spectator sports, and arena and field sports are eligible). Submit no more than one tearsheet of pictures for each sport. This contest is designed to encourage the use of more diversified sports coverage. Pictures will be judged on appeal of the picture, balance and cropping.

**CATEGORY FOURTEEN: SPECIAL EDITION/SECTION**

Submit as your entry a full copy of one special edition or section run by your newspaper. This entry must be an individual newspaper's own efforts—must have been locally produced—not a canned section such as a Christmas edition solely written by a news service, a highway safety section or a state parks edition. This special section of special edition will be judged as a whole. Emphasis will be placed on editorial content, makeup, photographic excellence. A reasonable blend of advertising will be accepted.

**CATEGORY FIFTEEN: ORIGINAL AD IDEA**

Submit as your entry full tearsheets showing a local ad or series of ads based on an original idea. (House ads are not eligible). Only ads that are locally generated and produced are eligible, although use of ad service artwork and illustrations is acceptable. Limit one entry per newspaper. Judging will be based on originality of thought, adaptability of the idea to the advertiser, makeup and appearance, and other typographical devices which, taken as a whole, give a total overall appearance and appeal to readers.

**CATEGORY SIXTEEN: DISPLAY ADVERTISING**

Submit as your entry any three separate issues. All local display ads will be considered in judging. National ads will not be considered and neither will use of color in judging this category. Ads will be rated on the basis of typography, graphics and illustrations, layout (including balance and use of white space), borders, and other typographical devices which, taken as a whole, give a total overall appearance and appeal to readers.

**GENERAL EXCELLENCE**

General excellence awards in each circulation class will be awarded on the basis of standings in contest categories. Each first place award will count (3) three points; each second place and certificate of merit, (2) two points; and each third place (1) one point in determining the winners of the general excellence awards. Honorable mention awards will be considered only if needed to break ties.

**Advocate Brass Band entertains convention**

The Advocate Brass Band, under the direction of George Foreman and sponsored by the Danville Advocate-Messenger, entertained the Winter Convention crowd after the Friday Awards Banquet.

**Hawpe elected 1990 KPA president**

David Hawpe, editor of the Louisville Courier-Journal, took office as president of the Kentucky Press Association as the 1990 Winter Convention drew to a close on January 20.

Hawpe succeeds Larry Craig, of the Green River Republican. Craig remains on the KPA Executive Committee as immediate past president.

Other officers elected for 1990 are: Celia McDonald, LaRue County Herald News, Hodgenville, president-elect; Mary Schurz, Danville Advocate Messenger, vice president; and Jerry Lyles, Benton Tribune Courier, treasurer.

1990 KPA Board members include: Jed Dillingham, Dawson Springs Progress; Teresa Revlett, McLean County News; Charlie Portmann, Franklin Favorite; Coleman Love, Elizabethtown News Enterprise; Dorothy Abernathy,

Oldham Era; Kelley Warnick, Gallatin County News; Gary Quinn, Maysville Ledger Independent; Ken Metz, Bath County News Outlook; John Del Santo, Ashland Daily Independent; Louise Hatmaker, Jackson Times; Richard Anderkin, Mt. Vernon Signal; Stuart Simpson, Pulaski Week; Jim Green, Lexington Herald-Leader; and Guy Hatfield, Citizen Voice and Times, Irvine. Steve Lowery, of the Kentucky Standard in Bardstown who is heading up the KPA Freedom of Information Legislative Task Force, was re-appointed to a one year term.

Ralph Derickson, University of Kentucky Information Services, is chairman of the Associates Division; Larry Stewart, of the Courier-Journal is Advertising Division chairman; and JoAnn Huff Albers, of Western Kentucky University, is the Journalism Education representative on the board.

## House A&R hears testimony against proposed advertising tax

### **KPA, broadcasters, ad agencies oppose plan to tax advertising**

The Kentucky House of Representatives Appropriations and Revenue Committee heard testimony Friday, February 15 concerning opposition to the governor's proposed tax package.

Most of the testimony centered on the plan to tax selected professional services and advertising.

KPA Executive Director David T. Thompson, along with about a dozen other representatives from the broadcasters, advertising agencies and retailers, spent time before the A&R Committee, chaired by Rep. Joe Clarke, of Danville.

Below is the testimony given by KPA to the committee.

Mr. Chairman, Members of the Committee, I certainly appreciate this opportunity to come before you today to talk about the proposed advertising tax and its effect on the media and the Commonwealth. I am David Thompson Executive Director of the Kentucky Press Association and while we do represent both weekly and daily newspapers in Kentucky I come concerned mainly about the effect that this proposed tax could have on the backbone of many of our local communities, that being the weekly and small daily newspaper. Let me begin by saying I want to clarify some information that you received Wednesday during testimony and that is while the consumer price index increased 25 percent in the last 10 years, the cost of advertising increased 104 percent. Newspapers in Kentucky have increased their advertising rates, we will admit that, but our increase in those 10 years is a total of 61.8 percent. That's strictly the cost of doing business. What you weren't told or don't know is that the cost of the paper the newprint that our papers are printed on increased an identical 61.8 percent; postal costs increased 116 percent; libel insurance rates increased 281 percent; worker's comp for publishers increased 99.5 percent. The list goes on and on reflecting much of the same increases in other costs of doing business as any other company might face. Certainly the newprint, postal, libel insurance and worker's comp for publishers are areas that are fairly unique to the newspaper industry. I commend our newspapers for holding the line as much as possible on rate increases over the last 10 years. In that same time, we have gone from a total of 174 newspapers in 1980 to 158 in 1990, that is a decrease of 16 newspapers in this Commonwealth in those 10 years. And almost all of that decrease came from weekly newspapers. So while I admit that newspapers have increased rates but only 61 percent of the 104 that you might have been lead to believe Wednesday, we have done so because of the increase cost of doing business.

An advertising services tax will place an intolerable burden on local newspapers across the

state, especially those newspapers which face out-of-state competition within our borders.

Newspaper advertising is unique in its impact on local economies because it is only one step removed from "point of sale" of merchandise and services. Because increased advertising costs are "pass-through" expenses, consumers will be faced with higher costs for merchandise and services resulting from that pass-through. Thus an additional tax burden is placed upon existing sales tax where they apply, and an effective tax is placed on goods and services such as food now exempt under the sales tax statute. The incentive will be for increased shopping out of Kentucky in neighboring states without such taxes, a loss of sales tax revenues to the state, and a diminished employment condition in retail trade statewide.

Of all advertising media, newspapers offer a unique service to readers and small businesses in their Classified Advertising sections. Millions of units of "want-ads" are processed each year. Attempts to apply a tax to such a service represents an expanded hardship on everyone involved, not the least of which will be those charged with administering such a tax. Newspapers would face sharply increased administration costs which would have to be passed on to the customer as an addition to the service tax. This would diminish volume and lessen net revenues. The inevitable result would be no net gain to anyone, most specifically the state.

The proposed tax is, therefore, regressive, because it runs counter to the very purpose which advertising is designed to service: to encourage volume of sales so as to distribute cost over the broadest possible market in a given area, thus providing the lowest possible price for the purposes of competition. The tax would, to the contrary, increase the cost of goods and services, thus restricting sales to a smaller share of the market. As regards newspapers, that is almost entirely local. 85 percent of the advertising in newspapers is local. As regards those newspapers whose markets border states without similar taxes, it could be devastating.

While I recognize the good intentions of the proposed additional revenues, two negative effects will certainly result: Businesses will cut their advertising expenditures, and they will cut advertising from weekly newspapers first.

Most retailers small and large have a set percentage of sales that is spent on advertising, and that percent is written in concrete.

Please remember that advertising is not just a cost of doing business. It is proven sales tool that returns many times the investment in store traffic and sales. Lower ad spending will mean less retail store traffic. Lower traffic will mean lower sales, which in turn will mean less sales tax revenue for the state.

Small businesses do not have many options to advertise except for local community newspapers and they cannot afford this increase.

It should also be pointed out that weekly newspapers are a secondary buy for medium and large advertisers. Advertising budget cuts needed to pay for this penalty would come from the weekly newspaper industry, which would

be devastating in this time of decreasing advertising sales for all media.

Less advertising in community newspapers means fewer pages will be published, which translates into less comprehensive local news coverage. There would be an adverse effect on responsible media, reducing the quantity of information provided to readers of our newspapers.

Weekly newspapers also run public service announcements on a regular basis. This space would have to be cut back or eliminated.

Weekly newspapers are the only source of local news in most of the communities in Kentucky.

In conclusion, I feel this bill will adversely

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**Three states -- Iowa, Arizona and Florida -- have tried an ad tax and all have repealed it... It all boils down to this: If an ad tax is such a good idea, why hasn't some state figured out how to make it work?**

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affect the advertisers and readers of local community newspapers as well as the economy of the Commonwealth of Kentucky.

Many of you may not realize that outside of the taxes that newspapers already pay the taxes that are placed on other businesses in this state, taxes which are many, newspapers in Kentucky have an additional tax burden and that is we already pay a state sales tax on circulation. We pay the sales tax on the subscriptions and the over-the-counter sales sold by newspapers. That amounts to a substantial income already for Kentucky State Government. I don't have all of the figures, but I can assure you that that sales tax on circulation generates a good amount of income for Kentucky. One group of newspapers that I contacted that's based in Kentucky and has I believe 10 weeklies and 1 daily newspaper has already contacted many of its car dealers, restaurants and other retailers for which the community newspaper serves. That group of newspapers in the next year expects to lose \$220,000 in revenue if the ad tax is passed. And that \$220,000 estimated loss represents again 11 of the 158 newspapers located in the state. That same group of newspapers is already paying some \$20,000 to the state in the sales tax on circulation. If the advertising tax should be approved, the newspapers would not only be charged the sales tax on the end product, that is the newspaper itself, but it would be charged a sales tax additionally on the information contained within that product.

Three states - Iowa, Arizona and Florida -- have tried to tax advertising. And all three have repealed the law. Many state legislatures have considered similar legislation, as you are doing, and all have rejected. It boils down to this: If an ad tax is such a great idea, then why hasn't some state figured out how to make it work?

Mr. Chairman, again, I appreciate your time and the committee's time in hearing from the various groups that would be affected if this tax package is approved. I certainly hope that you will take our concerns into consideration.

Thank you.