STATE OF NEVADA
ECONOMIC FORUM

November 30, 2012
9:30 a.m.

Legislative Building
401 South Carson Street
Carson City, Nevada
Room 3138

With videoconference to

Grant Sawyer State Office Building
555 East Washington Avenue
Las Vegas, Nevada
Room 4401

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE COMMISSION (775) 684-6800
STEVEN A. HORSFORD, *Senator, Chairman*
RICK COMBS, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
DEBBIE SMITH, *Assemblywoman, Chair*
Cindy Jones, *Fiscal Analyst*
Mark Krmpotic, *Fiscal Analyst*

CARSON CITY OFFICE:
Legislative Building, 401 S. Carson Street
Carson City, Nevada 89701-4747
Fax No.: (775) 684-6600
RICK COMBS, *Director* (775) 684-6800
BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830
PAUL V. TOWNSEND, *Legislative Auditor* (775) 684-6815
DONALD O. WILLIAMS, *Research Director* (775) 684-6825

LAS VEGAS OFFICE:
555 E. Washington Avenue, Room 4400
Las Vegas, Nevada 89101-1049
Fax No.: (702) 486-2810
BRIAN L. DAVIE, *Legislative Services Officer* (702) 486-2800

MEETING NOTICE AND AGENDA

Name of Organization: **STATE OF NEVADA ECONOMIC FORUM** ***(NRS 353.226-NRS 353.229***)

Date and Time of Meeting: Friday, November 30, 2012 – 9:30 a.m.

If the agenda is not completed, the meeting will be recessed until Monday, December 3, 2012, at 9:30 a.m. to consider unfinished business.

Place of Meeting: Legislative Building
Room 3138
401 South Carson Street
Carson City, Nevada

Note: Some members of the committee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following locations:

Grant Sawyer State Office Building
Room 4401
555 East Washington Avenue
Las Vegas, Nevada

If you cannot attend the meeting, you can listen to or view it live over the Internet. The address for the Nevada Legislature website is http://www.leg.state.nv.us. Click on the link "Live Meetings – Listen or View."

Note: Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.

A G E N D A

Note: Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.

I. ROLL CALL.

II. PUBLIC COMMENT.
(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

For Possible Action III. APPROVAL OF MINUTES OF THE JUNE 11, 2012, MEETING.

For Possible Action

IV. APPROVAL OF MINUTES OF THE NOVEMBER 9, 2012, MEETING.

For Possible Action

V. PRESENTATION ON THE STATE EMPLOYMENT OUTLOOK.
Bill Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training, and Rehabilitation

For Possible Action

VI. PRESENTATION OF HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

For Possible Action

VII. REVIEW AND DISCUSSION OF FORECASTS OF MAJOR GENERAL FUND REVENUES FOR FY 2013, FY 2014, AND FY 2015.

A. Gaming Percentage Fee Tax
B. Live Entertainment Tax – Gaming
C. State 2% Sales Tax
D. Insurance Premium Tax
E. Modified Business Tax
   - Nonfinancial Institutions
   - Financial Institutions
F. Real Property Transfer Tax

For Possible Action

VIII. REVIEW AND DISCUSSION OF FORECASTS OF MINOR GENERAL FUND REVENUES FOR FY 2013, FY 2014, AND FY 2015 APPROVED BY THE TECHNICAL ADVISORY COMMITTEE AT ITS NOVEMBER 26, 2012, MEETING.

For Possible Action

IX. APPROVAL OF THE ECONOMIC FORUM'S NOVEMBER 30, 2012, REVENUE FORECAST REPORT.

For Possible Action

X. INSTRUCTIONS TO TECHNICAL ADVISORY COMMITTEE CONCERNING THE NEXT MEETING.

For Possible Action

XI. SCHEDULING OF FUTURE ECONOMIC FORUM MEETING.

XII. PUBLIC COMMENT.
(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

XIII. ADJOURNMENT.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Fiscal Analysis Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call the Fiscal Analysis Division at (775) 684-6821 as soon as possible.

<u>Notice of this meeting was posted in the following Carson City, Nevada, locations</u>: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. <u>Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations</u>: Clark County Government Center, 500 South Grand Central Parkway; and Grant Sawyer State Office Building, 555 East Washington Avenue. <u>Notice of this meeting was posted on the Internet through the Nevada Legislature's website at www.leg.state.nv.us</u>.

MINUTES OF THE MEETING OF THE
STATE OF NEVADA ECONOMIC FORUM

June 11, 2012

The meeting of the State of Nevada Economic Forum (created by Senate Bill 23, 1993) was held at 9:00 a.m. on Monday, June 11, 2012, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4401, Las Vegas, with videoconference to the Legislative Building, 401 South Carson Street, Room 4100, Carson City, Nevada.

ECONOMIC FORUM MEMBERS PRESENT:
Ken Wiles, Chairman
Matthew Maddox, Vice Chairman
Marvin Leavitt
Chris Nielsen

ECONOMIC FORUM MEMBERS ABSENT:
Linda Rosenthal

STAFF:
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division
Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division
Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Janet Rogers, Chief Economist, Executive Budget Office
Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division
Joe Reel, Deputy Fiscal Analyst, Fiscal Analysis Division
Becky Lowe, Secretary, Fiscal Analysis Division

EXHIBITS:

Exhibit A	Meeting Packet and Agenda
Exhibit B	Nevada Gaming Control Board – Mark A. Lipparelli
Exhibit C	The State of Tourism – Rossi Ralenkotter, President/CEO, Las Vegas Conventions and Visitors Authority
Exhibit D	Residential Real Estate – Market Trends – SalesTraq – Applied Analysis – June 11, 2012, Brian Gordon, Principal, Applied Analysis

I. ROLL CALL.

Mike Alastuey, acting chairman, called the meeting to order at 9:14 a.m. The secretary called roll; all members were present in Las Vegas except Ms. Rosenthal who was absent excused.

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, stated that Linda Rosenthal informed staff that she was unable to attend the meeting due to her work commitments at International Game Technology.

II. PUBLIC COMMENT.

There was no public comment at this time in either the Las Vegas or Carson City meeting location.

III. ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON.

MR. LEAVITT MOVED TO NOMINATE KEN WILES AS CHAIR.
THE MOTION WAS SECONDED BY MR. NIELSEN.

THE MOTION CARRIED UNANIMOUSLY.

MR. LEAVITT MOVED TO NOMINATE MATTHEW MADDOX AS VICE CHAIR.
THE MOTION WAS SECONDED BY MR. NIELSEN.

THE MOTION CARRIED UNANIMOUSLY.

IV. OPENING REMARKS AND OVERVIEW OF THE ECONOMIC FORUM.

Mr. Guindon stated that the meeting material contained in the Economic Forum meeting packet was provided to the public on the Economic Forum webpage (http://leg.state.nv.us/Interim/76th2011/Committee/NonLeg/EcForum/?ID=59). He explained that the Economic Forum was responsible for producing the official General Fund revenue forecasts that were used by the Governor to build The Executive Budget and the Legislature to develop the legislatively approved budget during session. The Economic Forum was responsible for approving the unrestricted State General Fund revenue forecast in December of even numbered years. He noted if the Governor wanted to spend more or less revenue than what the Economic Forum projected then there would be recommendations in The Executive Budget to account for that. In addition, the Economic Forum was required to produce a revised forecast on or before May 1 of odd numbered years, which was the forecast used by the Legislature during session to produce the legislatively approved General Fund budget.

Mr. Guindon referred to Assembly Bill 332 (2011) on page 5 of the meeting packet (Exhibit A). Assembly Bill 332 added two new meetings of the Economic Forum. The bill requires the Economic Forum to hold additional meetings, on or before June 10 in even-numbered years and December 10 of each odd-numbered year, to consider current economic indicators or segments of the economy, and review how the current forecast of the Economic Forum was tracking in relation to actual collections. In addition, Mr. Guindon said the Chair of the Economic Forum was required to report to the Interim Finance Committee (IFC) after the two meetings pursuant to A.B. 332. He noted that Mr. Wiles presented the required report at the February 9, 2012, IFC meeting regarding the December 13 meeting. After the current meeting, the Economic Forum was required to produce another forecast, which would likely be presented at the August 23, 2012, IFC meeting.

V. APPROVAL OF MINUTES OF THE DECEMBER 13, 2011, MEETING.

MR. WILES MOVED TO APPROVE THE MINUTES OF THE DECEMBER 13, 2011, MEETING. THE MOTION WAS APPROVED BY MR. MADDOX.

THE MOTION CARRIED UNANIMOUSLY.

VI. PRESENTATION OF THE TAX CHANGES APPROVED BY THE LEGISLATURE DURING THE 2011 SESSION AND THE ECONOMIC FORUM MAY 2, 2011, FORECAST FOR FY 2012 AND FY 2013 ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED DURING THE 2011 SESSION AND COURT DECISIONS.

Mr. Wiles thanked the Economic Forum members and appreciated their participation. In addition, he thanked everyone who would be presenting at the meeting; he believed that there was a good set of discussion points and hoped to have worthy and open dialogue at the meeting.

Mr. Guindon referred to page 47, Exhibit A, which contained the summary tables of the unrestricted General Fund revenue sources the state used to fund the General Fund budget. The table showed three years' worth of General Fund revenue history and the Economic Forum's May 2011 forecast adjusted for legislative actions that were approved during the 2011 Legislative Session. The Economic Forum had to produce a forecast for the current fiscal year, which was FY 2011, and then the Economic Forum produced a forecast for a one-year ahead forecast for FY 2012 and two-year ahead forecast for FY 2013. The tables on page 49 through 53 provided the details for each revenue source that were summarized in the tables on page 47 and 48. The number displayed on the left side of the page was the general ledger number that staff used for tracking the revenue in the Controller's system when the agencies posted their revenue. Mr. Guindon noted that at the December 3, 2011, meeting, staff had information on actual collections for FY 2011 to compare to the Forum's forecast, which was approximately $38 million below actual collections. He explained that $38 million may seem like a large number but the forecast was only off by 1.2% of the total General Fund revenues.

Mr. Guindon explained that pages 58 through 61 of the meeting packet (Exhibit A) contained tables that summarized the legislative actions approved by the 2011 Legislature.

Lastly, Mr. Guindon stated that staff would be explaining the tax revenue sources at the fall Economic Forum meeting in October or November. He said that staff put together a Revenue Reference Manual, which provided a brief description of the different Nevada tax and revenue sources, and Carol Vilardo, Nevada Taxpayers Association, provided the Nevada Tax Facts, which he would provide to the members of the Economic Forum.

VII. REPORT AND DISCUSSION OF FY 2012 YEAR-TO-DATE ACTUAL COLLECTIONS COMPARED TO THE ECONOMIC FORUM MAY 2, 2011, FORECAST, ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED DURING THE 2011 SESSION AND COURT DECISIONS.

Mr. Guindon explained that Agenda Item VII was a status report on FY 2012 year-to-date actual collections relative to the Economic Forum's May 2011 forecast. At the December 2011 meeting, the Economic Forum directed staff to establish a monthly schedule to update the tables that presented the status of actual fiscal year-to-date collections compared to the Economic Forum's May 2011 forecast for the State General Fund revenue sources, which was also provided on the Economic Forum webpage. Table 1 on page 65, Exhibit A showed the 2011 actual and the FY 2012 forecast for the General Fund revenues. The sales and use tax and percentage fee tax represented approximately 50% of the state's General Fund revenue. The major General Fund revenue sources were broken out because those sources had separate forecasts from different forecasters, which were presented at the December and May meetings. The major revenue sources represented approximately 75 percent of the state's General Fund revenue sources. He explained that the Economic Forum directed the Technical Advisory Committee (TAC), a statutory body designated to support the Economic Forum in its duties and responsibilities, to produce a forecast for all other General Fund revenue sources. The larger non-General Fund revenue sources were broken out in the chart, and comprised approximately 13% to 14% of the state's General Fund. All other revenue sources accounted for approximately 11% of the state's General Fund, and were represented by approximately 73 different revenues sources. In addition, displayed under the FY 2012 forecast on the chart was the original Economic Forum projected growth rate in May 2011 based on what they forecasted for FY 2011. For example, in May 2011, the Economic Forum originally projected the sales and use tax would grow 2.2% in FY 2012 compared to the FY 2011 forecast. Since the FY 2011 actual is known, they could compute what the growth rate would have to be to hit the FY 2012 forecast based on the 2011 actual collections, not the forecast. Based on the calculation using the 2011 actual collections, sales tax collections had to increase by 0.8% to achieve the FY 2012 forecast. Table 2, page 66, showed the FY 2011 and FY 2012 actual year-to-date for each revenue source. He explained that the right column for each revenue source showed the number of periods of actual revenues known, because some of the revenues were reported monthly, quarterly, or the end of the fiscal year. He said when doing the comparisons it was important to know the timing and the number of months for the reporting. For instance, for the sales and use tax, the first 9 months were known, which represents about 74% of FY 2011 actual collections and 78% of the FY 2012 forecast. Mr. Guindon noted that the Economic Forum only produced a fiscal year forecast, not a monthly forecast for the monthly revenue sources or quarterly forecasts for the quarterly revenue sources, so staff would translate the fiscal year forecasts into a monthly or quarterly forecast. Staff used whatever the revenue source was projected to grow for the fiscal year to calculate the required growth for each month or quarter. The chart on page 66 showed that sales and use tax was $31.5 million or approximately 5.3% above forecast fiscal year-to-date through the first 9 months. In addition, the table showed how much was collected year-to-date as a percent of the total forecast, as well as actual for FY 2011.

Mr. Guindon explained that the major General Fund revenue sources made up approximately 75% of the General Fund and fiscal year-to-date was approximately $46.7 million above forecast or 2.7%. The non-major General Fund revenues were $781,000 above the forecast or 0.2%. Mr. Guindon said that the major General Fund revenues were easier to track. He noted it could be hard to do the comparisons for all other revenue sources because they moved around more than the major revenues on a month-to-month basis and was a composition of 73 different revenue sources that were semi-annual, annual, monthly or quarterly in terms of when the payments were deposited in the Controller's system. He believed the important thing to note was that fiscal year-to-date they knew about 80% of the major General Fund revenue sources and about 82% of the select non-major revenue sources. However, almost through the end of the fiscal year, only 41% of all other revenue sources were known, because of three revenue sources – net proceeds of minerals, unclaimed property and another revenue source that gets transferred at the end of the fiscal year, which accounted for approximately $160 million in revenue. Mr. Guindon said that approximately three-quarters through the fiscal year they knew 9 or 11 months of the monthly revenue sources, and three-quarters of the quarterly revenue sources. Therefore, with 75% total General Fund revenues known, the state was about $58.9 million above the forecast at this point, which was only 2.7% of the total General Fund. Table 3, page 67, showed the remaining amount of revenue to be collected to hit the FY 2012 forecast based on actual fiscal year-to-date collections for each revenue source. The table also displayed the growth needed over the remainder of the fiscal year to achieve the FY 2012 forecast, which could generate various results depending on how the revenue source was tracking. However, early in the fiscal year it provided an idea whether actual collections were behind or ahead and what the revenue source would have to grow compared to the same period a year ago to know whether a large amount of growth had to occur to hit the forecast target.

Chairman Wiles stated that he looked at the bottom right side of the chart on page 66 to see if the revenue in the state was up or down, and then he backed into all the revenue sources, and the -14.5% was put in to see how the state would do relative to the forecast. Therefore, based on the next three months the state could be down 14.5% and still hit the forecast.

Mr. Guindon stated that Chairman Wiles was correct. When Fiscal staff put the table together they looked at the bottom right of the chart to see what the state was up and then looked at the other revenue sources. Fiscal staff looked at the all other revenue sources because that caused them problems and then looked at where the state was. He said that the -14.5% seemed a little absurd, but it was the statistical result because the state did so well the first three-quarters of the fiscal year relative to the forecast. He pointed out that the state was ahead less than 3.0%, but $60 million above forecast seemed like a lot of revenue and the state could possibly end up with more by the end of the fiscal year, but currently it was less than 3.0% of the total General Fund.

X. PRESENTATION ON THE VISITOR AND TOURISM STATISTICS FOR THE LAS VEGAS MARKET.

This item was taken out of order.

Mr. Rossi Ralenkotter, President/CEO, Las Vegas Convention and Visitors Authority, began his presentation by referring to the Las Vegas Tourism handout, The State of Tourism (Exhibit C). He stated that he would address the state of tourism in Las Vegas, both the summaries from 2011, as well as the current first four months of 2012. He noted that in 2011 Las Vegas experienced the second highest visitor volume count in history with almost 39 million visitors. Looking at some of the trends, Las Vegas has seen steady increases in volume counts, although the overall visitor spend was still not at the 2007 and 2008 levels. However, the non-gaming leisure spend for visitors was up 4.6%; meeting attendees and the non-gaming spend on the convention side was up 18.7%; and trade show attendees and exhibitors spend was up 16.8%. He noted that 40 million visitors were projected for 2012, which would be the most number of visitors Las Vegas has ever attracted. Therefore, the Las Vegas brand was very strong and Las Vegas was attracting people and the impact from the recession still had an impact on the total revenue. Over $40 billion was projected in total economic impact from visitors and conventions, which was very positive. Looking at the key indicators from 2011 – visitor volume was up 4.3%; room inventory saw a slight increase of 0.8%; citywide occupancy rates were up 3.4% net over 2010, and 25 points ahead of the national average, which has been consistent. Therefore, the Las Vegas market share of visitors in the country was reflected in the fact that they were 25 points ahead of the national average. The Las Vegas Average Daily Rate (ADR) continued to have a steady increase – 10.7% over year 2010; convention attendance was up 8.8%; and the number of conventions was over 19,000, a 5.7% increase. The McCarran International Airport passengers represented approximately 47% of all the visitors coming to Las Vegas and was up 4.3%; daily traffic from Southern California was relatively flat only up 0.3%; and gross gaming revenues for the county was $9.2 billion, up 3.5%. He said that 2011 was a very positive year for Las Vegas. Looking at the preliminary numbers for year-to-date through April 2012, things were trending similar to 2011, visitor volume was up 2.4%; room inventory was up 0.9%; occupancy rates were relatively flat at 83.7% up 0.1%; Las Vegas ADR continued to increase at 3.4% over the first four months of 2012. Convention attendance was also relatively flat for the first four months of 2012, although the remainder of the convention calendar looked good. McCarran International Airport passengers were up 3.0%, and average auto traffic from Southern California has seen a slight rebound in the first four months of 2012, up 7.1%.

Mr. Maddox stated that at the December Economic Forum meeting Mr. Ralenkotter forecast that 2012 would be similar to 2011 and there was a lot of dialogue about the fact that he thought that Revenue Per Available Room (Revpar) would be up between 10% to 15% for the Las Vegas Strip, which was clearly not happening. Mr. Ralenkotter replied that was calculated by the ADR. Mr. Maddox asked Mr. Ralenkotter if he thought the second half of the year would pick up the revenue to get back up to the 10% to 12% range.

Mr. Ralenkotter replied that looking at the first four months he thought the revenue would be up more in the 5% to 6% range and some of that could be impacted by the convention counter for the second half of 2012.

Moving to employment, Mr. Ralenkotter stated that since November 2009, employment for the leisure and hospitality sector saw an increase and 21,500 jobs were regained since bottoming in November 2009, which was positive for Southern Nevada. In the past, Las Vegas has led the country and Southern Nevada out of recessions and that trend continued as more employees were added to the work base. Since 2008, more than $22 billion was invested and nearly 18,000 new hotel rooms were added to get close to 151,000 rooms. Current investment was over $4.0 billion, and part of the investment would complete the $2.4 billion Terminal 3 at McCarran International Airport. The Linq Project, a $550 million investment was being done by Caesars Entertainment, and included an observation wheel that should be complete in approximately 12 months. He noted that room renovations at MGM were a $160 million investment; Flamingo had $10 million in renovations; and downtown Grand, the former Lady Luck, had $100 million in renovations, indicating that money was still being invested in the marketplace.

Continuing, Mr. Ralenkotter stated the graph on page 9, Exhibit C, showed that visitor volume would continue to increase and has trended up since 2009. Las Vegas was in a highly competitive market environment and all destinations, both domestically and internationally, were competing with Las Vegas for the leisure dollar, as well as the convention dollars. He noted that there were some very strong campaigns and one campaign launched in May, was "Take Back Your Summer" which encouraged Americans to use their vacation time in Las Vegas, so Las Vegas was in the major markets across the United States. The McCarran International Airport Terminal 3 project opened in June 2012 and was very critical for Las Vegas with a new 14-gate terminal, with 7 gates dedicated to the international arrivals. The new terminal allowed the airport to facilitate more flights, which was important because there was a continued increase in the number of international non-stop flights coming into Las Vegas. He noted that during the last two years there was a 23% increase in the number of airline seats from international markets like WestJet from Canada. In addition, when Terminal 3 opened in June 2012, Copa Airline would start non-stop service to Las Vegas from Panama City five-days a week, which connected into 35 major markets in Central and South America, a very strong growth market for travel to the United States, as well as potential travel to Las Vegas from Brazil. Air Berlin was flying seasonal flights into Las Vegas and Dusseldorf, Germany; Arkeyfly from Amsterdam, Netherlands; and British Airways added three more flights from the Gatwick Airport in London starting in October 2012, so the growth potential was there and the international flights were important. The three major market segments for growth for Las Vegas going into the future were corporate meetings, both domestic and international; special events and "branded" weekends allowing Las Vegas to capture different types of holiday situations such as Halloween, which Las Vegas called "Hallow Week" in the international side. Currently, the branded weeks generated over 6.0 million international visitors to Las Vegas in 2011 and international visitors spent approximately $7.6 billion on lodging, shopping, dining, entertainment, sightseeing, local transportation and gaming. The international visitor stayed approximately one day longer and spent more money than the domestic tourists and supported about 65,600 jobs in the marketplace. Mr. Ralenkotter stated that the goal that he has given his staff, which corresponded with the Executive Order, as well as the tourism strategy for the United States that President Obama recently released, was 100 million international visitors to the United States in ten years, so Las Vegas would take the market share of 16% of total visitors internationally and grow that to 30% within the same timeframe, offering a lot of opportunities for Las Vegas.

Mr. Ralenkotter said convention attendance was trending up and for 18 straight years, Las Vegas has been the number one trade show destination for North America with the "Trade Show 250" which comprised the largest 250 trade shows. He said that Las Vegas would do everything possible to make sure it stayed number one with that particular market segment.

Looking at the Las Vegas Convention Center repeat customers listed on page 10, Exhibit C, Mr. Ralenkotter said that there were a lot of "anchor tenants" in the destination – Consumer Electronics Show (CES), MAGIC, National Association of Broadcasters, and the Automotive Aftermarket Industry Week, SEMA Show, which is the premier automobile specialty product event in the world that attracted over 60,000 domestic and international buyers. He noted that all those customers were very critical to how Las Vegas positioned the rest of the year, both at the Sands, Mandalay Bay, as well as at the Las Vegas Convention Center and were very positive signs for Las Vegas. He said Las Vegas was continuing to book until 2023, and he will soon be in Southern California to book the SEMA Show for another five years of hard leases for Las Vegas.

Mr. Ralenkotter said that another thing that Las Vegas was looking to do, which had an impact on the destination not only now but into the future, was the expansion program for the Las Vegas Convention Center in order to maintain a competitive advantage. He noted that there were 14 significant projects over 53 years, one every 4 years, but none in the last 11 years. Prior to the recession, Las Vegas started an expansion program which had to be stalled; however, a lot of the pre-work was done, such as water lines, electrical, and mechanics inside the building, as well as AC programs. To maintain a competitive advantage, the Las Vegas Convention Center "District" was proposed, which was a little different approach from what was discussed in 2006 and 2007. The District was all about the arrival experience for customers and how to facilitate visitors. The expansion would include ingress/egress and how to move customers within the building, more meeting room and public space, in a partnership with the county, because they would be helping LVCVA with creating the convention center District look, in addition to the hotel operators within that area. Mr. Ralenkotter noted they would recapture some of the old neon signs, which would be outside and inside the buildings to be part of the welcoming experience so there was a seamless Las Vegas branding message from the airport to the Strip to the convention center. He noted this was a new trend in the convention industry and Las Vegas needed to stay ahead of the competition. Mr. Ralenkotter said LVCVA would start meeting with their customers and hotel industry officials over the next six months to get input into the District project. The District project would be done in phases and he hoped to be in the design phase by the second quarter of 2013, and be able to finance it through the convention center. Mr. Ralenkotter was excited about the project, which would provide an opportunity to redirect the message of meetings, conventions and trade shows for the destination.

Mr. Ralenkotter said that the LVCVA has been involved with the advocacy side of the industry and currently he was the chair of the United States Travel Association. He noted that a lot of issues were being discussed – from travel infrastructure to how people and goods were moved from point A to point B in the country and how to make it a seamless operation, which had an impact on Las Vegas. He noted that the Interstate 11 project from Phoenix, Arizona to Las Vegas was part of the discussion and looking to connect with the other travel infrastructure, not only in the Southwest but in the country. He said the expansion of the McCarran International Airport also fit into infrastructure. Domestically, the importance of meetings, conventions and commerce in America was another thing on the LVCVA agenda. In addition, on the international side the LVCVA would discuss Visa reform and the expansion of the Visa waiver program and the arrival experience. He stated that President Obama directed the State Department, Homeland Security and all agencies involved with commerce and international travel to look at ways to increase the facilitation of the Visa waivers. He noted that two countries were targeted, Brazil and China, and Visa applications from Brazil increased by 60%, and China increased by 48% since the first of the year, which was mostly from business decisions – deciding to stay open on Saturdays, adding more staff, and seeing how to expedite the Visa process, which was important for not only the United States, but also for Las Vegas as they go after those markets. In addition, President Obama has had conservations with the President of Brazil about a Visa waiver for Brazil and there was legislation in Congress relative to the issue. He said he would continue to monitor that which dovetailed into a 30% opportunity for Las Vegas as they moved into the future.

Mr. Ralenkotter said the projections for total FY 2013 Clark County room tax collections was a 5% increase based upon the trending of the last fiscal year for LVCVA, as well as what they look at as far as business in the building. Referring to page 14, Exhibit C, Mr. Ralenkotter said the State of Nevada schools were projected to receive $131 million from room tax collections; Nevada Commission on Tourism received $17 million and approximately 90% of their funding comes from Clark County; Nevada Department of Transportation Debt Service was projected to receive $20 million; Clark County Transportation received approximately $44 million; local jurisdictions received approximately $73 million; and the Clark County School District, for the construction and remodeling of schools, received $72 million. He noted that the total room tax collections was truly a partnership and approximately 33% of the collections was kept by LVCVA, and the remainder of the 67% was divided up. The projections were given to the different entities as they were revised by the LVCVA through the course of the year.

Looking at scenarios into the future, which had to be done for the bonding purposes as the LVCVA went to the financial markets for new expansion, room tax collections scenarios reflected a modest 2% growth for the county going forward. The numbers would be revised as actual numbers come in, but currently for the LVCVA budget for the expansion program, as well as the ability to brand the marketplace, they were using a conservative approach of 2% growth.

Concluding his presentation, Mr. Ralenkotter said that in 2012 and looking forward, 40 million visitors and $40 billion was projected for Las Vegas; the numbers were steadily increasing and Las Vegas was on track for those numbers. He added that there was a lot of demand for Las Vegas, both on the convention side as well as the leisure side.

Mr. Leavitt asked Mr. Ralenkotter how long he has been with the LVCVA. Mr. Ralenkotter replied that he has been with LVCVA for 39 years.

Mr. Wiles asked Mr. Ralenkotter to comment on the convention attendance which was essentially flat in the first part of 2012 compared to 2011. He said that Mr. Ralenkotter mentioned an expected uptick over the second half of 2012 and was curious to understand more about the uptick.

Mr. Ralenkotter explained that looking at the convention numbers, because one month does not make a year, there was a different mix of conventions from one year to the next and some shows rotated in and out of Las Vegas. Looking at the calendar of conventions there was MAGIC, a fashion trade show in the spring, the InfoComm convention was opening soon with 32,000 people, which was an increase, and the SEMA show with 133,000 in attendance, so he believed the remaining eight months would be strong for the convention center. He said they had to look at the mix of conventions because some shows like the Tonka Toy Show only came to Las Vegas every few years, which also had an impact on the calendar. He said that they were seeing more exhibit space being leased, more exhibitors coming to the trade show floor, which turned into more delegates, so convention attendance should get back to where it should be as it trends up. Mr. Ralenkotter said LVCVA made an attempt to keep the anchor tenants in Las Vegas. He noted that Las Vegas was the only destination for some anchor customers because of the availability and amount of convention space available in Las Vegas, which was why the lease for the SEMA show was extended. He added that based on federal rules, the LVCVA could only hard lease a show by a certain number of days, so they would maximize that whenever possible. He said that the Consumer Electronics Show was on a rotation with LVCVA and as soon as the lease was up, a new lease was signed for the next sequence, which was one reason Las Vegas was ranked number one for conventions for 18 straight years.

Mr. Leavitt said that sales tax growth numbers exceeded the growth in the percentage gaming tax, but currently tourism seemed to be driving the economic growth. In addition, if looking at the revenue coming into a hotel, it seemed the percentage that represented gaming was decreasing. He wondered what that scenario said for the future and what it meant for tax revenue for the state, since gaming was such a huge percent of the revenue.

Mr. Ralenkotter replied that the destination keeps reinventing itself and fortunately for Las Vegas, the entrepreneurs and corporations that owned the hotels looked at the marketplace and saw a need for non-gaming types of amenities in today's world. Many hotels were on the non-gaming side, so the percentage of the non-gaming spend continued to increase from the club scene to shopping, dining, and spas. Therefore, there was the need for more diversity of the product offering to drive 40 million visitors a year, which would continue to evolve, so the percentage of gaming versus non-gaming continued to decline.

Mr. Leavitt said that the state could expect that the gaming revenue source would not grow over time as rapidly as some of the other revenues, which would appear to be a fairly significant problem for the state in the long-term.

Mr. Ralenkotter stated that the LVCVA intended to bring more visitors into the state that would spend more money collectively, which would create more tax revenue across the board, especially on the international side, because the international visitor spent more while in Las Vegas, especially on shopping.

Mr. Leavitt stated that obviously part of the sales tax relates to visitors and what they spent in Las Vegas. He was curious about the whole scenario of the growth not being there on the tax side in the gaming segment.

Mr. Ralenkotter said another thing to look at was the fact that more visitors meant more jobs for locals, which would generate more tax in the state.

Mr. Maddox noted that in his experience gaming has been a challenge because now over 40 states in America had casinos, so Las Vegas branched out internationally and generated over a $1.0 billion of revenue from the international customers, which no other market has done. Therefore, the international market was where gaming has been growing and the domestic market has been flat. In his opinion, Chairman Wiles stated that the only way Las Vegas continued to grow was because of people that invest millions in capital every year to reinvent the city. He noted that Wynn Resorts spent $330 million updating their rooms and built three nightclubs along with other upgrades because it was the only place where they could try to drive more tourism for Las Vegas. In his opinion, Mr. Maddox said that people were not coming to Las Vegas to gamble, but to attend shows or conventions and it would be tough if Las Vegas did not keep reinvesting in its properties.

Mr. Leavitt said that looking at some of the numbers it appeared that the high-end gaming like baccarat was becoming an increasing portion of the revenue. He said baccarat also seemed to be the most volatile when they looked at what happened from month-to-month. Mr. Maddox replied that Mr. Leavitt was correct.

Chairman Wiles requested a breakdown of the percentage of visitors coming to Las Vegas from California versus the rest of the world. He recalled that visitation was growing faster from places outside of Southern California and believed that much of the revenue growth was anticipated to come from the international customer. In addition, he asked if there were capacity utilization numbers for the conventions, as well as the different properties. He asked if facilities like Mandalay Bay shared information on how often their facilities were used during the year for convention purposes.

Mr. Ralenkotter said he could provide the breakdown but looking at the domestic versus international customer – international customers had a 16% market share – domestic visitors was 84%, and Southern California represented approximately 24% market share for Las Vegas. He would provide the exact breakout of customers by region, Southern California, and internationally, and break it down by ten different categories.

Addressing the capacity utilization numbers, Mr. Ralenkotter said the convention center ran at approximately 70% occupancy, which was basically full for a convention center because of the move-in and move-out days and dates that could not be sold because of holidays. He believed that Mandalay Bay and the Sands were also fairly close to that percentage. He reiterated that Las Vegas had 3 of the 11 largest convention centers in North America so they were able to have different conventions moving in and out and multiple conventions held at the same time.

Based on the projections for domestic and international growth, Mr. Maddox asked what the greatest risks factors were that could impact the projections.

Mr. Ralenkotter replied that it was all about the economy in the fact that no matter what happened any place in the world had an impact on Las Vegas because it was truly an international destination. He said the economy was a risk factor and looking to see what was happening both domestically and internationally. In addition, it was the lift capacity from the airlines because the airlines were in a capacity control and there were 13% fewer seats into Las Vegas than during the peak of 2007 and 2008. Therefore, trying to get the airline carriers to add more capacity on the international side. In addition, it was infrastructure of transportation and getting the people from point A to point B. Currently, the economy was the one key indicator that the LVCVA continued to monitor every day.

Mr. Maddox said looking at the forecast from December 2011, FY 2012 felt stable and was not a big growth year off of 2011, but FY 2013 was pacing at 56% of where the state should be. He said that last year at this time the state was as 48%, meaning FY 2013 at this point in time looked better than FY 2011 and FY 2012, both on the rate and occupancy side. He said the Economic Forum thought FY 2013 could be a good year assuming the economy does not fall apart. He asked Mr. Ralenkotter why he continued to forecast more growth in FY 2012 and only 2% growth in FY 2013.

Mr. Ralenkotter stated the 2% growth was on the room tax side – so the 2% growth was a conservative projection. He said the volume projection would be between 3% and 5%, and again knowing what the convention counter looks like in 2013, which was good, there were the unknown variables with domestic as well as international visitors.

He said there would still be about 3% to 5% growth in total number of people, but the 2% on the room tax side was a conservative projection.

VIII. PRESENTATION ON THE STATE EMPLOYMENT AND UNEMPLOYMENT OUTLOOK.

Bill Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation (DETR), stated that he believed that one of the benefits of having more frequent Economic Forum meetings was that it allowed him to delve into the information that he typically presented in a little more detail, not necessarily in one meeting, but certainly over the course of several meetings. He noted that at this meeting, in addition to the typical information that he always presented, he would provide a feel for some of the structural forces in play that were shaping how the labor market conditions were unfolding in the various local areas and in the state. When putting together the general information as well as the structural forces, the story he would tell was a labor market that was steadily improving, but with a long way to go. He said Nevada dug a deep hole during the most recent recession and it would take a while to get out of the hole; however, the state was making progress in the direction of improvement.

Mr. Anderson said that he would keep his remarks almost solely focused on the state's labor markets. He noted that currently he had information through April 2012, and May 2012 information would be released soon. He said he would provide some background information as it pertains to the national economy. Nationwide, the unemployment rate was 8.2%, up by 0.1% from April to May 2012, which was the first time in several months that an uptick was seen. The trend over the past few years has been down in terms of the national unemployment rate. Mr. Anderson said that much has been made with respect to the underlying reasons behind the decline in the unemployment rate, one of main drivers behind the downward pressure was that people were simply dropping out of the labor market and giving up on their search for employment and were not counted as unemployed. The labor force participation rate (page 77, Exhibit A) was trending down over the course of the past several years – some of that was structural in nature as the baby boom population reached retirement age and dropped out of the labor force, but there was also some cyclical forces in play as well. As the economy worsened, some people became discouraged and gave up on their search for work and dropped out of the labor force. He said it was hard to differentiate between the two, but the best evidence that he read suggested that half of that decline of late was structural in nature, most likely related to baby boomers, and about half of it was cyclical in nature related to the weak state of the economy.

Continuing, Mr. Anderson said that nationwide job growth rate has seen a well-publicized drop off in hiring activity over the course of the past several months. In the first quarter of 2012, job growth averaged more than 225,000 jobs per month. In April and May 2012 there were less than 100,000 new jobs per month so there were some signs of a nationwide slow down at least on the labor market side. Going back to the structural theme, there was evidence that rates of hiring and job openings expressed in percentage terms were rising. United States job openings and hire rates bottomed out in mid-2009 and currently job openings were starting to increase, as well as hiring rates. Even though the nation was seeing some temporary slowdown in the labor markets, the underlying fundamentals suggested improvement. Switching the focus to Nevada, Mr. Anderson said the key economic indicators were taxable sales, which were up in Nevada from a year ago; gaming win, although very volatile, was trending up; visitor volume has been on the rise for more than two years; average weekly wages were up; gold prices were up, which benefited the rural counties; export activity in the state was up; the number of new business entity formations was trending up; and the number of Nevadans seeking various social assistance resources was showing signs of leveling off. Nevada personal income growth levels were up on a year-over-year basis for the past seven quarters, which followed six quarters of year-over-year declines, so Nevada was currently growing at a pace the state has not grown since 2007, which was good news. Transfer payments which were government payments as a share of personal income most often for social assistance type programs, have peaked and were declining. Nevada average weekly wages grew by approximately 1.3% for FY 2011, which was the first increase since 2008. Mr. Anderson stated that the chart on page 83 of Exhibit A showed that wages actually declined in both 2009 and 2010, but have rebounded modestly of late. Consumer price gains were up higher than that so in terms of real terms, wages were stagnant in 2011.

Mr. Anderson explained that one of the revenues that the committee would be debating was the modified business tax, so it was good to know what was happening on the wage front. He said that through a cooperative arrangement with the United States Census Bureau, good information could be provided on wage dynamics. Nevada's new hire earnings (measured on a monthly basis) tend to be considerably less than the overall average wages which was not a surprise because on average, new hires were not paid as much as the existing workforce, which was consistent across time and industries as well. The number of businesses were growing in Nevada and he looked at the number of employers participating in the state's Unemployment Insurance (UI) program, which totaled about 57,000 UI-covered employers in the state, up 1.8% from the first quarter of 2011. Following ten consecutive quarters of year-over-year declines, Nevada started to see business and employer growth move into positive territory in the second half of 2011. Human Services caseload trends, which he was showing solely as an economic indicator because they had budgetary implications, the recent trends fit in with the picture he was trying to paint of an economy with a long way to go to regain all that was lost, but an economy that was headed in the right direction. In terms of actual labor market information, Nevada's unemployment rate fell from 12% in March to 11.7% in April, which marked the eighth consecutive monthly decline and was the lowest reading since mid-2009. The jobless rate peaked at approximately 14% in October 2010, which was the height of the recession. Mr. Anderson noted that just like the nation as a whole, there was a lot of discussion in Nevada about the underlying reasons for the decline in the unemployment rate, and although Nevada was seeing some job and employment gains, Nevada was also seeing the labor force participation rate trending down. He stated that Nevada did not have history from several decades that was available nationwide, so he was only showing the last half decade. The

Nevada labor force participation rate has trended down recently and he believed there were structural forces that play, as well as cyclical forces in response to the weak economy.

Continuing, Mr. Anderson stated that often when the numbers were released from DETR people thought it was the official unemployment rate and they wondered about when DETR took into account the discouraged people that dropped out of the labor force, or the part-time employees who would rather be working full-time, and he said that the U.S. Department Labor came up with the categories. The chart on page 89 of Exhibit A showed alternative measures of labor utilization and what would happen if the definition of unemployed workers and the labor force was broadened to include discouraged workers, and part-time workers who would rather work full-time. He noted the U-3 measure was very close to Nevada's official unemployment rate, but the U-6 number on the right of the chart, was the broadest measure of what was called labor underutilization or unemployment. If the definition of unemployed workers was broadened, the labor underutilization rate was in excess of 22%, taking into account the discouraged workers as well as some other categories, such as part-timers who would rather be working full-time. In terms of the employment picture, as of April 2012, job readings were up by 5,400 relative to a year ago and essentially unchanged from where they were in March – a 600 job decline month-over-month, which has since been revised, and the April numbers were increased by approximately 700, so Nevada was actually up 100 from month-to-month. Mr. Anderson noted that a definite sign of stability was seen following the state's loss of close to 175,000 jobs during the recession and then more recently there were some signs of modest growth. Nevada job readings were up 0.5% from a year ago. The increase marks the 10th month, and in 15 of the last 16 months, in which year-over-year gains have been recorded. In mid-2009, job losses exceeded 10% on a year-over-year basis. He noted that although it was modest improvement, it was nonetheless very welcome.

Mr. Anderson moved to the structural indicators and said that Nevada had the capability to work with U.S. Department of Labor and the Census Bureau to look at the underlying dynamics in the labor markets and disaggregate between job gains at growing businesses and jobs losses in establishments that were cutting back. During the recession, gross job losses spiked at closing or contracting establishments, whereas job gains in the establishments that were growing or opening plummeted and the net result was job losses. As the economic recovery entered its early stages, the level of gross job losses leveled off and was back down to pre-recession area levels, and the level of new jobs has stabilized. Mr. Anderson said that essentially this indicated that Nevada did not have a job loss problem, but more of a job hiring problem. Nevada's job losses have somewhat eased and the next stage in the economic recovery should be a an increase in hiring activity. Mr. Anderson stated that after growing at a much faster pace than the U.S. prior to the recession, job losses were more pronounced in Nevada than the nation during the recession, although the gap was narrowing. Nationwide, during the first four months of 2012, jobs were up by 1.5% and Nevada growth was .75%, so the gap narrowed considerably. Leisure and hospitality was currently leading the way for job growth with 10,600 more jobs for the first four months of 2012 compared to where they were a year ago. In addition, Nevada was seeing some contributions from other industries such as transportation, trade and utilities, professional and business services, and health care. However, the construction sector continued to lag and shed jobs, and 3,500 positions have been cut to date in 2012. Mr. Anderson noted that Nevada topped out at close to 150,000 construction jobs during the boom times, and currently was down to approximately 100,000 construction jobs off the peak.

Mr. Maddox asked for clarification and if the Nevada was down 100,000 construction jobs. In addition, out of the 175,000 construction jobs that Nevada lost since the beginning of the recession, 100,000 were in the construction sector, which he would consider temporary jobs anyway in a building boom that was not going repeat for a decade.

Mr. Anderson clarified that Nevada peaked at approximately 150,000 construction jobs and around 100,000 construction jobs were lost off at the peak, so statewide, Nevada was hovering around 50,000 construction jobs. He explained that the 100,000 job losses were from 2007 through 2010. Currently, the state was down approximately 160,000 jobs and construction jobs were down approximately 100,000 jobs.

Continuing with his presentation, Mr. Anderson said Nevada private sector job growth has been positive in every month since January 2011. As 2011 unfolded, approximately 12,000 new private sector jobs were added. Through the first four months of 2012, Nevada was trending about 14,000 jobs higher than the first four months of 2011, which was good news in the private sector; however, the public sector employment trends in Nevada was partially offsetting some of the gains. Local government jobs were down by approximately 14,500 since peaking in October 2008. State government employment held steady as the recession unfolded but has trended down by approximately 2,000 since late-2010. He explained that the big spike in federal employment shown on the chart, page 97 of Exhibit A was not an error and reflected temporary census hiring by the federal government in 2010. Mr. Anderson said that all new job growth was coming in the private sector and the public sector was cutting payrolls as a whole because of the budget difficulties.

Mr. Maddox asked how many jobs were due to the construction of Terminal 3 at McCarran International Airport, considering construction on the airport would be winding down in the next couple of months.

Mr. Anderson replied that he did not have information on specific establishments activity. He knew the employment numbers, but did not know the specific projects for employees. He explained that there were lots of ebbs and flows in the state's labor markets, including the construction side. He said there was the Ruby Pipeline project that was built in rural Nevada so there were many different projects unfolding, but in terms of specifics, they did not have access to that information.

Mr. Maddox asked Mr. Anderson if he was projecting a slowdown in the recovery of jobs because Nevada was about to have a large project open and construction jobs would go away and it was immaterial to the current base employment.

Mr. Anderson replied that to put it in context he was talking about a total employment base statewide of approximately 1.1 million jobs and a construction sector with only 50,000 jobs. Mr. Anderson said that DETR was looking forward to continued moderate growth in employment.

Mr. Anderson said that initial claims for UI totaled 18,300 in April 2012, down from 19,600 a year ago. Claims activity during the recession peaked in excess of 36,000 claims per month. The Nevada unemployment rate would ease down from the peak of 13.7% in 2010 by 0.1% in 2011, and should fall to 11.5% in 2012, and 10.1% in 2013. To provide a feel of how realistic that was, Mr. Anderson stated that Nevada ended up with a 13.5% unemployment rate in 2011 and averaged about 12.1% in 2012, so he was comfortable with the 11.5% forecast for 2012. The Nevada employment growth was expected to remain around the 1% to 2% range, which translated into 10,000 to 15,000 new jobs coming online every year. He explained that there were ebbs and flows in job growth and the leisure and hospitality sector was trending about 10,000 jobs higher than a year ago. In addition, there were other industries that were growing but job losses in the public and construction sector were offsetting some of those gains. Mr. Anderson stated that he was presenting the forecast solely in aggregate terms and he looked for continued stable but modest improvement in the state's labor markets.

Concluding his presentation, Mr. Anderson said that in light of the state's growing initiatives with respect to economic diversification, it was good to look at job growth in the long-term and where he thought new jobs were coming from over time and what sort of skills those jobs would require. DETR expected the jobs requiring a two-year associate's degree to show the most growth in percentage terms, as well as higher-level training requirements. The largest number of available job openings would continue to be found in occupations requiring on-the-job training (approximately 4,800 per year). As the Nevada economy diversified, DETR was seeing the kinds of skills that job seekers and employees needed to be successful and the requirements changed and diversified as well.

Mr. Nielsen asked Mr. Anderson if he had an idea of the types of employers broken down by industry sector that were being added through the growth. Mr. Anderson replied that he did not have that information at least on a current basis by industry. He said the information was tabulated on an annual basis and DETR recently put together the information for the fourth quarter of 2011. He said he would see where DETR was in that process and provide the information to staff.

Chairman Wiles asked Mr. Anderson if he had a breakout of the average number of employees at companies that were hiring or divesting of employees. He believed that information would provide an idea if the companies were established that were hiring or letting workers go, and how Nevada was doing in terms of economic diversification and attracting new business startups. Mr. Anderson replied that information was available, which he would provide before the next Economic Forum meeting. He said that he looked at that information when the recession still had a hold on Nevada and found that most of the job losses were in larger establishments, which was not surprising because many of the large gaming properties laid off employees relatively early in the recession. In addition, many of Nevada's large construction employers trimmed payrolls early in the recession. He said it took a while but eventually the recession caught up with the state's smaller business establishments.

Chairman Wiles asked Mr. Anderson if he knew the current population of the state versus 2008, not only total population but population of the workforce. Mr. Anderson replied in terms of the labor force, currently Nevada was holding steady. He said that common sense would suggest that with an economy that was hit as hard as Nevada's by the recession that many of the people that lost jobs would have moved away and to some extent that did happen in 2009. For the most part the population in Nevada has stabilized, which he believed had to do with the fact that there were really no "boom" state that could absorb a lot of unemployed workers. In addition, in many cases the housing situation anchored people and there was no flexibility for people to move elsewhere. Currently, Nevada was looking at stable population and labor force and was seeing that in some other anecdotal information. He was aware that school enrollments were holding relatively steady and school enrollments would drop if the population and labor force was declining.

IX. PRESENTATION ON NEVADA'S GAMING INDUSTRY.

Mark Lipparelli, Chairman, Nevada Gaming Control Board (GCB) stated that the State Gaming Control Board was a taxing authority and received and prepared taxation reports on behalf of all the gaming licensees in the state. He referenced the GCB handout, Exhibit B, which provided a picture of where the state has been over the past few years, as well as a more definitive look at the recent months of activity. He noted that Chart 1, page 2 of Exhibit B was raw data not adjusted for inflation. Chart 1 for statewide gaming win provided a sense of where Nevada has come from the declines that occurred in FY 2008 and FY 2009. Fiscal Year 2010 and 2011 showed a rebound, and in 2011 the state eclipsed back to a growth mode. After five straight years of growth in Nevada there were three years of declines and it was an important general statement about the relative health of gaming revenue in the state. Gaming win as its defined comes from slot machines and table games and represents the amount of money retained by the casino. It is the primary driver of the states gaming revenues. He added that the state taxed on gaming win and the state's gaming tax is based on gaming win.

Moving to page 3, the chart displayed the same picture of gaming win on a calendar basis and showed the beginning of the declines in 2006, and the slowing of the growth rate and the magnitude of the declines in 2008 and 2009. Nevada starting building out of that declining period in calendar years 2010 and 2011. Chart 3, page 4 reflected the relative volatility of some of Nevada's revenue categories; however, there was a general sense of good news, and gaming revenue turned positive in 12 of the last 16 months. In any given month it was very risky to look at the numbers and draw conclusions and even in May 2012, the state saw a decline, which if anyone jumped on that information and tried to extrapolate there was often accounting of holiday periods, big events, and major conventions and particularly in the case of baccarat that would reflect that level of volatility. Mr. Lipparelli said that generally speaking over the span of time, if they looked at January 2011 through April 2012, there was a 6% increase in gaming win.

Mr. Lipparelli said Chart 4, page 5, of Exhibit B, showed growth in total coin-in and drop, slot coin-in, and game and table drop. He stated that one of the things he looked at for the "core" numbers was slot coin-in because it was a reflection of slot handle irrespective of game play or percentage hold. Slot coin-in was really the measure of day-to-day activity on slot machines, which was the day-to-day walk up traffic and people played slot machines without respect to the amount of money that was held by the slot machine. He noted from January 2011, 12 of the last 16 months have seen positive trends in slot handle, which was far from the 6% to 8% declines seen in the previous years.

Chart 5, page 6, the first line on the chart for baccarat win showed an increase not adjusted for inflation, but the trend was definitely positive. From January 2011 to April 2012 there was a low of baccarat revenue of $40 million to a high in another month of $195 million, which was most likely reflective of the Chinese New Year. Generally speaking, baccarat play was a positive contributor to the economy – it was growing and healthy which was good for the state. However, baccarat revenue made forecasting in the Economic Forum's world more difficult and dramatic assumptions could be made in error in any given month. Chart 6 showed state gaming win excluding baccarat, which presented a similar picture. Since January 2011, the state has had a series of positive months and still sustained some volatility in those numbers even in the core non-baccarat numbers. Chart 7 on page 8 (Exhibit B) was an attempt to provide a sense of what was happening in capacity and the amount of slot machines. The number of table games were also provided and there was a consistent contraction for a number of months, which he did not see abating. Mr. Lipparelli stated that there were a couple different dynamics at work – optimization across the city and state and as financial performance was being tested, most of the operators were looking at a way to optimize casino floors, which was paired with a series of innovations by the manufactures to achieve the same distribution of product in a smaller number of games, which had a fiscal impact for the Economic Forum. A decline was projected in the number of slots and table games on the floors, which again he did not see abating. He believed that approximately eight to nine years ago casinos started to make optimization decisions on their floors that they could get as much revenue from a smaller number of games. He noted that size was always the story and there would be 5,000 to 6,000 slot machines on the floors, which have contracted dramatically and the level the service still needed to be maintained, so there was some things working against the GCB on the slot revenue side and what they saw on fixed fees, the non-restricted gaming fee and the quarterly fees that they would probably continue to project contraction. Growth in percentage fee collections, Chart 8, page 9 of Exhibit B, primary collections were measured in the form of percentage fee collections on revenue on gaming win. He said the chart tracked gaming win and there was volatility in the collection numbers based on the collection efforts – credit play for example on baccarat could throw the numbers off in any given month, so too many presumptions could not be made about any one month in terms of gaming collections. Since January 2011, the state saw a fairly steady increase compared to the great decline seen in the previous fiscal years.

Mr. Lipparelli said page 10 (Exhibit B) displayed a simple picture of how the state tracked actual percentage fee collections relative to the month-to-month forecast, broken down and adjusted for major events. He explained that one of the other primary revenue categories collected in the state was the live entertainment tax (LET) which has been fairly steady. He said that in some cases the state has seen double digit increases in the LET. which were reflective of all the non-gaming amenities now being offered throughout the casino industry. He said that 14 out of 16 months have seen positive collection growth in LET, which applied to shows, alcohol served in bars, and other areas. The large majority of the LET collections were from the major shows in Las Vegas, such as the Garth Brooks show, and Cirque du Soleil shows. Chart 11, page 12, displays the growth in quarterly coin-in per visitor and was reflective of a positive trend, where Southern Nevada gaming revenues were related to the visitor volume. He noted that it was important to look at the 3rd quarter in 2009, which was really the dearth of revenue per visitor. Many people talked about the visitor spend being down in Las Vegas; however, for almost nine straight quarters they were starting to see a rebound. Since the 3rd quarter in 2009, revenue per head on the gaming side has clawed its way back from what was a series of almost two to three years' worth of revenue declines per head as gaming revenue was related to visitor volume. Mr. Lipparelli stated that this was a positive message that visitors were getting back to normal and would move in more positive trend on the gaming side in the ensuing quarters.

Lastly, Mr. Lipparelli said the chart on page 13 was a 20-year chart of Las Vegas gaming versus non-gaming revenue that reflects the change in the nature of what happened in non-restrictive gaming facilities where 60 percent of the state's revenues came from gaming revenue in 1989, which has flipped almost entirely in the opposite direction. He said that the GCB required all licensees to file standard financial statements at the end of each fiscal year. The statistics were compiled and non-gaming revenues reflect room revenue, food and beverage revenue and all of the non-gaming amenities which were related in the chart. In one sense, Mr. Lipparelli said the chart could be looked at negatively if they looked at the gaming revenue chart and saw that major decline, but it also was potentially a "glass half full" where they looked at the relative contribution of non-gaming amenities. In one way the application of taxes on the non-gaming side actually exceeded the rate of taxes on the gaming side, so from an Economic Forum perspective, a state contribution perspective, that rate of tax on the non-gaming amenities probably exceeded the rate of tax on the underlying gaming revenue. Therefore, the fact that the chart was reflecting that major change in spend could have some positive ramifications to the state in terms of tax revenue. Page 14,

Chart 13 of Exhibit B showed FY 2012 actual collections versus forecasted amounts through May 2012 and the message in the table was that the state was essentially on the Economic Forecast through 11 months and approximately 2.3% above the forecast. The right side of the chart showed that the state would have to have dramatic reductions in the numbers, which he did not anticipate in the next month in order to not to hit the Economic Forum forecast, in fact the state would be slightly ahead of the forecast.

Mike Lawton, Senior Research Analyst, Gaming Control Board, stated that the linear average on the charts showed the trend lines from the beginning of a certain period to where the state was currently.

Mr. Maddox stated that he looked at slots because the hold percentage has been tightened and people come to Las Vegas with a fixed budget, and while coin-in may be down slightly, win was often doing a little better. In the future, he thought it was important not to focus so much on coin-in in the presentations, but slot win.

Chairman Wiles asked about the number of people playing baccarat, where they were coming from and the key risks since baccarat play was such an important component of revenue.

Mr. Lipparelli said there has been an increased focus and speculation that as the marketplace in the Far East opened and expanded it could benefit Southern Nevada. He noted that there were only a few locations in the country willing to take the risks associated with the high levels of baccarat play and the regional markets and the river boats states were very unlikely to take that risk. He believed the more live table game play was exposed, especially in the Far East and at the levels of baccarat play, that would tend to benefit Southern Nevada. He stated that there was only a fixed amount of play that Southern Nevada got locally in the baccarat area. There was been some discussions about increased traffic in South America and Central America as well, so they were seeing some increases in those areas.

Mr. Maddox added that the Wynn Resorts were approximately 15% to 25% of the baccarat market depending on the month. He said baccarat play in Southern Nevada was largely from the Asian population from China, Hong Kong and Taiwan. He noted that the reason the Asian population came to Southern Nevada was not because of the baccarat table. He said the Asian population came to Nevada for the non-gaming and then would play baccarat while visiting, so often the Asian population would make a few trips to Macau or Singapore where there were baccarat tables, and then take a week-long family vacation to Las Vegas. He said that Las Vegas has done a good job of being the long vacation destination for the baccarat player and Wynn Resorts has seen a large increase in new players after being exposed to Macau. Nevada has benefited from the rapid expansion in Macau because the operators continued to market Las Vegas. In addition, there was an expansion in the population of people coming to Las Vegas.

Mr. Lipparelli said the second portion of his presentation deals with the status of interactive gaming in Nevada. He stated that recently there has been a large amount of coverage on interactive gaming. Nevada passed a law in 2001 allowing for interactive gaming, although the state did not do anything with that law until the 2011 Legislative Session when there was discussion about whether Nevada was a likely location for Internet poker. He said changes were made in law and there were a series of workshops and discussions at the Gaming Control Board and Gaming Commission level to create the first set of regulations allowing for interactive gaming. The state started with interactive poker, although Nevada state law would include all forms of gaming. The regulations were established in December 2011 and the GCB stated seeing applications associated with that activity in November and December of 2011. The GCB recently recommended the state's first two licensees of interactive gaming in the United States – Valley Technologies and International Game Technology. He noted it was a Nevada only activity to begin with, but there were activities occurring throughout state legislatures across the country, as well as some hope for resolution at the federal level. However, from the State of Nevada's perspective, the state was first in line and has established its rules and regulations and created a mechanism for people to become licensed and he expected to see a number of companies submitting technology for approval. He said that whether somebody decides to ultimately begin taking wagers in Nevada would be an open question – he believed it was a business question, but if they wished and desired, it was likely that could happen as early as the first quarter of calendar year 2013. Mr. Lipparelli was not aware of any state that passed regulations for interactive gaming so he believed Nevada created a window of opportunity for gaming leaders to establish themselves in Nevada. He said that there was one potential impediment that he believed the state could deal with at the statutory level or from a policy standpoint and a Gaming Policy Committee (NRS 463.021) was convened by the Governor to discuss matters of gaming policy. Mr. Lipparelli believed that Nevada established itself as the worldwide leader and would be the first to accept an interactive wage in the United States.

Chairman Wiles called for a recess of the meeting at 11:02 a.m. The meeting reconvened at 11:18 a.m.

XI. PRESENTATION ON NEVADA'S MINING INDUSTRY.

Tim Crowley, President, Nevada Mining Association, referred to page 105 of Exhibit A, and said it was a good time for the mining industry and he would focus on some of the aspects of the mining industry. Providing an overview, Mr. Crowley said that the mining employment was good and the industry was hiring and seeing positive growth in the employment aspects. In addition, Nevada mining was growing in terms of gross domestic product (GDP) and there was a lot of investments that were helping drive that growth in GDP and the mining industry was expanding the supply chain. Mr. Crowley stated that mining in the State of Nevada was often thought of in terms of gold because it was the most important metal mined in Nevada. However, often when one mineral was found there were more, and the state was mineral rich from barium for drilling supplies, and specialty clays in the Amargosa Valley. In addition, copper was doing well in the state, geothermal energy was mining and expanding throughout the state; and gold was doing well with a current value of approximately $1,580. Mr. Crowley said that gypsum was a construction mineral that was mined in Clark County and Washoe County to a great extent but has taken a serious hit because of the downturn in construction. He noted that one gypsum mine in Washoe County closed in the last few years, but there were other gypsum operations hanging on. Lime was primarily mined in Clark County and was doing well. Lithium was mined in Nevada and there would be an expansion on Lithium in the years to come, which he would discuss later in his presentation. Lithium was used for a wide variety of things like pharmaceutical, but was more readily known and used in the energy storage business. Lithium ion batteries were used in cell phones, lap tops and in hybrid car technology. He explained that a mineral similar to lithium was vanadium and a vanadium mine was coming on line in Eureka County, which was the metal being looked at for big energy storage uses. As solar energy was developed and renewable energy that was not considered base load energy, a battery storage was needed to make it a base load capacity and vanadium was the metal to get the state to that point.

Providing some history, Mr. Crowley said that mining developed in the 1850s and at that time miners were looking for minerals that could be seen in creeks and streams, such as plaster, nuggets, and veins. The state went through some very cyclical times and to overstate how mining was done in the 1800s – miners would find an anomaly on the surface and it would be mined, the state would continue to invest as if they had revenue, miners were hired to help with the processing and the mine would grow and places like Virginia City developed. However, when the state stopped seeing that metal and came to what they might have thought was the end of that vein or plaster deposit, they were done, which could come very abruptly. He explained that today's mining was quite different and what was currently known was there was much more than meets the eye. In terms of the gold industry, disseminated gold was being mined – it was microscopic and could not be seen, and miners had to explore below the surface and assay the earth to find the concentrations of gold. For example, he believed they could probably find gold below the Grant Sawyer State Office Building in Las Vegas, but probably not in a concentration that merits mining it, or a concentration that merits taking down the state building. He said that Nevada was blessed in the sense that it had very rich deposits of metals that no one was aware existed in the 1860s. Continuing, Mr. Crowley said it takes millions to drill for the reserves and someone could not take a drill rig out to the desert and drill one hole and find something. If traces of minerals were found through one drill hole, an entire program of drill holes had to be done where they could model what they think was below the surface of the earth and at that point get investors and develop the mine. He stated that the current process to build a mine took upward of seven to ten years of development, permitting, and investment.

Mr. Crowley said General Moly was going through the process of building a molybdenum site in Eureka County and hoped to be operational in 2012 and employ approximately 400 people. Great Basin Gold, Reno, has reopened the historic Hollister Mine and invested significant resources into putting that mine back into production and expanding the mine throughout the next decade. Barrick was developing new mines at Red Hill and Goldrush and expanding virtually every mine currently in production – Turquoise Ridge, Bald Mountain, and Gold Strike, and also opened a major mine in Cresent Valley about four years ago called Quartz Hill, which was a $600 million development. Mr. Crowley said to put this into perspective, currently it would cost approximately $1 billion to go through the development process to open a mine today.

Chairman Wiles asked what the drivers were behind the increased costs of opening a mine.

Mr. Crowley stated that the costs of mines were going up in every aspect – the cost of steel drives up the cost of the equipment and processing. Therefore, to build a mill facility to process and extract microscopic ore from the earth today was approximately a $1 billion investment. Consequently, there was not a lot of mill production and once a mill was built it would be utilized as long as possible and mines would be built around the mill. Mill construction was expensive – the cost of rubber, diesel fuel, which was consumed a lot, and energy costs were very significant to the mining industry to the extent that in 2004, Barrick Gold Corporation built its own 115 megawatt power plant outside of Reno. In addition, Newmont Mining Corporation built a 240 megawatt coal-fired power plant a few years later in Boulder Valley. Mr. Crowley stated that Newmont Mining Corporation was developing new mines and one in particular – Long Canyon mining project east of Elko was believed to be as big as the Carlin Trend. The Carlin Trend outside of Elko Nevada was founded in the 1960s and was currently going very strong and one of the most productive gold deposits in the world. Western Lithium was developing Kings River Valley, north of Winnemucca, a lithium mine used to power the next generation of hybrid/electric vehicles.

Moving to Nevada mining employment (page 113, Exhibit A), Mr. Crowley said there were approximately 16,000 people employed in the entire mining industry which did not include the vendor base. He said that often the Mining Association referred to 12,000 people employed, which was related to metal ore mining which were predominately the members of the Mining Association, but as they blend in the aggregate industry and some of the industrial minerals that were mined in the State of Nevada, there were 16,000 people employed in the mining industry. Over the last ten years there was robust and steady growth in the mining industry in terms of employment. As a percentage increase, page 115, there was a 68% increase in Nevada mining employment over the last ten years. Compared to the rest of the state, which he was not sure was fair because the state has gone through such tremendous ups and downs in employment, the 68% increase compared to a 8% increase in the rest of employment statewide. Mining represents approximately 1% of the state's employment not counting the vendor base and the 16,000 people represent just above 1%. Looking at employment in a two-year window to provide an idea of how employment was going, mining employment increased by 27% and added 2,500 jobs. He said the mining industry was paying some of the higher wages in the state and the average salary in the mining industry was $83,000 per year with good benefits – health insurance, retirement, and scholarship programs for children of miners. He noted the reason that the wages were so high for mining employees was because it was a highly skilled industry. Currently, the mining industry relied on every type of engineer possible – mostly mining engineers, but also civil, mechanical, metallurgic, and geologic engineers. He said that even the operators that were operating the equipment were highly skilled and highly compensated. He noted there were highly-skilled employees driving a mining pickup rig worth approximately $7 million with a 400-ton carrying capacity, or operating an $25 million excavator with a 50-ton capacity, and there was a lot of dependence on those employees.

Mr. Crowley referred to page 119 of Exhibit A that contained a snapshot of where some of the growth in major hiring activity was currently occurring. He said that Allied Nevada Gold based out of Reno Nevada was adding 300 jobs at the Hycroft mine in 2012; Barrick was adding over 100 jobs; Coeur Rochester, a silver mine out of Lovelock added over 100 jobs; General Moly was adding 150 jobs; Newmont was adding 100 jobs; and Ormat was adding 280 construction drilling jobs and 7 operators. The projected employment growth was 1,500 employees and he hoped to refine the survey ability and share that data with the committee as they move into the future.

Mr. Crowley stated that the biggest challenges today for employment growth was finding skilled workers and workforce development was very difficult because of attrition issues and the aging workforce. In addition, a few generations were missed in training engineers and young miners and they were trying to backfill that as well by working with the universities. In addition, the permitting process could take seven to ten years which made it very hard in the capital development world to build confidence in the project and ensure the demand for the product was the same seven years later. Costs of exploration and extracting were rising along with the environmental regulations.

Mr. Crowley said that he has seen a great uptick in Nevada mining GDP in the last few years primarily because of the value of gold going up, but the GDP was around $6 billion and if that was put into perspective with the rest of the state, it put mining at around 4% to 5% of the state's GDP. He said Nevada mining industry was growing and coming at a time when the state needed that growth, especially in the rural Nevada communities like Yerington, which was the most depressed city in the state and now seeing cooper development coming online and growth that would put people back to work. He added that part of the uptick in mining GDP was because of the suffering in the construction industry. He said that mining was often referred to as the second largest industry in Nevada, in fact they were the ninth behind accommodations, and real estate, construction, retail and others.

Continuing, Mr. Crowley said that the major mining investment activity happening in the state was in the magnitude of billions and there concerns about gold prices and where it was going. The chart on page 126 of Exhibit A showed gold pricing over the last 30 to 40 years in today's dollars. He said there was a spike in gold prices in 1980 when inflation was high along with oil prices, Russia was intervening in Afghanistan, there was a revolution in Iran and there was an uptick, and there was an equally precipitous downfall shortly after that. However, the value of gold has risen steadily since 2000 and at a very moderate rate, although historically it was not the highest gold values seen, but the spikes were very healthy and he anticipated seeing similar growth for years to come. Recently, the World Gold Council (WGC) released a study to show that in today's world gold prices had to average $1,300 for a mine to be profitable. However, because mining costs continued to escalate, gold prices would need to rise to $3,000 in the next five years to be profitable assuming that those costs increased at the same rate and the mining industry did not become more efficient. Therefore, the assumptions around the WGC study may be misleading. Page 129 showed an informal collection of the vendor list for the Nevada Mining Association. There were 2,400 vendors in the State of Nevada that provided service to the mines and approximately 100 of the businesses were in Clark County. Most supply chain vendors were in the northeast part of the state – Winnemucca, Battle Mountain, and Elko. In addition, Reno, in Northern Nevada had a very robust supply chain element. Mr. Crowley noted those businesses were an aspect of the mining industry and were determined to grow and there was fertile ground in Nevada for growth. For example, there may be businesses in Las Vegas that "fly under the radar" such as Las Vegas Rope, which made cabling for the hoists for underground mines. In addition, Cashman Equipment was a company that would be hurting if they were not involved with mining during the economic downturn. Cashman Equipment was able to supplement their loses in construction around the mining industry to stay afloat, which was also true for companies like Western Nevada Supply, and Reno Tahoe Construction in Washoe County.

Mr. Crowley said the Nevada Mining Association commitment to the State of Nevada was to put a heavier weighting on Nevada-based businesses as they fulfill mining contracts and as mining grew.

Concluding his presentation, Mr. Crowley said that the Nevada Mining Association was investing billions of dollars, growing the employment base and expanding the supply chain and saw a very bright future for the mining industry in the years to come.

Mr. Leavitt asked Mr. Crowley where he saw the net proceeds of gold heading over the next several years. Mr. Crowley replied that production in gold has actually gone down year-over-year the last five or six years and he believed that the state would see a turnaround in production because of new projects coming online like the Long Canyon Mine project in Elko, and Allied Nevada Gold, so not only was quantity going up, but the margins were predicted to stay steady leading to an increase in tax contributions. In addition to the tax changes made during the 2011 Legislative Session, Mr. Crowley predicted an uptick in net proceeds of minerals tax. He pointed out that prior to 1989, the net proceeds of minerals tax was a revenue flow simply to the counties just like any other property tax, and a property tax rate was paid equal to the rate in those counties. In 1989, an increment was put on top of that rate that went from the county rate to 5%, which went to the state. He believed the Economic Forum should be concerned with that increment. He added that increment could change in that net proceeds contributions could go up simply by property taxes in the counties where the mineral was produced going down. He stated that was a possibility for additional increases in net process of minerals taxes and he could not predict whether property taxes were going to go down in some of the counties, but because of the robust nature of mining in those counties, it was a possibility.

Mr. Leavitt said the situation in those counties were unlike the rest of the state where the valuation for property purposes were going down because of other revenues the need for property tax was not as great.

Mr. Crowley stated that currently one of the biggest challenges mining was dealing with was a housing shortage and scrambling to find facilities to house the uptick in mining employment in Battle Mountain and Elko. In addition, Yerington and Lyon County will be facing a housing shortage in the next few years with the Pumpkin Hollow copper mine coming online in those counties in the next few years. Mr. Crowley said that housing values were kept relatively flat in those communities and mining should drive housing values higher due to the shortage.

Mr. Leavitt asked if the mining communities had cash for infrastructure to accommodate the additional housing and if construction bonds were being issued.

Mr. Crowley replied that the largest problem was not necessarily cash but companies willing to take the risk in building facilities. He noted that Barrick Gold Corp recently built an apartment complex in Elko for employees of the mines, and Newmont Mining Corporation was also partnering with contractors to build housing. There were suppliers willing to put in more housing and some growth was seen, but not to the levels needed in mining communities. He found that builders were reluctant to take a risk that was normal in the housing business and the mining companies were at the point of negotiating with the builders to find middle ground so the builders and the mining companies could each incur a reasonable level of risk moving forward. He stated that one of the concepts was a guarantee of occupancy which was something the mining companies were willing to entertain and has been done in some cases. He mentioned that one of the scariest parts of the mining industry was that they often talked about a mine life of 10 to 12 years, which frightened banks into lending and businesses from diversifying the economy because they did not want to be tied to an industry that was only going to be around for 10 to 12 years. He said Nevada has operated with a 10 to 12-year mine life since the 1960s. As mineral deposits were found and drilling started for that mineral, millions could be spent proving out the borders of mineral deposits, but once a point was hit to build confidence in investors and employees to actually build that mine, the focus would be redirected to the construction of the mine and the extremes and boundaries of that mine would not be known until there was a cash flow so miners could continue to look at the mineral deposits. Typically, an exploration company would come into the state to explore and find 10 to 12 years' worth of proven reserves to not overstate the value of the asset, and construction of the mine would begin, and when the cash flow was there, miners would continue to explore the boundaries of the mine property and maintain a 10 to 12-year mine life in perpetuity. Mr. Crowley said that at some point the mines would reach their end life, but 10 to 12 years seemed to be the number that gives people some confidence to move forward, but does not necessarily give confidence to bankers and construction in the housing world.

Chairman Wiles asked Mr. Crowley to provide the committee with the list of the mining projects. He asked about the rare earth that was recently found in Clark County.

Mr. Crowley replied that Molycorp was mining 17 distinct minerals across the Nevada border, south of Searchlight. He stated that the workforce and supply chain from mining those minerals almost exclusively came from Las Vegas, which led people to believe if there were rare earths in California, near the Nevada border, there should be some rare earths in Nevada. He said Nevada had rare earths and exploration companies were looking for distinct minerals but have not found the minerals in a concentration that merits taking on the risk to invest the millions to build a mine. He said that rare earths were important to keep an eye on because they were used in all types of high technology, such as computers and windmill technology. The supply of rare earths has consistently come from China; however, China was now seeing a need to maintain their own supply and exporting less each year to the United States.

Mr. Maddox said he was aware that the Las Vegas Strip gaming revenues were approximately $6 billion and asked what the revenues were from Nevada mining. He asked about the risks to the industry profitability (page 127, Exhibit A) and if the WBC study was a global study or specifically a Nevada study. He asked what the gold price would have to be to remain profitability in Nevada.

Mr. Crowley said that gross product revenue was $6 billion and the margin was not measured because mining did not pay an income tax like a gross gaming tax, so it varied from property to property and was not something collected. Mr. Crowley stated that the WGC study on the risks to industry profitability was a global study. He believed that Nevada would have to be close to a gold price of $1,300 to remain profitable because the one variable seen around the globe was tax liability. Nevada conducted a study comparing Nevada mining tax liability to the western region and found it was comparable as well. The terminology varied from state-to-state but what they often found were jurisdictions that were considered high mining tax states do not pay all the conventional business taxes. He said the State of Nevada mining companies paid the modified business taxes, sales taxes, and property taxes, and also paid the increment on the net proceeds of minerals taxes, not in lieu of those taxes but in addition to it. Therefore, Nevada taxes were not varied much compared to tax liabilities around the world.

Chairman Wiles asked Mr. Crowley if he had a comparison of the Nevada total tax obligation relative to other western states because he believed it would be helpful to see a comparison of the total tax burden.

Mr. Crowley said that he would provide the Nevada tax obligation to the committee. He believed that information would be helpful for the committee as they moved forward to estimate the total tax revenues.

Mr. Leavitt stated that there was a lot of mining construction planned for the future and adding the mines involved a substantial amount of equipment. He wanted to see what the effect on sales tax over the next few years coming from the mining industry because eventually the Economic Forum would have to provide projections.

Mr. Crowley stated that the Nevada Mining Association does not collect sales tax contributions on an industry-by-industry basis and actually went to the people making the purchases to find out what they were going to buy in the future to get the anticipated sales tax contributions. He has seen a very significant uptick and currently the mining industry was paying over $100 million in sales taxes. However, that was triggered by the opening of those properties and purchasing new equipment, although there was purchasing going on through the mine life, but the big uptick was when a mine opened just like any kind of business. He said the Mining Association was asking their members more directly the anticipated sales tax contributions for the 12 months going forward. The Nevada Mining Association did see an uptick but it was hard to quantify what that uptick was from.

XII. PRESENTATION ON NEVADA'S COMMERCIAL AND INDUSTRIAL REAL ESTATE MARKET TRENDS.

John Stater, Research Director, Colliers International, Las Vegas, said that commercial real estate started seeing very low vacancy rates around 2004 and 2005, which spurred construction and dovetailed with all the residential construction that was seen at that period (page 131, Exhibit A). An astounding amount of commercial real estate space was built right before the recession hit and as demand for commercial real estate began to level off, fortunately there was still building going on and construction did not taper off as quickly as demand. Early in the recession, approximately 25 million square feet of commercial real estate was added, so the overhang was one of the things that was hurting them now. In the past 12 months, commercial real estate has leveled off, which was called "bouncing along the bottom" and good demand for space was seen in the early part of 2011, which stalled in the second half of the year. The first quarter of 2012 was awful and mirrored what the state saw in employment because employment and commercial real estate were linked. Mr. Stater indicated that the preliminary second quarter numbers he was seeing looked better, although the industrial market was still losing ground but not as bad; the retail market looked like it was starting to see a sustained recovery; and the office sector looked good. He said that employment was really what he looked at and occupancy of commercial space and employment generally tracked close. In terms of industrial employment, the construction sector was still flagging which seemed to be the real big problem for the industrial market; and the manufacturing, transportation, and wholesale sector were starting to see increases in employment. Office occupancy sector year-over-year growth was negative; financial activities, which included real estate, was still doing poorly; and professional business services was looking good in 2011, but has suddenly turned around along with the heath care/social assistance sector. Mr. Stater indicated that the retail sector was obviously seasonal and in the fourth quarter of every year there would an explosion in retail employment, but currently it was looking weak with some signs of improvement.

He reiterated that the construction sector seemed to be the big problem and took a dive when the recession hit. Leisure hospitality was starting to grow again but all other sectors were really boosted by construction because the state was not seeing the gains in leisure and hospitality translate into gains outside of leisure and hospitality yet, which he expected to see at this point. He believed the lack of construction employment was what was really hurting the state at the moment for commercial real estate. Distressed real estate was something he has been looking at over the last few years and about 8% of the commercial and industrial buildings he tracked were considered distressed, meaning they have received a notice of default or were in some phase of foreclosure process. He has seen sales of those properties improve especially in early 2011 with the online property auction which seemed to set a lot of prices and get investors to look at the market. However, since sales has flagged a little since then but overall they were seeing decent investment activity in office and retail properties, not so much in industrial. Early in the recession, office and retail distressed property dominated the market, but in the past year, industrial space has overtaken those sectors. Year-over-year they were starting to see the rate of increase in distressed property slowing down, especially in the last few quarters. Mr. Stater thought Southern Nevada would have another five to six years before distressed properties stopped being a major problem, because unfortunately as one property sold at a lower price the new owners could lower the rents which pushed competing properties into the distressed category.

Mr. Stater stated that a new buzz word for commercial real estate was “obsolescence” which immediately brought to mind older buildings that could not compete with the newer buildings due to wear and tear. He noted that because so many properties were fairly new, Southern Nevada was seeing a bigger problem with some of the newer buildings because they could not fill up, which was partly because they were built when the recession hit and there were not as many tenants. However, another issue was when construction started ramping up, a lot of the big builders were building on land purchased at a very low price five to ten years earlier. Southern Nevada started seeing amateur developers buying expensive land which resulted into small freestanding retail, office space, and some industrial. Builders were able to get loans to build but unfortunately there was no demand for that type of space, which created an overhang. The builders were trying to please the lenders as opposed to actually serving some demand in the market. In addition, there were problems with many of the high vacancy rate properties which went into the distressed category and therefore the landlords could not offer any kind of tenant inducements to get renters. Mr. Stater said Southern Nevada was starting to cycle through that inventory but thought the real obsolescence Southern Nevada was going to see was a mismatch between what new tenants want and what Southern Nevada had to offer. In addition, there was a similar concept with employment with a lot of job openings demanding skills that the available unemployed might not have. Industrial tenants were coming to Southern Nevada looking for large buildings – 300,000 square feet or more which were not available. Since the tenants could not necessarily wait to build a large building, the tenants were going to Reno in Northern Nevada or Phoenix, Arizona instead. Southern Nevada was also seeing call centers starting to come back into the market similar to the reshoring concept of bringing good, well-paying manufacturing jobs back to the United States. The tenants wanted full floors of Class B back office space, and Southern Nevada was running out of that type of space. Recently, Southern Nevada signed a few 20,000 square foot leases and he was aware of at least four additional tenants looking at the market, but Southern Nevada did not necessarily have the type of space needed. In terms of retail, Mr. Stater said that Southern Nevada was getting to the point where the big box retailers were starting to shrink their concepts and did not want large properties on the market and it would be expensive to subdivide the larger properties. He said that Winco Foods recently came to Southern Nevada and did not utilize existing empty space. He said it was a problem for Southern Nevada but there was an opportunity there as well and they were seeing some businesses wanting to build new properties such as Switch Data Center, building facilities in the southwest, along with U.S. Micro Corporation, and Winco Foods. Mr. Stater said that even though there were high elevated vacancy rates in Southern Nevada, he could see the beginnings of construction for commercial real estate coming back to the market, although not near levels seen in the past, which might stop the construction employment from eroding.

Lastly, Mr. Stater said that over the next 12 months he believed that 2012 would look like 2011 in terms of demand improving and he hoped things would not flag off as bad toward the end of the year. He thought 2013 could be better and a lot of the economic measures were starting to improve, which should translate into more demand for commercial real estate. Currently, Southern Nevada was bouncing along the bottom and he was hopeful about the future.

Mr. Nielsen asked Mr. Stater what he thought about incomplete projects as they related to vacancy rates and if there was another chunk of overhang of incomplete projects in Southern Nevada. He asked if most of the incomplete project space was in the retail sector or across all properties.

Mr. Stater replied that incomplete projects were not included in the vacancy rate numbers and projects had to be complete before they were counted as truly vacant. He has heard that the Summerlin mall may have the funding to move forward with their project, which was stalled in 2008 after financial problems. He said that malls were not really tracked in terms of retail; primarily the more suburban projects were tracked. The continuation of the Summerlin project would be great for construction employment, but in terms of office projects, incomplete projects was probably space that was really not needed in the marketplace, so it would cannibalize other spaces and cause some problems for the landlords. Mr. Stater said that primarily the incomplete projects were in office and industrial sector.

Chairman Wiles said that a challenge with identifying distressed properties was that properties were not considered distressed until a notice of default (NOD) or foreclosure was filed. He added that a delay was seen in the marketplace because banks were not necessarily filing the NODs as quickly as they used to and he thought the distressed numbers could actually be higher. He believed Mr. Stater's estimate of distressed properties was more likely low and there was a higher percentage of truly distressed properties in the marketplace and there may be even a longer window to work through those properties.

Mr. Stater agreed with Chairman Wiles and lease rates collapsed for properties that were not on the verge of a NOD and now close to where Southern Nevada was in 1999 and 2000. He said there were a lot of landlords hurting and just able to keep their heads above water, but the potential for more distressed property was definitely there and he agreed that they were probably only grabbing a small portion of the distressed properties.

XIII. PRESENTATION ON NEVADA'S RESIDENTIAL REAL ESTATE MARKET TRENDS.

Brian Gordon, Principal, Applied Analysis, directed the committee to the handout, Residential Real Estate, Market Trends, SalesTraq, Applied Analysis (Exhibit D). He stated that SalesTraq was the residential division of Applied Analysis and tracked all new and existing home sales activity, foreclosures, pricing, new home communities, along with a wide range of residential data. He would walk the committee through the presentation to set the stage in terms of what was seen in the State of Nevada, particularly Southern Nevada, which represented about 72% of the overall population. He said that one of the questions he gets fairly often was how Southern Nevada got to where they were currently and how Southern Nevada has historically built out. Page 3 of Exhibit D contained a graphic of Las Vegas Valley to demonstrate the level of expansion by decade. Southern Nevada has been growing at the fastest clip of any market of its size and a lot of the development activity has moved to the peripheral of the Las Vegas Valley where much of the new home construction has taken place over the past decade or more. Page 3 showed the year-by-year results for two decades worth of data and the level of expansion that has taken place in terms of overall population. During the better part of the past half century the population in Southern Nevada doubled every decade – from 1990 up to 2000 reaching approximately 1.4 million people. Currently, Southern Nevada was hovering around 2 million people, which has flat lined in the last 4 years. Mr. Gordon said to provide more perspective, and how this related to the housing market, the growth rates leading up to the period prior to the latest recession averaged in the 3% to 5% range in terms of overall population growth. However, in the last 4 years, the official data from the State Demographer showed a drop off in 2011, primarily sourced to the official data related to the U.S. Census, and the decline was more likely spread over the last 4 to 5 years, as opposed to all coming off in 2011. However, as it relates to the housing market, the number of new homes closings were generally trending in the 18,000 to 20,000 units per year range during the better part of the last two decades. During the boom period in 2003 to 2006, Southern Nevada was clearly constructing more housing units than were needed. Comparing that to the longer run historical average, what would have been more appropriate was somewhere near 40,000 to 50,000 too many homes relative to the population base. At the same time, when that population flat lined, it turned negative in some years but essentially remained flat to down and homes were still being built. Another 20,000 units were built when the population was essentially flat, so they were left with approximately 60,000 to 70,000 homes relative to the population during that timeframe. He said that created a number of shifts in the residential real estate markets, specifically the resale market. He stated that the map, page 8 of Exhibit D depicts the amount of equity lost from the peak year of 2006 throughout the Las Vegas Valley, and showed the areas harder hit from a residential perspective. The chart demonstrated the lower rates of equity declines and currently approximately two-thirds of borrowers were underwater. The existing resale home closing data showed the historical trend in terms of the sales volume taking place during the boom years of 2004 and 2005 in the residential market selling over 55,000 homes in each of those years – the falloff in 2006 and 2007 as prices were plummeting. Sales volume started to pick up in 2008 and during the trailing 12 months of 2012, the Las Vegas Valley reached almost 60,000 home sales. Mr. Gordon said a lot of the sales during the last several years were investor purchases and 51% of the homes sold in the 12 months were cash buyers, which was a sign that there was a significant number of investors in the market. At the same time, 76% of those homes were actually vacant when they were sold.

Mr. Gordon said that Assembly Bill 284 (2011) page 11 of Exhibit D gives Nevada residents detailed information on foreclosures and creates transparency in the process. Page 12 showed the bank repossessions that have taken place during the better part of the past two years, which were peaking well over 2,000 homes a month being repossessed by lenders. He said the chart on page 12 showed where the Las Vegas Valley was in the last month of available data (April 2012) and only 258 bank repossessions took place. At the same time, there were fewer homes with past due loans but the decline was nowhere near the level of foreclosure decline that was experienced showing there was still a number of homes pent-up in the foreclosure process or potential foreclosure process. Another element to look at was the seriously delinquent category and although they have seen the numbers come down modestly, the delinquently rates were nowhere near the level of foreclosure activity. These were the 90 days plus delinquent loans, as well as foreclosure inventories. He said the chart on page 14 showed the number of bank-owned homes (REOs) overtime as well as where they sit today. The dots on the chart depicted the number of REOs throughout the Las Vegas Valley and these homes were listed as available in the Multiple Listing Service (MLS) that potential buyers could seek out at this point in time. The graphic on page 15 showed the unlisted REOs in the marketplace, which were much more rampant throughout the area. He said there were approximately 13,000 REOs currently in the Las Vegas Valley and the numbers were on the decline and almost 4 out of 5 homes were unlisted – being held by banks but not in the marketplace today. Mr. Gordon stated that this particular data source was from the county records and he was able to look at every parcel and determine whether it was bank-owned, based on both the deeds that were being transacted in addition to the owner's name. He clarified that 13,000 represented the total number of homes owned by banks today, both listed and unlisted homes in some contract for sale, either contingent or pending.

Moving to page 16 of Exhibit D, Mr. Gordon stated the graphic on the left of the page showed the foreclosure volumes. Over the past few years the Las Vegas Valley has seen thousands of foreclosures moving through the process and foreclosures or REOs being sold to ultimately third parties; however, in the last several months, particularly since the enactment of A.B. 284, that availability has turned down significantly. He noted that over a year ago resale inventory, which were available homes that were not in some type of contracted status, were over 16,000 homes and currently that number was around 4,700 homes available on the market in the entire Las Vegas Valley. To put those numbers into perspective and comparing them to the number of sales that were actually taking place, Mr. Gordon said that effective inventory in terms of months, which was trending in the three to four months of effective inventory range at one point, was now down to 1.2 months of effective inventory in the entire Las Vegas Valley, a fairly tight inventory level. Mr. Gordon explained that the graphic on page 19 demonstrated that some areas of the Las Vegas Valley were experiencing tighter inventory levels if they thought about selected areas in master planned communities – homes that have been sought out by potential buyers trending at less than one month of effective inventory. The Las Vegas Valley was starting to get that feel in the resale market, somewhat similar to what it was like during the boom years, where homes were outbid, people were bidding over the asking price and there were multiple offers, not to suggest the economics were not like that during the boom, but a lack of inventory had a lot of buyers being much more aggressive than they were.

Mr. Gordon stated that Bank of America and other lenders understood what was happening in the State of Nevada and were more likely to move toward short sales and other alternatives to shore up some of the distressed properties in the market. He said it was coming out publicly that 2012 was the year of the short sale and Bank of America was streamlining short sale procedures that would shorten decision times on offers to 20 days, down from 45 days or longer. In addition, Bank of America was working on other assistance programs to get people out of homes, cash for keys types of programs, looking to keep properties in decent condition, but take ownership, and also considering deeds in lieu of foreclosure and willing to lease properties back to the former owners. Bank of America was looking at other alternatives understanding that foreclosure might not be the viable option for them on some homes.

Mr. Gordon noted that looking at the mix of properties that were sold a few years back and how that compared to today (page 21, <u>Exhibit D</u>), obviously bank-owned properties were a substantial portion of the sales; short sales were 10% during 2009; REOs were now down to 42% of total sales in 2012; short sales increased to 19% of the total and in absolute terms those were much higher – the non-distressed categories remained relatively consistent period-to-period.

Moving to the shifts in the new home market, Mr. Gordon stated that the number of new home builders in Southern Nevada has dropped off sharply over the past several years as demand for the product was slowed. Looking specifically at home builders that were doing any sort of volume, 12 homes over the past year or so are still off substantially from where they were just a few years ago. Home closing volumes has edged up the last few months of 2012, but still only 350 homes were sold during the last month, which were not significant numbers on the pace for about 4,500 plus homes over the next 12 months. However, new home permits were showing some signs that developers were returning to the market, relatively small numbers in the big picture, but home permitting was starting to creep up in terms of potential units to come to the market.

New home pricing tended to bounce around and new home closing prices were in the $95 per square foot range, significantly higher than the $68 to $69 per square foot that was seen in the resale market, edging up a little. He stated as far as tracking new home communities – builders were starting to edge up the asking prices anywhere from $1,000 to $5,000 per floor plan, starting to see an upward movement probably likely not to be realized for the next nine months.

Concluding, Mr. Gordon stated that he believed the constraint on inventory was more of a temporary situation with the change in the foreclosure process and banks would continue to find alternative ways to move those assets they were not being compensated or paid for. Future valuations to be predicted on longer-run supply demand balance, investor volumes may start to trend off some as the inventory becomes tighter and investors would not have access to as many units and there may be some bulk sales from lenders. Mr. Gordon indicated that something had to give – people were staying in homes they were not paying for and the delinquency rates were not improving dramatically relative to what was happening in the market, so at some point people would transition to other housing options by way of foreclosure, short sale or some other method.

Mr. Leavitt wondered what would happen to new construction when the investors that purchased foreclosed homes put those homes back on the market when the values went up.

Mr. Gordon stated that new supply and excess inventory in the market would certainly put downward pressure on the new construction side. Investor purchases today were much different than during the boom, and the "flippers" from the boom times during 2004 through 2006, were looking to get in and out of properties relatively quickly. The investors today and antidotal reports suggested that a lot of the investors have a much longer view of the investment horizon understanding what was witnessed over the past decade in the housing market in Nevada. Therefore, investors were buying homes with the intent to hold the least amount and many of them would be in 6 to 12-month leases and the window of turnover would be longer. As those properties go into the resale market, it would certainly add supply and potentially have an effect on new home construction as well as pricing, but they would expect a more stabilized environment to prevail at that point.

Chairman Wiles asked about the mismatched product and the three-story homes built on postage stamp zippered lots that were not selling. He asked if those properties were re-purposed by tearing them down or where they turned into rental properties and how was that overhang measured.

Mr. Gordon replied that Nevada was seeing that in two areas and there was inventory that was not for the typical homebuyer because it was either in such a state of disrepair that it required a substantial amount of investment and the dollar does not justify the purchase price potentially. In addition, there was not as much standing inventory on the new construction side and there were frustrated homebuyers that have put multiple offers on homes in the resale market and not able to capture any properties. Many of those home buyers were migrating to the new construction side despite the higher prices so a lot of the standing inventory has gone away. He believed home builders would be looking for products that the market was going to demand going forward so there may be some communities that were stalled in the process, but he did not think that was going to be a huge number in the large picture.

Mr. Nielsen said it was obviously an interesting set of dynamics in the market. He wondered how consistent that was in Nevada with what people were generally seeing across the country.

Mr. Gordon stated that the State of Nevada has been the hardest hit and ranked at the top of the foreclosure lists throughout the economic cycle. Clearly, Nevada has built more homes than was needed and population growth has slowed, particularly in Southern Nevada, so the dynamics were such that at the time builders were building the home inventory demand was slowing and Nevada ended up with excess capacity. Looking at other markets like Arizona and California, some of those states have managed to move through the excess supply relatively quickly which helped stabilize pricing. Mr. Gordon was aware that there was a major housing overhang, yet those houses were not available on the market which was slowing down the process and the cycle for recovery.

XIV. PRESENTATION ON NEVADA'S HOUSING POLICIES AND INITIATIVES.

Ashok Mirchandani, Deputy Director, Department of Business and Industry, said he would present the state's perspective on the housing market. He directed the committee to page 137 of Exhibit A, The State of Nevada's Housing – Trends and Perspectives. He stated that Nevada, with a population of 2.7 million, had the highest foreclosure and unemployment rate in the nation. At the epicenter of the Nevada housing crisis was the issue of negative equity with 67% of homes in Nevada underwater. Nevada's homeowners have approximately $12 billion in negative equity, which per capita, was the highest in the nation. The major share of the negative equity rests in Clark County with 71% of the homes in Las Vegas being underwater. He said that Northern Nevada was not far behind with 62% of homes in Reno being underwater. As a result of the steep negative equity, Nevada has a growing problem of strategic defaults. Homeowners lacking equity in their homes were more likely to strategically default on their mortgages resulting in increased preventable foreclosures, and contributing to the further downward spiral in home values. As well, these negative equity homeowners were less likely to have or utilize disposable income to contribute to economic activity. A number of the programs developed to date have largely experienced difficulties at assisting underwater homeowners.

Mr. Mirchandani said that some of the programs to date have excluded large numbers of persons on the basis of less significant factors, such as their income levels or ownership of multiple properties. He referenced the chart on page 137 of Exhibit A which showed a comparison of mortgage market trends. He said the top three states for delinquency were California, Arizona and Nevada, and Nevada's share of the challenges was relatively steep with 12.63% of loans seriously in default and 9.56% of loans being past due. In light of the challenges identified, Nevada has adopted some policy approaches and worked closely with their federal counterparts to make the federal programs tailored to the need of Nevadan's. For example, the Nevada Hardest Hit Fund provides four programs to assist eligible Nevada homeowners who were are high risk of default or foreclosure, a) Mortgage Assistance Program, b) Principal Reduction Program, c) Second Mortgage Assistance Plan, and d) Short Sale Acceleration Program. The Housing Division has worked to amend the Hardest Hit Funds contracts several times to align the programs more closely to the need of Nevadan's. For example, the Mortgage Assistance Program payment was revised from $500 per month to $1,000 per month for eligible homeowners and the eligibility period was increased from six months to nine months. The Principal Reduction Program has been revised from $25,000 to $50,000 reduction per home to be matched dollar-for-dollar by the lender and in line with the steep falling prices in Nevada.

Continuing, Mr. Mirchandani said that under a pilot program launched recently by Governor Sandoval, the state would use the Hardest Hit Funds to pay down loan balances on borrowers by as much as $50,000 for government-sponsored entities loans, such as the ones owned by Fannie Mae and Freddie Mac. Homeowners would then refinance their mortgages using HARP 2.0, which is an initiative that allows borrowers with loans backed by Fannie Mae and Freddie Mac to refinance, even if they are underwater. This program would reduce both the interest rate and the loan amount thereby sizably reducing the homeowners monthly mortgage obligations leading to increased disposable income which leads to increase economic activity. The state is working on pilot programs targeted to specifics priorities, namely, increase homeownership and retention. Nevada continued to include homeowners and lenders in activities and discussions to correct the housing market, such as the HomeMeansNevada.Gov, a portal which brings all housing assistance information in one central place. The state's efforts included a consumer brochure, foreclosure events and ombudsman for minority affairs person, regular discussions and roundtables with stakeholders. In March of 2012, Governor Sandoval offered a major homeowner workshop which was attended by almost all of the mortgage servicers in Nevada, counselors, along with government sponsors like Fannie Mae, with a record number of 3,500 homeowners coming for assistance. The event was largely deemed as the most successful outreach event for mortgage assistance by the financial institutions.

Nevada's outreach efforts also include free educational workshops and seminars, advertised on the state's Department of Business and Industry (B&I) website. In addition, B&I provided assistance to homeowners, helping homeowners resolve their issues with their lenders. The Nevada Fight Fraud Taskforce, was spearheaded by B&I and has law enforcement and regulatory agencies as its members. The roundtable discussion included the new and existing scams and strategies to avoid falling victim to the scams through better communications and strategic deployment of resources. The Mortgage Lending Division of B&I conducts various education and training sessions for homeowners.

Concluding, Mr. Mirchandani said that the Mortgage Lending Division has taken measures for strict and timely enforcement of statutes and regulations to protect consumers and businesses. Providing an example, he noted that recently a dedicated Deputy Attorney General was assigned to the Real Estate Division to manage the growing needs for legal opinions related to the division's regulatory role and reduce the turnaround time on constituent services.

Mr. Maddox asked Mr. Mirchandani if he would discuss the results of the programs offered by the Nevada Housing Division instead of identifying each program that was implemented.

Mr. Mirchandani stated the page 143 of Exhibit A showed the results of the programs in the sense that it laid down the guiding principles that the Nevada Housing Division had in mind as they moved forward with new programs to help the housing market in terms of how to come up with programs that leverage public/private partnership and limit taxpayer exposure. In addition, the programs would assist the homeowners that have not received assistance to date and emphasis how to correct the negative equity in the market. He stated that the state got into the housing crisis because of under regulating not from over regulating and the Nevada Housing Division wanted to ensure that as they get out of the crisis they did not over regulate themselves getting out of the crisis as well. In addition, they needed to continually educate all of the stakeholders, like the consumers and banks, to make sure they know their responsibilities and rights.

Chairman Wiles asked Mr. Mirchandani if he knew how much money the state was currently provided for the housing assistance programs. He was aware there were challenges communicating the different opportunities to distressed homeowners.

Mr. Mirchandani replied that all the programs were funded at the federal level not with state dollars except for the Administrative Law Judge Program and the Deputy Attorney General. He recognized that the federal programs were national programs and a "one size fits all" program and the regular programs did not work in states like Nevada where the foreclosure crisis was so deep and wide. He said the Nevada Housing Division has been working with their federal counterparts to see how the programs could be aligned more closely to the market needs in terms of increasing the dollar amount in the Principal Reduction Program or giving unemployed people nine months of mortgage assistance instead of six months. He said the Nevada Housing Division continued to work with the federal government to align the programs more closely to the needs to Nevadan's.

Chairman Wiles asked if the banks were being more cooperative in those efforts. Mr. Mirchandani replied that the Governor and the Director of the Nevada Department of Business and Industry have been talking to the banks and at a minimum the banks were very keen to come to the table and talk about solutions.

XVI. PRESENTATION OF HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

This agenda item was taken out of order.

Mr. Guindon said that the Fiscal Division put together several charts on taxable sales and gaming market statistics. He noted that the historical taxable sales and gaming market statistics charts have been posted on the Economic Forum's Nevada Legislature webpage under the June 11, 2012, meeting link. He said the charts showed gaming market statistics for Nevada, Clark County, Washoe County and the Las Vegas Strip. Gaming percentage fee tax and gaming win statistics for Nevada – monthly and quarterly data. In addition, there were charts for gaming market statistics for Clark County with and without baccarat by month and quarter; taxable sales for Nevada for 17 select North American Industrial Classification System (NAICS) categories reported by the Department of Taxation versus all other NAICS industry categories; and taxable sales for Nevada and selected counties – Clark County, Washoe County and statewide for selected NAICS.

Mr. Guindon reviewed the table Monthly Taxable Sales: Statewide for July 1996 through March 2012. The chart showed the 12-month moving average and the percent change. The chart showed how much stronger the statewide taxable sales was relative to Clark County; however, Clark County was approximately 75% of the state's taxable sales; Washoe County taxable sales were starting to improve; Carson City fell much stronger but was coming back, which he believed was related to automobile sales; and Douglas County was starting to see an increase. Chart 6 showed monthly taxable sales for Elko County. He stated that normally not a lot of time was spent on the small counties for forecasting purposes because if they could get 75% or 80% of the taxable sales and try to get economic activity that could be tied to the forecast that the rest of it was not going to hurt with regard to the forecast. He said the increased mining activity and the Ruby Pipeline project in Elko helped taxable sales in Elko, although taxable sales has settled down some in the last few months. In addition, Nye County taxable sales have increased. The last chart showed taxable sales for the rest of the state – the Ruby Pipeline affected Humboldt County; the 80-unit wind power project in White Pine County, as well as mining is some of the other counties. He said that taxable sales for the rest of the state has been great and explained why they have seen months when the Department of Taxation reported that the state taxable sales grew 6% while taxable sales in Clark County, which was 75% of the state, grew 3% and he had to see what was going on and in this case it was the rural counties that have been driving the taxable sales. When looking at taxable sales they had to think about what was going to replace the projects like the Ruby Pipeline project or the wind power project in White Pine County to keep the taxable sales up, because it would be hard to provide year-to-year comparisons in terms of helping sustain a level of taxable sales above what the largest urban counties generated as the economic engine compared to the rural economic engines. Mr. Guindon stated that the charts were updated for the Economic Forum meetings every month if time permitted or each quarter and he could provide updated charts for the members.

Mr. Leavitt asked if it was possible to identify the continuing large projects in Nevada.

Mr. Guindon said that Fiscal Division staff, as well as Janet Rogers, Budget Office and staff from the Department of Taxation try to identify the large projects. He was aware of the Ruby Pipeline project and tried to include it in the forecast, but he was unaware of the turbine project in White Pine County and it was sometimes hard to find the projects. He stated the biggest concern was that unless the projects have broken ground and work has begun, forecasters were very tentative to put those projects into the forecasts because suddenly they were forecasting based on that and the project might not materialize, which was dangerous as a forecaster. He said Mr. Crowley made a very good point in his presentation that sales tax was collected when a sale was made and it was reported to the Department of Taxation, so a company could be doing things in multiple counties and just report their taxable sales on a single form to the Department of Taxation. He said there were ongoing conversations with the Department of Taxation to see if there was a way to comb through the data. He said the forecasters had to make decisions based on the information available at the time they had to make the decision.

Mr. Nielsen wondered if the permitting process could be used to identify new projects or was that too late in the project lifecycle to be helpful.

Mr. Guindon said they were aware of the large projects from the permits; however, a company could get a permit and not necessarily be breaking ground or starting the project. He said the forecasters looked at that information but they really liked to know that the company had the financing and the project was going forward otherwise it was risky to build a forecast based on a project that had a permit and the company had good intentions, but could not obtain the financing needed for the project.

Chairman Wiles commented that he thought the issue was having access to information about new companies startups and the major projects coming online. For example, he asked a number of people how many software companies there were in Nevada and how much venture capital or private equity was invested in Nevada companies. He said the data for major projects was not available and he was unsure who was best suited to obtain that information – whether it was the research universities, which was preferable because there was some sense of independence in reporting the information and greater comfort from private market participants to provide information and trust it would remain confidential, specifically in terms of who was receiving the amount. He said there was a real challenge in general information flow about measuring what the state already had and he was unsure how to move forward to obtain the type of accurate broad-based estimates without having good information. Chairman Wiles said aside from the information provided from staff, he wondered how the state could have forward looking information in terms of other types of economic activity that were not being measured very well.

Mr. Guindon said Chairman Wiles brought up a valid point but it was the nature of a forecaster to produce forecasts based on the information set available. He stated that as a forecaster he was unsure if he asked a random person on the street what their forecast was for taxable sales and they may have gotten closer than he would have trying to use econometric techniques and data available. He agreed that it would be nice to have that information in some formalized collection method so that there was some quality to the data because if the information lacked quality then they were using noise to try to tie into a signal. He said it would be a benefit if the Economic Forum had things they thought staff could think about or people that they could talk to try to get information, or have the universities collect more information in an organized and formal way.

Chairman Wiles noted that Mr. Maddox had to leave the meeting for a prior appointment.

XV. PRESENTATION ON ENTREPRENEURSHIP AND VENTURE CAPITAL IN NEVADA.

Chairman Wiles stated that Andrew Hardin, Director, UNLV Center for Entrepreneurship would not be present at the meeting to present Agenda Item XV.

XVII. DISCUSSION OF THE REPORT BY THE ECONOMIC FORUM TO THE INTERIM FINANCE COMMITTEE.

Mr. Guindon explained that staff would work with the Economic Forum to put together a report for the August 2012 Interim Finance Committee (IFC) meeting on the matters considered by the Economic Forum at the meeting. The report presented to the IFC would be made available on the Legislative Counsel Bureau's website and be provided to the Economic Forum members.

XVIII. SCHEDULING OF FUTURE MEETINGS.

Mr. Guindon stated that he would work with Chairman Wiles on a date for the next meeting. He said that historically, the Economic Forum met in late September or early October, late October or early November, and on or before December 3 for the final official Economic Forum forecast. He added that the meeting had to be timed around when staff received the latest taxable sales report from the Department of Taxation. He said staff tried to have the forecast meetings in Carson City because the Executive and Legislative staff were in Carson City; however, the meeting was videoconferenced to Las Vegas if the members were unable to attend in Carson City.

Chairman Wiles suggested to avoid an early November meeting date given the other activities that would be occurring at the state and federal level and the 2012 Presidential Election on November 6.

XIX. PUBLIC COMMENT.

There was no public comment.

XX. ADJOURNMENT.

The meeting was adjourned at 1:03 p.m.

Respectfully submitted,

____
Donna Thomas, Transcribing Secretary

APPROVED:

____
Chairman

Date:____________________________

Copies of exhibits mentioned in these minutes are on file in the Fiscal Analysis Division at the Legislative Counsel Bureau, Carson City, Nevada. The division may be contacted at (775) 684-6821.

MINUTES OF THE MEETING OF THE
STATE OF NEVADA ECONOMIC FORUM
(NRS 353.226 – NRS 353.229)

November 9, 2012

The meeting of the State of Nevada Economic Forum (created by Senate Bill 23, 1993) was held at 9:30 a.m. on Friday, November 9, 2012, in room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada, with videoconference to room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

ECONOMIC FORUM MEMBERS PRESENT IN CARSON CITY:
Ken Wiles, Chairman
Linda Rosenthal

ECONOMIC FORUM MEMBERS PRESENT IN LAS VEGAS:
Matthew Maddox
Chris Nielsen

ECONOMIC FORUM MEMBERS ABSENT:
Marvin Leavitt

STAFF:
Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Janet Rogers, Chief Economist, Executive Budget Office
Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division
Joe Reel, Deputy Fiscal Analyst, Fiscal Analysis Division
Patti Sullivan, Secretary, Fiscal Analysis Division

EXHIBITS:

Exhibit A	Meeting Packet and Agenda
Exhibit B	Nevada Labor Market Briefing – Department of Employment, Training and Rehabilitation
Exhibit C	Report on the Forecast Accuracy of the Economic Forum for Selected Revenues – Fiscal Analysis Division
Exhibit D	Gaming Tax Charts – Fiscal Analysis Division
Exhibit E	Gaming Revenue Forecasts – Gaming Control Board
Exhibit F	Economic Forecast – Executive Budget Office
Exhibit G	Forecast Information Packet – Fiscal Analysis Division

I. ROLL CALL.

Chairman Ken Wiles called the meeting of the State of Nevada Economic Forum to order at 9:34 a.m. and the secretary called roll. Members were present at the meeting, with attendance in Carson City and Las Vegas, with member Mr. Marvin Leavitt absent excused.

II. PUBLIC COMMENT.

Chairman Wiles asked for public comment from attendees in Carson City or Las Vegas. Seeing none, the Chairman proceeded with the meeting agenda.

Before moving to the next agenda item, Mr. Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau provided an explanation of the meeting materials and handouts to be utilized throughout the meeting. Mr. Guindon said the presentations by Daniel White, Moody's Analytics and Jeff Hardcastle, State Demographer were located in the Economic Forum meeting packet (Exhibit A). Meeting handouts included the presentation by Bill Anderson, Department of Employment, Training and Rehabilitation (Exhibit B); the Gaming Revenue Forecasts, Gaming Control Board (Exhibit E); the Economic Forecast, Executive Budget Office (Exhibit F); and the Forecast Information Packet, Fiscal Analysis Division (Exhibit G). Mr. Guindon pointed out that all the meeting materials were available in hard copy at both meeting locations in Carson City and Las Vegas as well as on the Legislative Counsel Bureau website. Mr. Guindon noted additional materials prepared for the meeting were also available on the website, which may be referenced during the meeting.

III. PRESENTATION ON THE NATIONAL, REGIONAL AND STATE ECONOMIC OUTLOOK.

Daniel White, Economist, Moody's Analytics

Mr. White was the Assistant Director in charge of state and local government consulting projects, and the economic outlook for the states of North Dakota, New Mexico and Nevada for Moody's Analytics. He said while Moody's Corporation owned both Moody's Analytics and Moody's Investor Service each were separate entities. He represented Moody's Analytics and nothing he said at the meeting should be misconstrued as having any bearing on any current or future ratings actions for Nevada, the United States, or any countries mentioned during the meeting.

Starting his presentation (page 4, Exhibit A), Mr. White indicated Moody's baseline macroeconomic forecast had changed considerably since he testified before the Economic Forum in May 2011. He said based on Moody's current quarterly model and the forecast for the fourth quarter of 2012 there would approximately be 2% real gross domestic product (GDP) growth in 2012 with a slow expansion to about 2.5% in 2013.

Mr. White reported that beyond calendar year 2012 into calendar year 2013 Moody's anticipated a stronger pace of around 3.5% GDP growth. He noted that Moody's 2012 and 2013 forecasts were slightly more pessimistic than the average U.S. economy forecast, but was more optimistic for calendar year 2014. Moody's anticipated job growth of approximately 3 million jobs a year over the next four years, which equated to about 12 million jobs. The reason for the expected job growth was that businesses in the U.S. had been more profitable (page 5) in terms of their corporate profit margins, noting that the corporate profit margin did not take into account non-corporations. He reported that Moody's was working with ADP to calculate its payroll survey and produce its national employment report, which Mr. White indicated to be a great opportunity for Moody's because that partnership allowed them access to a plethora of data from ADP on firm size and geographic location. One of the noticeable elements of the most recent data was that job growth was increasing at about 2 million jobs a year, with most of it from larger corporations employing more than 100 to 250 people. He said there was less growth on the smaller side of the employee distribution. However, there had been enough economic growth of corporate profits over the last few years to increase from 12% to 18%, because corporations, especially the large ones, had done a good job of streamlining their activities, including employee layoffs. Those businesses had decreased their overhead making them more profitable and the return of economic growth had resulted in record profits. Turning to page 6, Mr. White said record profits coupled with conservative outlays had made corporate business balance sheets (corporations with over 250 employees) very strong in the U.S. Moody's did not see an increase in layoffs, but instead saw a hesitancy of businesses to hire more full-time workers. He reported that in September 2012, there was a surprising drop in unemployment, which was due to the addition of a half million part-time jobs. Those jobs were filled with people who would normally be working full-time, but because their unemployment insurance benefits had expired, they were forced to take part-time work. Mr. White said even though the unemployment rate ticked down somewhat, Moody's saw it pick up again in October 2012 and expected the rate to increase slowly in the upcoming months of 2012 and 2013. Pointing out that small businesses typically were not hiring, Mr. White relayed hesitancy regarding the Affordable Care Act as the reason, especially those businesses that were very close to the 50-employee threshold. He explained that if a business had 47 employees and by hiring more full-time workers pushed the number to over 50 employees that business could potentially have both higher health care costs and a higher liability of providing health care in terms of the Affordable Care Act.

Chairman Wiles asked for clarification because Mr. White had talked about profitability being driven by operational efficiencies that would lead to hiring, but at the same time, Moody's expected unemployment to tick up in the next couple of months. He wanted to know if the difference in the statements was a timing issue

Mr. White said Moody's expected unemployment to tick up slightly and stated it was a workforce issue, but did not mean necessarily that more people would be unemployed. It meant that more people would not be looking for work or underemployed because their emergency unemployment benefits expired. He noted that possibly it was more economical for those people to stay unemployed and not look for work. As part-time jobs were offered in the job market, more people might enter the labor force for jobs that were not necessarily available. He indicated if the labor force was increased, the unemployment rate increased slightly, even though more people were not actually unemployed.

Chairman Wiles confirmed that Mr. White was implying that the labor force participation rate would go back up, which could help drive unemployment even if more people were employed.

Concurring, Mr. White said that was exactly what he meant and the impact would be marginal over the succeeding months, but Moody's did not expect unemployment to be under 7% in the next couple of months.

Returning to his presentation, Mr. White said Moody's also saw a high policy anxiety (page 7) throughout the U.S. He explained that the policy uncertainty index tried to capture all of the policy uncertainty happening in the marketplace not just from a fiscal standpoint, but also from a monetary policy standpoint. He told the members that Moody's reviewed its forecasts every year to determine their accuracy and to determine which forecasts they missed. One of the largest portions of the missed forecasts over the preceding two years was the underestimate of how much people would draw back because they were uncertain about what the policies were going to be moving forward. Some of the components included credit default spreads and the dollar amount of taxes that were set to expire in the next six months. He reported that there was some dispersion that Moody's saw from other forecasters in the inflation forecasts and the unemployment forecasts because the federal government was explicitly targeting inflation, but it also was implicitly targeting unemployment thus showing uncertainty among the forecasting groups. Mr. White expressed that many people were worried about what their 2013 costs would be in terms of taxes and health care, with the biggest portion of that uncertainty centered on the upcoming "Fiscal Cliff" (page 8). He said that the Congressional Budget Office had just released a study reporting if the entire Fiscal Cliff were to occur that the U.S. would definitely go into a recession. Moody's found the Fiscal Cliff to be very significant; if it were to occur in its entirety a 3.5% drag on real GDP growth would develop and decimate any previous growth. Mr. White said Moody's showed a 2.5% growth in calendar year 2013 and did not expect the whole 3.5% drag to hit, but there were a number scenarios that could come into action. He quoted Moody's Chief Economist Mark Zandi when he said, "We expected a reasonably graceful end to the policy mess that we are seeing." It was possibly optimistic, but Moody's thought the Fiscal Cliff might be one of those times where the situation could get resolved through a compromise between Democrats and Republicans. Mr. White proceeded to explain each piece of the Fiscal Cliff, and whether Moody's believed it would actually occur and be a drag on growth in calendar year 2013. Referring to the chart again on page 8 for 2013, he said the first yellow segment was the remainder of the Recovery Act, which shaved off 10 basis points; however, it was not a significant amount in terms of the overall growth. The green section underneath was the Payroll Tax and emergency Unemployment Insurance benefits. He said Moody's anticipated that piece to still be present at the end of 2013 even if there were to be a compromise, because it was always intended to be temporary. There was little interest from either political party for extending it unless absolutely necessary, such as the country entered into a recession. The next piece (purple) in line was Sequestration, generated by the Super Committee the previous year. It was a contentious part of the Fiscal Cliff because it equated to $100 billion in cuts to federal spending beginning in January 2013 of which half would go toward discretionary non-defense spending and the other half toward defense spending. Moody's expected for half to go away in the final agreement and did not expect that to be a 70 basis point drag as shown on the chart, but rather 30 to 35 basis points. The gray portion signified extenders, the alternative minimum tax and various non-controversial small business tax credits, which were extended nearly every year and would be eliminated from the drag in 2013. Mr. White pointed out the tan segment as the least controversial piece of the Fiscal Cliff, which represented the Bush Era tax cuts for those earning less than $250,000 and indicated that both parties in Congress and President Obama had expressed the will to not let those tax rates go back up in January 2013. Mr. White remarked that the real problem was what tradeoff Congress and the President would make in order to have a sustainable fiscal policy going forward. The last section was blue and denoted the Bush Era tax cuts for those earning over $250,000. He said in Moody's baseline scenario it was assumed that those would be eliminated because Moody's thought regardless of a compromise in January 2013 that those higher wage earners would not continue to get that tax cut. If the extended tax cut was taken away and about half of the Sequestration cuts then there would be just over a 1.5% drag on growth in 2013. If that scenario were to take place, Mr. White thought the Fiscal Cliff would not be a straight cliff and would not see all of it in effect in the first quarter of 2013, which would result in more of a fiscal hill rather than a cliff. However, over the course of four quarters it would still make a significant difference. He explained the reason Moody's forecast was 2.5% was they were counting on a 1.5% drag from the Fiscal Cliff. Overall, Moody's expected 3.5% growth in 2013 and that was how they got to a 2.5% forecast for 2013.

Chairman Wiles asked if Mr. White was planning to discuss other tax increases that were scheduled to take effect on January 1, 2013.

Mr. White responded that all the categories on the chart were the tax issues that were scheduled to go into effect as per the current law.

Chairman Wiles said there were other tax increases as part of the Affordable Care Act, such as an additional 3.8% tax on capital gains that was set to take place to help fund Medicare or Medicaid. He explained the capital gains tax rate was currently 15%, with it set to increase to 20% and then with the additional 3.8%, Mr. Wiles said it equated to a nearly 50% increase if both components were factored together. He asked Mr. White how that was evaluated in his forecast.

Mr. White concurred and said Mr. Wiles had brought up a good point. He believed the capital gains piece was included in the Bush Tax cuts for those earning over $250,000 and the Affordable Care Act was current law.

Chairman Wiles asked if Moody's forecast incorporated the other tax increases or other components that would take effect on January 1, 2013.

Replying, Mr. White said those components were included into Moody's baseline forecast, but were not explicitly shown in the chart of page 8

Moving on, Mr. White wanted to explain why Moody's thought there would be a compromise between the political parties, especially given the extremely divided nature of the election just days prior to the Economic Forum meeting on November 6, 2012. He said there were many skeptics on whether the policymakers could actually get through the process and showed a chart on page 9 depicting the context of the argument on how far apart expenditures and federal revenues were as a percentage of GDP. Mr. White said historically, there were many occasions when Congress made compromises when there were absolute consequences that would occur right away, including the Bush Era tax cuts in 2010, the government shutdown in 2011, and the Debt Ceiling in 2012, where there was less than 24 hours left before the Treasury would have had to start defaulting on debts. None of those compromises were graceful, but nonetheless the compromises were made. However, in the case of the Fiscal Super Committee, Congress tried to create a crisis, which he equated to an artificial gun to hold to Congress' head, but the gun was not scheduled to go off for 13 months so there was no incentive to make a compromise. Mr. White indicated that another financial issue would occur approximately in early April with the Debt Ceiling (page 10), which would be dependent upon what the Secretary of the Treasury could do to prolong the nation's debt payments. There were many negative connotations and negative economic concerns that accompanied the Debt Ceiling. He said Moody's did not assume that the government was going to go off the Fiscal Cliff, because the Debt Ceiling alone was going to want Congress to make a deal that would at least prolong it for a determined amount of time. However, if the Fiscal Cliff occurred in its entirety in January 2013, which it could temporarily, the U.S. would go back into a recession. Moody's assumed in its baseline forecast that the Fiscal Cliff would happen temporarily. Mr. White proposed that two possible scenarios included Congress and the President extending the current policies in the remaining weeks of 2012 until the Debt Ceiling occurred in April 2013, or the U.S. would go off the cliff in January. Even though the Treasury could lessen the impact by utilizing methods to ease the burden of a temporary Fiscal Cliff on the public, such as not taking additional withholding out of paychecks because a deal would eventually be reached, Mr. White thought it would decimate U.S. growth in the first quarter of 2013. He said the nation would see negative GDP in the first quarter of 2013 and unemployment would rise again to 9% or 10%, which would drive the nation into a recession. Economically it would not be a pleasant situation, but from a fiscal standpoint, Mr. White reasoned it might be beneficial because it would finally force all the cuts and the tax increases that had to be made in order to put the U.S. back onto a sustainable fiscal path. He projected the process would be unpleasant; however, it would get the job done quickly so there would not be any debt ceiling negotiations. On the other hand, he did not think that any of the Washington policymakers regardless of their party affiliation wanted the U.S. to go back into a recession so a reasonable outcome would be to arrive at a compromise prior to the Debt Ceiling deadline.

In order for the members to have a better idea how any potential resolution would impact Moody's growth forecast, Chairman Wiles inquired whether Moody's had an opinion about the relative benefits of closing budget deficits with tax increases versus spending cuts. He asked whether it was better to increase taxes, reduce expenditures or a combination of the two.

Referring to Moody's baseline forecast, Mr. White replied that the only tax provision it had included in a possible Congressional deal were those earners over $250,000 going back to the pre-George W. Bush tax rates. Moody's expected everything else to be on the spending side of the equation. Mr. White said another important long-term piece that needed to be addressed in the subsequent months was entitlement reform, which included the Medicaid program. He indicated that even with the Affordable Care Act there was still a structural imbalance for many states between how much money would have to be spent on Medicaid, and how much money would be generated in tax revenues to support Medicaid. Mr. White said that in actuality the details of a compromise had less of an impact on Moody's growth forecast either way. He thought the most important part would be for Congress to come to a compromise with a deal that was executed quickly and with transparency. Mr. White believed that alleviating the uncertainty of when a deal was going to happen was more significant than the actual deal.

Recalling that he had covered two scenarios regarding what actions Congress might take regarding the Fiscal Cliff, which were to have a semi-graceful conclusion or to go off the cliff and suffer economically for another four to five years in order to get back on track to fiscal sustainability, Mr. White said there was another scenario. The third scenario would be for Congress to enact a one-year extension. Politically, he thought it was the most likely of the three, but as a result, the Debt Ceiling would have to be raised. It was unclear whether all the Republicans in Congress would vote for the extension and raising the Debt Ceiling. In addition, Mr. White indicated that if Congress were to opt for the extension, Fitch Rating Service and Moody's Investor Service (not affiliated with Moody's Analytics as previously stated) ratings agencies publically stated they would downgrade the U.S. debt rating because it would show fiscal imbalance. He noted that Standard and Poor's Ratings Services (S&P) had previously downgraded the U.S. debt rating the previous year and there was some controversy whether it was correct for them to have lowered the debt rating. The action by S&P did not have a large impact because it was only one of three agencies that provided debt rating. However, if the other two agencies were to do the same it would mean all three ratings agencies had put the downgrade into effect. Mr. White said the implications of that move would be huge, as it would send a negative message to markets and the rest of the world. Many other credit instruments that were backed explicitly or implicitly by the U.S. government would conversely be affected, including Fannie Mae, Freddie Mac, some banks and numerous state and local governments. He said in Moody's opinion if Congress were to vote for an extension and the U.S. received debt ratings downgrades from Fitch Rating Service and Moody's Investor Service, the U.S. would go back into a recession. It would probably not be as deep a recession as if the government went completely off the Fiscal Cliff, but the decision would not get the U.S. anywhere closer to fiscal sustainability.

Chairman Wiles asked if the expectation that it would push the economy back into recession was based upon the belief that a downgrade would drive interest rates up.

Responding to the question from Chairman Wiles, Mr. White said partially because it would drive interest rates up; however, the Federal Reserve had proven that it would take any steps necessary steps to minimize the impact (page 11). Mr. White said one of the problems in addition to the potential for interest rate increases was the loss of certainty. The economy had shown subpar growth into its third year following the Great Recession and the reason the economy had not progressed faster was mostly because people and businesses had no idea what was going happen in 2013 in terms of tax and health care costs. Businesses were going to be hesitant on hiring full-time employees until they knew their future cost structures and consumers were not going to spend until they knew their future tax rates. Mr. White said the savings rate was still high and that uncertainty coupled with the increase in interest rates would drive the nation into another recession. To highlight the activity of the Federal Reserve, Mr. White noted that Chairman Bernanke had announced that interest rates would be kept at their present rate through early 2015. It was a bold statement by the Federal Reserve, which provided some certainty and caused the anxiety measure to fall slightly in the last half of 2012; however, he expected the anxiety measure to increase in December 2012 into January 2013. Mr. White said the Federal Reserve had also announced some controversial QE3 measures that sent a message to financial markets and to investors that the Federal Reserve was going to do as much as possible to lessen any impact that would come as a result of fiscal policy.

Continuing, Mr. White said that housing had been a major impediment to economic growth since the end of the Great Recession and even before. There was a large amount of distressed property (page 12) and it was taking a long time to work through the entire inventory. He reported that approximately 1 in 83 houses in the U.S. were in some form of foreclosure and that number was only down from 1 in 88 houses in the previous months of 2012, which was not the progress Moody's wanted to see in the current fiscal environment. The good news was that housing prices were starting to come back throughout the nation, including Nevada, and one of the reasons was that the discount between a foreclosed property and a normal property was starting to shrink significantly. Mr. White noted that the latest data from Las Vegas showed no discount existed any longer. The disappearance of the discount meant that actual homeowners were taking advantage of buying the foreclosed properties, rather than just investors snapping up the cheap properties, which would increase the demand for home purchases. People buying homes again for owner occupancy was a great outlook for the economy. Another encouraging factor in housing was that vacancy rates were starting to come back down to what Moody's expected to be the historical trend (page 13) of housing demand and housing supply. Mr. White said Moody's pegged housing demand at about 1.5 million in an average year before going into the Great Recession, which consisted primarily of household formations. He cited that household formations dropped dramatically during the Great Recession because there were many 25-year-old college graduates who could not find a job that were forced to move back in with their parents, or had to live with several roommates in order to make ends meet. Those people are now 30 years old with a slightly better paying job and so Moody's expected to see some pent up demand in terms of household formations, which increased slightly above the average number of 900,000. Another part of housing demand resulted from obsolescence, which were older homes becoming unlivable due to their age or unlivable from natural disasters, such as the Hurricane Sandy on the east coast in October 2012. Mr. White reported there would be about 400,000 homes a year that had to be rebuilt or replaced because of obsolescence. A smaller, yet not insignificant part of housing demand was second homes. Moody's had not seen a dramatic drop during the Great Recession as in other household formations mostly because people who were fortunate enough to be able to afford a second vacation home probably were not greatly affected by the recession. Referring to the chart on page 13, Mr. White noted that the breakdown of housing supply was about 800,000 new homes per year. Even though housing demand had fallen during the recession, it still stayed fairly strong because of obsolescence, but housing supply had fallen dramatically with an expectation of 800,000 at the end of 2012. He said during the Great Recession home supply went down to about 500,000; however, the supply dropped off so much that in the last year there had been an increase in demand so the amount of vacant homes had decreased significantly. Moody's expected that to continue into 2013 and the first part of the year for demand to be so much higher than supply that vacancy rate would fall below trend. When that happened homebuilders would start construction again and recent data indicated there were some housing starts, an incremental increase in permits and an increase in construction employment. It was the first time there had been two consecutive months of construction employment growth in a long time. Mr. White said Moody's was concerned that wage rates in construction had not turned around as significantly as hoped, but as more activity took place then the rates would also increase. Turning to page 14, Mr. White pointed out that commercial construction had hit bottom and was at its lowest since 1960. However, he said that commercial construction had started to bottom out and beginning in about 2011 it had started to bounce along the bottom. Mr. White noted that these had been significant headwinds for recovery since the end of the Great Recession and at the very worst the numbers would become neutral with tailwinds seen in 2014 or 2015 as construction activity picked up and more construction jobs came on line.

Chairman Wiles asked how sensitive Moody's estimates were of the tailwinds beginning in 2015 and 2016 to potential increases in interest rates in light of the Federal Reserve indicating it would basically maintain a zero interest rate policy through the middle of 2015.

Mr. White said that was a good question, but he would have to look at data for the U.S. level in more detail and could provide an answer at a later time.

Chairman Wiles understood it was two years off but the members had to forecast for a longer period of time. He believed that the current federal funds target rate was between 0 and 25 basis points; however, an increase to 75 or 100 points might mean 30-year mortgage rates would increase from 4% to 5%, which might not have a big impact. He indicated if target rates went from 200 to 300 basis points then the nation could be see 30 year mortgage rates from 6% to 8% and that would certainly have an impact. Chairman Wiles noted that credit standard and lending rules also had an impact with those typically tightened as rates went up.

Mr. White remembered that he had some information in the Nevada Sales and Use Forecast on this topic (page 26), which showed Moody's forecast for housing completions in the U.S. He said the data suggested that at the end of 2014 the U.S. number flattened out and that was the impact the Chairman was referring to, but would talk about it more in the Sales and Use Tax forecast.

Moving on to page 15, Mr. White said the European financial market also had a bearing on the U.S. economy. Moody's baseline forecast indicated that the Euro Zone was not breaking up and did not see Greece leaving the Euro Zone. One of the reasons Moody's did not see either of those situations happening was because the European Central Bank (ECB) had taken extraordinary steps to insure that there was not a European bank failure, which would be very detrimental. There were a number of programs to alleviate that issue, with the most important one being the outright monetary transaction program. The monetary transaction program made the ECB the buyer of last resort for European sovereign debt, which he said in its most simplistic form was open-ended QE. There had not been any countries opting for that program because it meant the country sold its debt directly to the ECB and gave up fiscal sovereignty with the European Commission deciding the that country's fiscal policy for several years. Mr. White said that was politically unpalatable with European member countries. Just the presence of the program had helped as shown by the Spanish 10-year sovereign yields on the chart, which was similar to what Moody's saw when the U.S. government said it would implicitly backstop some of the banks after the financial crisis. He thought the fact that the program was there hopefully would keep Europe together and from going any deeper into a recession.

Mr. Matt Maddox said Europe was extremely complicated and asked Chairman Wiles if Mr. White could move on to the Nevada forecast.

Chairman Wiles asked if Mr. White's presentation on Europe was much longer and Mr. White replied he was almost finished. Chairman Wiles indicated he could continue.

Mr. White commented that Europe was not as big of a risk to the U.S. outlook as it once was, but it was still quite a significant risk.

Turning to the Nevada economic outlook (page 18), Mr. White said the state was firmly in the early stages of its recovery following a very long recession. He noted that toward the end of 2011 the pace of recovery in Nevada was actually higher than the pace of recovery in the U.S. According to the chart, there were two dips in employment in the first and third quarters of 2012, but Mr. White did not think the Nevada recovery was as weak in the first quarter as the chart depicted. He thought it was mainly due to how the U.S. Bureau of Labor Statistics (BLS) computed the employment data. Mr. White explained that the BLS in Washington centralized how employment was estimated in all states in order to make it more consistent, standard and efficient. Another purpose of the centralization was to ensure that non-seasonally adjusted data did not show seasonal patterns; however, Moody's noticed that the BLS was not catching some of the seasonal adjustments in industries such as retail and local government, which had seasonal patterns. Mr. White pointed out the current employment survey data on page 19 included Quarterly Census of Employment and Wages (QCEW) and Current Employment Statistics (CES) data for Nevada retail employment. The CES employment survey data was gathered monthly and was continually revised and those revisions were based on the QCEW data, which was much less timely, but a more complete count of jobs in the U.S. He said that every February the BLS met to release its employment revisions for the previous year for a completed total count of jobs, which then aligned the CES numbers with the QCEW data. He said when Nevada's employment numbers dipped below the U.S. average in the first quarter of 2012 was when the QCEW and the CES data were most divergent. Mr. White thought the BLS had trouble with the seasonal adjustments and incorporating the benchmark revisions into the new employment estimates at the beginning of 2012 because most of the industries received the largest revisions in February coupled with the biggest drop-offs in February in terms of CES data. He expected in February of 2013 for the BLS to revise its numbers and for the Nevada employment data to be more in line with the U.S. average for the first quarter of 2012. Mr. White said it was clear that the pace of job growth was slowing considerably in Nevada and was consistent with the slowing of recreational consumer spending in the U.S. Recreational consumption expenditures were one of the biggest drivers Moody's used in its forecasting, which had fallen off by about half from the previous year. He reported that the pace of growth and leisure and hospitality employment in Nevada the main driver of growth since the end of the recession had declined by the same amount as the U.S. Moody's used the number of monthly visitors in Las Vegas as a contrast to employment to prepare the chart on page 20, which showed Las Vegas above its pre-recession peak; however, the jobs were not there because of decreased recreational spending and uncertainty. Mr. White acknowledged that uncertainty was an impact on consumer behavior and influenced how much visitors to Las Vegas were spending, which in turn made businesses in Nevada wary about hiring more full-time employees when it was unknown if the nation would be in another recession in 2013.

Mr. White recognized that Nevada typically outpaced the U.S. in recovery periods because its economy was much more cyclical. The chart on page 21 illustrated how incredible Nevada's recovery had been to date because it had all been done without construction and housing employment gains, which had been the biggest weight on job growth in the state. Besides construction, the chart also took into consideration local government jobs because as property values declined so did revenues, resulting in job layoffs. If construction and housing numbers turned from a headwind to at least zero then Nevada could begin to see above average growth. The most important factor affecting housing employment was the number of households in the state in some stage of foreclosure. The U.S. numbers reflected that 1 in every 81 households was in foreclosure and Nevada had 1 in 40 households, which was down from 1 in 15 households the previous year. Some of the positive change in Nevada's foreclosure activity was a reflection of the economy getting stronger, but the larger portion was due to the passage of A.B. 284 (2011 Legislature), which changed the administrative requirements prolonging the period of time on a foreclosure. Nevada had one of the longest timeframes in the foreclosure process of any state in the nation so there had been a large drop in the pace of new foreclosures. However, Mr. White indicated that A.B. 284 action had been beneficial in the near term regarding home prices as shown in Moody's forecast for foreclosures in Nevada and the U.S. (page 23). He noted for the members that the chart had been mislabeled as Foreclosures started per 1,000 households when it was actually the Case-Shiller Home Price Index. Continuing, he said housing prices had started to increase because there were less new foreclosures, and the discount between a normal home and a foreclosed home had shrunk. Nonetheless, Nevada would still have delayed material increases in home prices because A.B. 284 prolonged the process of getting the foreclosures off the books, which prolonged the price weakness and a slower rebound in Nevada's home prices than the overall U.S. home price forecast. As a result, Moody's did not see home building restart in Nevada until at least the end of 2013 or into 2014.

Before starting his presentation on Sales and Gaming Revenue Forecasts, Mr. White noted that the chart on page 25 (Exhibit A) did not include the gaming numbers that had been released on November 8, 2012, but were based on previously released data. He said Moody's saw continued strong growth of sales and use taxes and had been pleased with the performance of its model in capturing the visitor numbers growth. The main driver for visitor growth was recreational spending numbers, which had been quite strong, but had tailed off into the first half of FY 2013. Mr. White said housing completions and other consumer spending measures also contributed to the sales and use tax numbers. He stated that housing was a strong number because FY 2015 encapsulated the end of calendar year 2014 and the beginning of calendar year 2015, which was according to Moody's forecast when home building was expected to start to take off in Nevada (page 26). However, Moody's did not see home building come back as quickly in Nevada as in other parts of the U.S. He said once the construction activity increased so would durable goods purchases. The housing activity was driving the outside growth in the out years, but it was still significantly lower than in past recovery cycles for sales and use taxes.

Chairman Wiles asked if Moody's was pleased with its models in terms of accuracy in forecasting sales and use taxes.

Mr. White said that was correct and Moody's forecast had been fairly accurate over the previous 12 months to 18 months. He credited it to Moody's underlying economic forecast, which meant that there was not a large divergence in performance between the tax model and the underlying economic models.

Mr. Maddox questioned whether Mr. White thought Moody's forecast presented to the Economic Forum 20 months prior had been fairly accurate. Mr. Maddox remembered a forecast of 8% and 9% growth with a lot of "hockey stick" style growth, because a lot of the growth Nevada experienced was due to the stimulus programs and the purchase of one-time items.

Mr. White acknowledged that Moody's forecast was overestimated at that previous meeting because of its underlying macro forecast, which was much more significant. He recognized that Moody's discounted the impact of the policy uncertainty on business behavior and consumer behavior. Moody's forecast for 2014-15 projected 3.5% to 4% growth, which equated to the 2012-13 projection.

Mr. Maddox speculated that Moody's forecast for 2012 and 2013 would now be the forecast for 2014 and 2015.

Mr. White stated Moody's lowered the out year forecast considerably so it was not as much of a "hockey stick" as it were in May 2011. Looking back in the previous year, Mr. White pointed out that Moody's sales and use tax forecast had been fairly accurate; however, its gaming tax forecast was not accurate. He said Moody's assumed and banked into the baseline forecast of the tax model that gaming percentage fees were going to behave the same way as in the late 1990's and early 2000's, which were the last periods of economic recovery. One thing that had become clear to Moody's, and Mr. White gave Mr. Maddox credit for pointing it out at the May 2011 meeting, was the historical relationship between economic activity in Nevada and gaming activity in the state, which was different than in past recoveries. Mr. White indicated not allowing for that relationship was the reason for Moody's overestimate. He said gaming percentage fees were becoming increasingly difficult to forecast because of the changing relationships and the lack of historical precedent for a forecasting base, as well as the amount of volatility that was inherent in the gaming win forecast. Another reason for the challenge in forecasting was that dollar amounts were limited to a smaller number of players who were playing more high limit and volatile games, such as baccarat. Mr. White said that Moody's had rebuilt the model and tried to capture the different relationship that now existed and to take into account the share of Nevada gaming as a share of global gaming. It also took in account the share of Nevada gaming as a portion of U.S. gaming where more economic activity did not necessarily translate into dollars on the casino floor. He pointed out the difference in the sales and use tax forecast and the gaming percentage fee forecast. The increase in visitors meant there was increased spending which helped growth in sales and use taxes, but it did not have an impact on gaming percentage fee taxes. Mr. White noted Moody's gaming percentage fee forecast was much more conservative than in the past and especially the FY 2013 and FY 2014 forecast. He said FY 2015 was actually a higher number than he was comfortable with in normal circumstances. Mr. White provided the 2015 forecast with the caveat that that there was downside risks because the forecast assumed status quo for online gaming, which was unlikely to be the case by 2015. The reason Moody's did not explicitly account for it in the model was because it would be too difficult to predict the different possibilities that could transpire with online gaming and how it could be taxed within an individual state. In conclusion, Mr. White said one of the main drivers of the gaming forecast was the overall U.S. employment rate (page 28) because it tied itself closely with recreational spending indicators.

Mr. Chris Nielsen wanted to confirm there would be time later in the meeting to address comparing forecast accuracy in more detail. Chairman Wiles said there would be a chance for that discussion.

Mr. Maddox commented that the gaming business model was changing. He explained that at Wynn Las Vegas over half the casino revenues came from China and Brazil. The domestic market was still very flat and all of the business was coming from a small amount of high-end customers from outside the U.S. Nevada had become increasingly reliant on these customers and he attributed the small increase in gaming revenues to this segment of the business.

Chairman Wiles asked if that was just from the gaming component. Mr. Maddox concurred and said the mix was still about the same with non-gaming at 60%. The nightclub end of the business had grown immensely, which was a good generator of sales tax for the state. Mr. Maddox expressed that there had been a change in behavior of the domestic customer and most domestic spending was going to the nightclubs, whereas the international customer spent more time in the casino.

Chairman Wiles asked if the domestic customer was likely to visit Nevada more frequently or to spend additional funds relative to gaming.

Mr. Maddox said from a domestic standpoint it seemed that everyone had a casino nearby as 42 states had casinos in which to play blackjack or a slot machine. In his opinion, the domestic traveler came to Las Vegas for everything but the casino and that was why lower and mid-tier properties struggled on the gaming floor. Las Vegas has had to continue to invest a lot of capital and reinvent itself as an entertainment destination with casinos, as opposed to a casino destination with entertainment.

Mr. Nielsen asked if there would be forthcoming information, regarding what percentage Nevada was as a portion of U.S. gaming, compared to other states.

Mr. White did not have that data available. He thought another presenter at the meeting would have it, but offered to make it available at a later date if necessary.

Chairman Wiles thanked Mr. White for his presentation.

IV. PRESENTATION ON THE STATE EMPLOYMENT OUTLOOK.
Bill Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training, and Rehabilitation

Mr. Anderson intended to keep his remarks focused on the state's labor markets and said that looking at the state's labor markets and the economy as a whole there would be continued modest improvement in the 2013-15 biennium. He indicated that although the labor markets had not improved since the beginning of 2011 and the state had not fully recovered from the recession there had been an upswing. Mr. Anderson said that an upward trend going forward was expected. He started with the national economy (page 1, Exhibit B) and indicated it had been growing for the previous 10 to 12 quarters. Although there was volatility from quarter to quarter, the nation had been hovering around 2% growth per quarter, which was modest growth. He reported that the nation's unemployment rate (page 2) had peaked at about 10% in the latter part of 2009 and since then there had been some gradual improvement, with the unemployment rate at just a tick under 8%. Nationwide job growth (page 3) was very volatile from month to month, but still positive. The chart showed a gain of slightly more than half of the jobs lost during the recession, but there was volatility even in the first ten months of 2012. Mr. Anderson pointed out that during the first quarter 250,000 jobs were added per month; however, that growth fell to about 60,000 jobs per month in the second quarter and then rose again to 175,000 new jobs per month in the third quarter. Even though there was considerable volatility when the numbers were averaged, the data showed modest job growth. He said nationwide there was also improvement in job openings (page 4) with numbers on the rise since mid-2009, but it still remained below pre-recession peaks. In addition, layoffs and discharges had come down and leveled off at historical norms. Mr. Anderson stated that the rapid rate of job loss had passed, which was evident in the national graph on page 5 depicting gross job gains and losses. At the height of the recession the U.S. lost about 2.5 million jobs in a quarter and the gains were now starting to offset the losses, showing positive growth on a net basis. He said the rate of job loss at the declining establishments had returned to historical levels; therefore, in terms of the labor market the current problem was hiring and jobs growth, rather than jobs lost. In Nevada, Mr. Anderson said the labor market indicators showed improvement in the previous two years, but still would be a long way back as was displayed by the income data. Mr. Anderson stated that personal income in Nevada (page 6) fell for seven consecutive quarters during the recession and had been on the rise for eight consecutive quarters; which was a positive reversal trend. However, the growth lagged national averages and Nevada was not on track with pre-recession rates. During the recession, Mr. Anderson noted there were two years of decline in average weekly wage growth, mostly due to the loss of high paying construction jobs. Nevada was finally starting to see growth of wages (page 7) and to date for 2012 the state was up in excess of 2.5% compared to 2011. As indicated by employers participating in the unemployment insurance program, he said Nevada employers had also been on the rise after declining for ten straight quarters (page 8), which was another sign of recovery. Moving to unemployment (page 9), Mr. Anderson reported the September 2012 unemployment rate was at 11.8%, down from September 2011 when it was at 13.6%. Nevada peaked at a record 14% unemployment in October 2010, but despite improvement in the rate, Nevada continued to maintain the highest rate in the nation (page 10). Rhode Island and California were second and third in the nation and North Dakota was the lowest with only a 3% jobless rate.

Mr. Maddox asked if more people were working, or had more people left the state or had decided to stop looking for a job.

Mr. Anderson said Nevada had been adding employment since 2011, but indicated it was a combination of both in what he called a stagnant labor force coupled with a modest growth in employment. He understood that the overall population numbers were holding steady as was school enrollment, both which would translate into a steady labor force.

Continuing, Mr. Anderson stated there were various measures of the unemployment rate (page 11), consisting of the official rate, which had been in existence nationwide since 1940, and U-1 through U-6 rate designations. He explained the U-3 measure was similar to the official nationwide rate and the U-4 measure was a combination of the U-3 measure, with the addition of the discouraged workers who were no longer looking for a job. Adding in the discouraged worker added an additional percentage point to the U-3 measure. Mr. Anderson noted that the bulk of Nevada's increase in the unemployment rate was in the U-6 measure. The U-6 grouping incorporated people who would rather be working full-time, but due to the economic times had taken a part-time job involuntarily. Currently, there were 16,000 discouraged workers in Nevada (page 12) who had given up their search for work because they thought there were no available job opportunities. Mr. Anderson said the number of discouraged workers peaked at 18,000, but with modest improvement in the state's labor markets it was now trending down. Referring to the chart on page 13, he noted that the lowest unemployment rates were in rural Nevada, which was primarily driven by a healthy mining sector. The highest unemployment rates were in the "bedroom communities," neighboring counties next to the metro areas, such as Nye County and Lyon County. Since the unemployment rate was based on where people lived and not where they worked, those two counties suffered from job loss due to the large number of construction workers who lived in those areas.

Moving to information regarding the employment outlook (page 14), Mr. Anderson said job levels had been trending up. As of September 2012, Nevada was 6,000 jobs higher than the same month in 2011, and 7,000 jobs higher than in August 2012. Total employment had been growing for 15 consecutive months (page 15), with approximately 25,000 jobs added from 2011 to 2012 in the state's private sector. Nationally, Nevada had about twice the job loss as the national average after growing at four times the national average prior to the recession. Fortunately, that gap had narrowed and Nevada was less than a percentage point behind the nation in employment growth. Mr. Anderson said page 17 showed the business employment dynamics in Nevada of gross job gains and losses. The level of job losses at establishments cutting back on employees had decreased and stabilized at a historical level; however, the level of job growth in expanding establishments had not recovered, which suggested the problem with the labor market was a relative lack of hiring. Page 18 displayed job loss and gains by establishment size. During the early part of the recession, the largest employers had to cut jobs quickly, whereas smaller employers grew until 2008 until their payrolls had to be reduced. Mr. Anderson pointed out that smaller establishments had added about 6,000 jobs in the state, but larger establishments with 500 or more employees had lost 60,000 jobs. In terms of establishments by size (page 19), he said the larger establishments shrunk in overall numbers at the start of the recession; however, the number of smaller establishments continued to grow.

Chairman Wiles asked if there was information indicating the total number of employees in each one of those segments.

Mr. Anderson said the smaller establishments had realized a gain of about 6,000 employees versus a loss of 60,000 employees for larger establishments from 2006 through 2012. He indicated to have more data at his office and offered to provide the members with more detailed information later in the meeting.

Chairman Wiles said he would appreciate the information and thought it might be helpful to know what percentage of the labor force was comprised of the small firms.

Mr. Anderson related that most of the private sector industries were growing (page 20), including Nevada's largest sectors leisure and hospitality; trade, transportation and utilities; and professional and business services. Construction and the private sector were holding the state back and manufacturing was only making lateral movement. He reported that through the first three quarters of 2012 leisure and hospitality was up by 7,000 jobs compared to 2011; and trade, transportation and utilities, and professional and business services were both up in excess of 2,000 jobs (page 21). Unfortunately, the construction sector continued to experience job loss with 3,700 jobs lost in 2012. Mr. Anderson said initial claims for unemployment insurance (page 22) in Nevada peaked during the recession in excess of 36,000 and was down to 13,900 in August 2012, the lowest in five years. Referring to the graph on page 23, he noted that 57,000 people submitted unemployment claims in September 2012 and 31,500 were receiving benefits through the state's regular unemployment insurance program. Mr. Anderson cited 25,500 of the claims were people receiving benefits under various federally funded extension programs. Earlier in 2012, an unemployed worker could receive 99 weeks of unemployment insurance benefits with state benefits combined with federal extensions. However, because of structural changes in some of the federal extension programs that timeframe was decreased to 79 weeks and would soon be decreased again to 73 weeks. Mr. Anderson said the unemployment rate outlook was for modest improvement (page 24) over the next several years. To date in 2012 the unemployment rate was 12% and by the end of the year it was expected to be at 11.8%, with 10.6% predicted for 2013 and falling to 10% in 2014. He said Nevada's job or employment forecast (page 25) was even more important because the state lost 100,000 jobs in 2009. The state continued to lose jobs into 2010 and started to rebound in 2011 with the addition of 7,000 jobs. It was expected that 13,000 jobs would be added in 2012, with similar growth in 2013. By the end of the forecast period the data would show a 2% year-over-year job growth, which he said was a welcome change compared to 9-plus% loss in 2009. Page 26 listed the notable industry trends over the 2011 to 2015 period. Leisure and hospitality and retail trade had been leading the way in job growth and were expected to continue. In reference to earlier comments by Mr. White from Moody's Analytics regarding the U.S. Bureau of Labor Statistics benchmark revisions due in February 2013, Mr. Anderson did not think the revisions would affect Nevada very much. He expected only a slight increase to Nevada's total historical numbers. Industries that would continue to see job growth were health care and social assistance; transportation and warehousing; and mining. It was hoped that the hardest hit industries of construction, finance, and manufacturing would see sideways movement after bottoming out during the recession, but without a significant rebound in housing and other building activity there would not be much growth. Mr. Anderson also expected the public sector to have sideways movement with a projected loss of 1,500 jobs. He concluded his presentation on Nevada's labor markets.

Ms. Linda Rosenthal asked if there were any known large projects, possibly federally funded, that would be ending or coming on board in the 2013-15 biennium, which would change the unemployment figures dramatically.

Mr. Anderson did not know of any significant projects that were slated to come on line, such as the mega-resort projects. The trend in tourism, gaming and entertainment lent itself to more boutique properties, smaller properties that served a specific market segment. However, he was not aware of any commercial projects.

Ms. Rosenthal inquired is there was anything outside of gaming, for example, large freeway infrastructure, mining or energy projects.

Mr. Anderson indicated he was not privy to that type of information; however, there were smaller projects scheduled to start. He noted with the loss of approximately 100,000 construction jobs the projects he was referring to would not put a significant dent in that problem.

Chairman Wiles thanked Mr. Anderson for his presentation and providing information to the members.

V. PRESENTATION ON THE STATE POPULATION OUTLOOK.
Jeff Hardcastle, State Demographer, Nevada Small Business Development Center, University of Nevada, Reno

In starting his presentation on the state population outlook, Mr. Jeff Hardcastle said that he would be covering context, model alternatives, projections and age structure as noted on pages 32 to 33 of Exhibit A. Detailed population projections by county were also included on pages 49 to 56 of Exhibit A for reference, although he would not be covering that specific information. Mr. Hardcastle reported that since presenting the state population outlook to the Economic Forum in May 2011 the process of the projections (page 32) had changed. He stated that the *Nevada Revised Statutes* had been modified to include a population projection from the State Demographer on October 1 and March 1 each year. Mr. Hardcastle also noted that a five-year projection was required on March 1 and that information would be available on March 1, 2013. For his projections he used a number of sources including the REMI model developed by the Regional Economic Models Inc. company located in Amherst, Massachusetts, which related each county in Nevada to each of the other counties in the state (consisting of 17 counties) and then to the nation as a whole. The model allowed for a view of the dynamics between the national economy, local economy and the county. It also showed the changes in population including birth rates, migration, and employment and consumer consumption rates. In preparing the projections, Mr. Hardcastle used information gathered from local governments, the Nevada Department of Employment, Training and Rehabilitation, www.moodys.com, the Southern Nevada Regional Water Planning Coalition and other miscellaneous sources. To finalize the projections he rebased the information to the most current estimate and then disseminated the information. He pointed out the maps on page 34 denoted the percentage change in population by state and by decade (1980-1990, 1990-2000, and 2000-2010) provided from the 2010 census reports from the U.S. Census Bureau. The maps showed Nevada as the fastest growing state in the country from 2000 to 2010 and among the fastest growing the prior two decades. Mr. Hardcastle stated prior to 2006 estimates by the Census Bureau indicated Nevada had experienced the fastest growth year-over-year, while in the 1960's Nevada was even with the population growth in both Arizona and Colorado. He said when thinking about population dynamics there was a natural increase of in and out migration. In the population estimates done as a state, Nevada saw a large amount of in migration, which peaked around 2007; however, the Census Bureau estimates showed a plateauing of that growth or leveling off. Mr. Hardcastle said the Census Bureau had underestimated Nevada's estimates and he was still trying to reconcile the data to determine how many people came into the state and how many people stayed. Page 35 showed Nevada's growth compared to the nation as a whole. He pointed out that Nevada far exceeded the nation and those growth rates were considered to be normal behavior. Prior to 2007 the state assumed the idea that "build it and they will come," which included shopping centers, homes, recreation vehicle parks, casinos and malls. As the chart of page 36 denoted, the components of how the state had grown had changed over the 1990 to 1999 decade in comparison with the 2000 to 2009 decade. The information from the most current decade showed growth that was driven by natural increase, rather than domestic migration as in the 1990 to 1999 decade. He added that Nevada would also see an increase in international migration as a larger component of change in the future. Mr. Hardcastle said Nevada had grown and changed over the years, but how the state had grown and changed had been modified over time with natural increase taking a lead role especially as a main driver in 2010 and 2011. Page 37 showed the U.S. Census Bureau's estimates for those two years, which explicitly estimated international and domestic migration. He stated that Nevada's population growth was driven by employment (page 38) and in 2000 to 2010 there was a dramatic change where the latest estimates showed population was out reaching job growth. There was not as much out migration as one would expect during that time period and several factors could have contributed to it, such as people had more of an investment in the community or there were no job opportunities in other states. Mr. Hardcastle noted that starting in 2006 Nevada was hit with the housing bust, rising energy prices and the financial crisis. Page 39 compared the pre-housing and post-housing bust growth rates. He said the state had a fairly aggressive population growth, unemployment growth and total employment growth, but it was a fairly substantial employment growth without construction. If construction was taken out then Nevada's employment growth was holding up well overall, but the construction industry had been the biggest drag on the economy. In Mr. Hardcastle's annual estimates for the state, he found housing vacancy rates also factored into the change in population growth (page 40). He looked at the data for occupied units and vacant units noting that the 2000 census in Clark County showed a 92% occupied rate; however, the 2010 census reported 124,000 vacant units or an 82% vacancy. Nevada had suffered a substantial loss in occupancy rate and a substantial increase in housing units. He said the method the U.S. Census Bureau used to determine counted an occupied unit made some of the numbers on the chart questionable, but it showed the percentage change from each decade and percentages could be deceiving at times. There were a number of factors that could affect the percentages such as homeowners strategically defaulting, foreclosures, and speculators continuing to come into the market.

Moving on to page 41, comparison of employment projections with the REMI model from 2012 to 2031, Mr. Hardcastle said when the model came out of the box (OOB) only one trend line based off of history from 2009 was depicted and then an update of the national employment based off the Bureau of Economic Analysis could be done. He pointed out the two top lines on the chart that overlapped was the OOB with the adjustment for national employment and showed where Nevada would be trending over the subsequent 20 years. If the chart were updated with local employment by county, it would start dropping that trend line down because Nevada was underperforming for some reason. Population projections from the REMI model OOB with the employment update and all the changes for 2012 through 2031 (page 42) population growth shifted the rate down for the long term. The table on page 43 provided information on the breakdown of employment in the major sectors by decade from 1990 to 2030 and the table on page 44 showed the change in total employment from year to year. Mr. Hardcastle pointed out the biggest gains were in accommodation and food services, which was the hotel and gaming sector. He noted that there were also gains in health care and social assistance, with upcoming growth in professional and technical services and administrative and waste services. The final Nevada population projections from 2011 to 2031 (page 45) indicated a 1.1% average growth for the next 20 years and a 1.2% growth for the next 5 years, a potential gain of 175,000 in 5 years and 650,000 over the next 20 years. Looking at Nevada's history of population makeup by age (page 46), Mr. Hardcastle said the state's population in 1990 was young and in the 20 to 34 year age range, but going forward that population was aging. Breaking out that data by county showed that the population in the smaller rural counties were aging faster and had a higher median age. The percentage distribution shown on page 47 signified an aging distribution statewide, with potential changes for consumption patterns. As people aged, their spending habits changed and that could have an impact on sales tax. Concluding his presentation, Mr. Hardcastle said Nevada would continue to see an again population.

Chairman Wiles thanked Mr. Hardcastle for his presentation.

VI. REPORT AND DISCUSSION OF FY 2012 ACTUAL COLLECTIONS COMPARED TO FORECASTS APPROVED BY THE ECONOMIC FORUM AT ITS DECEMBER 1, 2010, AND MAY 2, 2011, MEETINGS, INCLUDING ADJUSTMENTS FOR ACTIONS APPROVED BY THE LEGISLATURE.

Mr. Guindon referred to Table 1, page 57 of Exhibit A, which displayed the Fiscal Year 2012 actual collections compared to the December 1, 2010, and May 2, 2011, forecasts for FY 2011 and FY 2012. He stated that the tables for the meeting were provided for the public on the Economic Forum webpage. Table 2, page 63, showed the FY 2012 actual collections for all revenue sources compared to the forecasts for 2012 that the Economic Forum prepared for the December 1, 2010, and the May 2, 2011, meetings. He noted that the information for FY 2011 on Table 1, page 57 was presented to the Economic Forum at its December 2011 meeting. The table on the chart showed the actual collections for each revenue source, the Economic Forum's forecast, and the alternative forecasts that were presented to the Economic Forum when a decision was made to approve the consensus forecast. The alternative forecasts included the agency forecast, which was the agency responsible for collecting and administering the tax, Fiscal Division forecast, Budget Division forecast, and the Global Insight/Moody's Analytics forecast. Mr. Guindon stated that he would concentrate on the May 2011 forecast because it was closely tied to the legislatively approved budget from the 2011 Legislative Session and the budget under which the state was operating in the current biennium. Mr. Guindon stated the Moody's Analytics forecast provided the most accurate sales and use tax forecast for FY 2012, which was the one-year ahead forecast from the May 2011 forecast meeting. Actual collections for sales and use tax for the Economic Forum forecast came in approximately $41 million above the forecast. The Moody's Analytics forecast for percentage fees tax collections missed the FY 2011 forecast by the most and the Economic Forum's projection was approximately $11.7 million above the actual amount. Mr. Guindon said Table 1, page 60 of Exhibit A displayed the May 2, 2011, total General Fund revenue forecast by the Economic Forum for FY 2012, which was approximately $98.8 million below actual collections. He indicated that it was important to note that $98.8 million was only slightly over 3% of the total General Fund revenue sources. He said that the 3% forecast from the Economic Forum was probably an acceptable result given the uncertainty with the economy that still existed in May 2011 and the forecasts that were prepared for the different revenue sources,

Mr. Maddox stated that he thought there were a number of one-time stimulus items, particularly in Northern Nevada related to mining and the purchase of heavy equipment that helped drive the forecast and there was not a full recovery like predicted. His recollection was that the large increase in the forecast was from the mines purchasing heavy equipment, Cash for Clunkers stimulus program, and various other items that caused spikes, which he thought was half of the increase and the rest was underlying growth. He wanted to ensure that the Economic Forum took into consideration the one-time items, large projects, or stimulus items when they meet in December 2012 to prepare the forecast.

Mr. Guindon believed when the forecast was done in April 2011 there was the Ruby Pipeline project and mining was strong, and the charts showed some large growth spikes in taxable sales. He believed that the forecasters and the Economic Forum were thinking about the projects that were occurring and provided an accurate forecast, but the actual underlying growth was a little stronger than what was thought, in addition to the one-time items, which were possibly even stronger in terms of why the actuals came in above the forecast.

Mr. Guindon stated that concluded his brief presentation. He realized there was a lot of detail and data in the tables in the meeting packet, which were part of the Economic Forum's record.

VII. REPORT ON FORECAST ACCURACY BY FORECASTER FOR SELECTED REVENUES.

Mr. Guindon stated that Agenda Item VII, Report of the Forecast Accuracy of the Economic Forum for Selected Revenues, Exhibit C, was not included in the meeting packet but was available on the Economic Forum webpage. He said the report was difficult to get through but valuable for tracking the Economic Forum's historical forecast record for the major revenue sources. He noted the report was presented at the Economic Forum's June 2012 meeting and has been updated to include actual collections for FY 2012. He said that the Forum tended to look at the biennial forecast errors because it was related to the state's budget period. He said FY 2012 was the first year of the current biennium so there was no new statics in terms of how the forecast errors compare for the biennium. Mr. Guindon stated that historically the report has been part of the Economic Forum's public record and included on the agenda.

VIII. PRESENTATION OF HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

Mr. Guindon noted that the historical taxable sales and gaming charts were sent to the members and available for public viewing on the Economic Forum webpage under the November 9, 2012, meeting.

Mr. Maddox asked if a legislative change was made because the mining and sales tax collections made up approximately $98 million, which was approximately 80% of the total General Fund revenue.

Mr. Guindon replied that there were legislative changes during the 2011 Session and adjustments were made to some of the deductions that the mining industry received in calculating their net proceeds. In addition, an adjustment was done to the forecast to bump it up based on the estimated impact of eliminating the deductions. However, in this case Mr. Guindon thought that gold prices and the net proceeds of the industry based on that and their operations was significantly higher than what was thought when

Fiscal staff was doing the analyses with the Department of Taxation and Budget Division in preparing the forecasts. He noted that the mining tax was hard to forecast because the forecasters were looking at what the net would be, and as gold prices were high, that does not always translate into a higher net. His understanding of the industry was with very high gold prices, the mining industry could go after the more marginal gold, and perhaps the margins were lower but the gold price at that level allowed them to go after extracting the marginal gold. Mr. Guindon believed the forecasters were not as optimistic as what actually ended up occurring because of the uncertainty of the economic recovery and the gold prices.

Mr. Maddox agreed with Mr. Guindon. Given that mining was the most profitable industry in the State of Nevada, and significantly more profitable than casinos in terms of the bottom line, he thought it would be helpful to understand what the mining industry actually thought its outlook would be over the next two years.

Mr. Guindon was aware that there was a lot of information in the historical taxable sales and gaming market statistic charts and hoped the members had time to review the charts. The charts showed that there was a recovery in taxable sales in most of the counties, but clearly there was a significant upward trend in taxable sales in some of the rural counties when looking at the 12-month moving average. However, there was an inflection point over the last few months and he wondered if that was a signal or just noise, and what it meant for the year-to-year comparison once it was annualized. In addition, there were taxable sales charts for the North American Industry Classification System (NAICS) codes, and clearly the food and drink code was doing well. Visitor growth was coming back because of the state demographics – the economy has gotten a little better and there was some employment growth, but there was no ability to break down visitor growth and how much of it was attributable to what was going on with the nightclub activity in terms of generating taxable activity in some of those categories. Mr. Guindon said that the charts were beneficial to get a read of what was going on. The gaming charts had a set with baccarat play and showed the relative importance that baccarat had over the last year with what was going on with total gaming win, but especially from games win. It was clear looking at the charts that a lot of baccarat play was in the December and January period because of the holidays that brought in the "high rollers", but over the last 12 to 18 months, baccarat play had spikes in June or September and it was a totally different series.

Mr. Wiles called for a recess of the meeting at 11:57 a.m. The meeting reconvened at 12:42 p.m.

Chairman Wiles asked Mr. Guindon to review the Economic Forum's legislative responsibilities for the meeting.

Mr. Guindon explained the under NRS 353.226, the Economic Forum was required to approve a forecast on or before December 3 of even numbered years to be used by the Governor in developing The Executive Budget, which was the only statutory requirement of the Economic Forum. He noted that it would be difficult to provide a forecast in one meeting because there was a lot of information, so the current meeting was to review the preliminary forecasts. He added that sometimes the Economic Forum approved a consensus forecast as a preliminary forecast at their first forecast meeting. He noted it was up to the Forum to decide whether they wanted to adopt a preliminary forecast or just collect information and decide on a forecast at the meeting to be held on or before December 3.

Chairman Wiles recommended that the current meeting be used as an information-gathering meeting and defer the Economic Forum's final forecasts for the next meeting. He said so many things changed in the last week, with the Presidential election, and there was a significant amount of information, and any updates on what would happen with the "fiscal cliff" and sequestration over the next two weeks would enhance the Economic Forum's ability to forecast what would happen over the next year. He asked for input or comments from the Economic Forum members and there were none.

IX. REVIEW AND DISCUSSION OF PRELIMINARY FORECASTS OF MAJOR GENERAL FUND REVENUES FOR FY 2013, FY 2014, AND FY 2015.

Mr. Guindon referred to Tab IX, page 71 of Exhibit A, which contained the tables for the preliminary General Fund revenues. He noted that the tables have historically been provided to the Economic Forum since its inception in 1994. He explained that Table 1, page 71 provided history for five years for every General Fund revenue source, as well as fiscal year-to-date through September for FY 2012 and FY 2013. Table 3 page 77 showed the forecasts by fiscal year for every major General Fund revenue source for the agency responsible for collecting the revenue, and included the Fiscal Division and Budget Division forecasts. He noted that all the other revenue sources on the charts were the forecasts from the Technical Advisory Committee (TAC) considered at its meeting on November 1, 2012. Mr. Guindon said that Table 4 on page 83 would be the easiest for the Economic Forum members to utilize and showed the major General Fund revenue sources, as well as the Economic Forum's May 1 forecast for FY 2013 and each forecast that has been prepared for consideration.

GAMING PERCENTAGE FEE TAX

Mike Lawton, Senior Research Analyst, Gaming Control Board

Mr. Lawton directed the committee to the State of Nevada Gaming Control Board – Fiscal Years 2013-2015 Gaming Revenue Forecasts (Exhibit E). He explained that in forecasting percentage fee collections, the GCB forecast gaming win for the applicable fiscal years and then converted the forecast to percentage fees. The GCB projected growth rates for each of the state's 16 individual markets, such as the Las Vegas Strip, downtown Las Vegas, Las Vegas locals, South Lake Tahoe, Reno, and Elko, etc., and incorporated any new property openings or expansions, and known or anticipated closings into their models. The GCB models were built through a review of historical trends and more importantly through interviewing some of the individual properties in the various markets. In addition, the GCB received input from several of the Wall Street analysts and from the Research Department of the Las Vegas Visitors Convention Authority. He stated that the sum of the individual market forecasts produced an estimate of total statewide gaming win and within the markets he also forecast slot win and game and table win separately. The first chart on page 1 of Exhibit E outlined the total revenues the GCB was forecasting for statewide gaming win, and page 2 showed the Clark County gaming win forecast. Starting with the base year in FY 2013, the GCB forecast gaming win to increase approximately 2%. There were no new gaming properties coming online for FY 2013; however, two major Las Vegas Strip properties would have completed room remodels and upgrades, and one property would have finished a complete makeover of its dining and entertainment options. The GCB projected Clark County gaming win increasing approximately 2.4% and unlike prior forecasts, not all the growth in Clark County was necessarily coming from the Las Vegas Strip, although he was forecasting the Strip to grow about 3.3% for the fiscal year.

Mr. Lawton said the GCB forecast for the combined Las Vegas locals market would be up about 2% for gaming win and the assumption was that as employment growth continues, the carryover that has been occurring between the Las Vegas Strip and Las Vegas locals markets would also persist. As for the balance of the state, the GCB forecast slight declines and a decrease of approximately 0.5% for the balance of the state. Reno, Sparks, and South Lake Tahoe were still facing pressures from competition due to Tribal gaming in California; however, the decreases were definitely narrowing. After discussions with many operators throughout the state, Mr. Lawton said the consensus of 2% growth rate was a realistic number and could be achieved for the fiscal year. Currently, with four months reported, statewide gaming win was up 2.7%. Looking further into 2014, the GCB forecast statewide win to increase to approximately 3.4%. Mr. Lawton said that the GCB was anticipating one property to come online during FY 2014 in the downtown Las Vegas market. In addition, Zappos will have officially located its corporate headquarters to the new City Hall in downtown Las Vegas, along with approximately 2,000 employees. Also, Caesars Entertainment will have completed its dining and entertainment district, Project Linq in addition to the renovation of several core Las Vegas properties. Mr. Lawton said that the GCB had Clark County growing 3.8% and continued to see escalation on the Strip with projected growth of 4.3%. In addition, the GCB continued to foresee growth in the other submarkets, which made up Clark County, including the Las Vegas locals market and a 3.2% increase was projected. As for the balance of the state, Mr. Lawton said that FY 2014 had potential for those markets to show a growth rate of approximately 0.5%. As discussed in prior presentations before the Economic Forum, there has been a theme of flat would be a good thing and the GCB felt that some of the larger submarkets within the state would finally reach bottom and begin to see some growth. For FY 2015, the GCB was forecasting the statewide gaming win to increase about 4.5%; Clark County up 5%, and the balance of the state up about 1.2%. The GCB was anticipating one property to come online on the Las Vegas Strip during FY 2015. The GCB continued to believe the Strip was going to expand at a rate of approximately 5.3%

and the other markets that make up Clark County, the Las Vegas locals would continue to benefit and would see an increase in gaming win of approximately 5%.

Continuing, Mr. Lawton stated that when the GCB forecast gaming win they also forecast individually for slot win and table win (page 3, Exhibit E). Statewide slot win was anticipated to grow very conservatively each fiscal year. He said a 2.1% increase was seen in FY 2012, and slot win for FY 2013 would decelerate some with a slight increase of 0.6%; a 2.5% increase was forecast for FY 2014; and a 3.9% increase was forecast for FY 2015. The average growth rate for slots the last ten years was about 1.2% and slot win was growing at a higher rate in FY 2014 and FY 2015 due to anticipated spending patterns improving. For spending patterns, Mr. Lawton stated that in FY 2012 slot volume recorded its first increase since FY 2007 and was up about 1.1%. Unfortunately, slot volume has recently lost traction and with the exception of October 2012, the Strip has recorded five consecutive declines in slot volume after registering 11 increases in the prior 13 months. As a result, the GCB was looking at slot volume to decline slightly in FY 2013, down approximately 0.3% and then ramping up in FY 2014 to 2.4%, and 3.7% in FY 2015. At the same time, the GCB also projected that the slot win percentage would continue to increase over the same period. Currently, fiscal year-to-date slot win was down 1.9% with four months reported, and slot volume was down 1.1% fiscal year-to-date.

Moving to page 5, Mr. Lawton said that after increasing 2.8% in FY 2012, game and table win had a projected growth rate of 4.4% in FY 2013, approximately 4.9% growth in FY 2014, and 5.3% growth in FY 2015. The average growth rate for game and table win for the last ten years was approximately 2.8%. Fiscal year-to-date game and table win was up 10.9% June through September.

Statewide game and table volume, page 6 of Exhibit E, drop was projected to grow about 3% for FY 2013, 4.9% in FY 2014, and 5.2% in FY 2015. The average growth rate from the game and table drop for the last ten years was approximately 4.4%. Fiscal year-to-date game and table volume was up 5.4% June through September.

Mr. Lawton explained that the higher growth rate seen in game and table win as opposed to slot win was due to what was the state has been experiencing the past three fiscal years as game and table win has definitely outpaced slot win, which was due to the continued expansion of baccarat. He stated that the Wynn, MGM Grand and the Sands operated properties in Macau, which has created a synergy between the Las Vegas businesses and the properties in China and every indication by the operators was that the baccarat business was very healthy and the Macau to Las Vegas correlation would continue. He said that fiscal year-to-date baccarat win was up 32% and drop was up 23.1%, although that could change fast. He added that currently the state was playing with "house money" which was good. On the other side of the equation, Mr. Lawton stated that fiscal year-to-date total gaming win excluding baccarat was down 1%. Fiscal Year 2012 through September, gaming win excluding baccarat was up 1.5% and spending patterns by the Las Vegas mass-market customers have recently lost traction. However, the GCB anticipated with continued job creation, visitation growth in addition to increased convention attendance during the mid-week periods, the mass-market customer would begin to compliment the baccarat business.

Mr. Lawton stated that after the GCB forecast gaming win there was an assumption that was made regarding how much of the forecasted win was going to become taxable gaming revenue. The difference between gaming win and taxable gaming revenue was credit play. Straight gaming win included all waging activity from cash, chips, and wagers made through the issuance of credit. The wagering activity through credit does not become taxable until the credit was paid off, which could be months later and some credit would go uncollected. Looking at the chart on page 7, taxable gaming revenue to gaming win ratio averaged approximately 95.3% the past ten years. In Fiscal Year 2012 that ratio was approximately 92.04%, which was the lowest ever recorded and below the record low of 93.04% in FY 2011. He noted that the 1% drop cost the state $100 million in taxable gaming revenue and about $7 million in percentage fee collections, which was why the GCB forecast was off.

Mr. Lawton said the chart on page 8 of Exhibit E showed the taxable gaming revenue to win ratio forecast. The ratio of taxable revenue to win ratio continued to decline to approximately 91.95% in FY 2013, declining to 91.8% in FY 2014, and was up slightly at 92.05% in FY 2015. He indicated that the analyses for why the ratio has decreased revealed that it was not because the state saw a material trend in the non-payment of credit, but was attributed to baccarat play. The recent surge in baccarat play has resulted in a higher percentage of credit play coming from baccarat – the two trends correlate with each other as the interaction of credit play and baccarat play had a larger impact on the percentage fee collections than ever before.

Chairman Wiles asked for clarification and the fact that there was more credit play with baccarat the state was heading for the same default rate but it was just that there was more credit play as opposed to cash play. Mr. Lawton stated that Mr. Wiles was correct. He added that it was all credit play and the baccarat players were not coming in with millions in cash, but with credit.

Mr. Lawton said that baccarat pit credit issued compared to total pit credit issued through 2012, and for the nine-year period from FY 2001 through FY 2009, baccarat percentage of total pit credit issued averaged about 25.2%. For the period of FY 2010 through FY 2012, baccarat's percentage of the total pit credit issued averaged 48.2%, an increase of approximately 2,230 bases points, so things have changed in the credit issues of table games.

Beginning in FY 2010, Mr. Lawton stated that baccarat play surpassed 21 win for the first time as the state's dominant table game, which continued in FY 2011 and FY 2012, and he believed would happen in FY 2013, FY 2014 and FY 2015. To provide a perspective, Mr. Lawton said that baccarat represented 32% of total game and table win in FY 2012 and 12% of total gaming win. Looking back to FY 2003, baccarat represented 13.6% of total game and table win and only 4.6% of gaming win. In FY 2012 there were 267 baccarat tables and 2,767, 21 tables, so clearly it was a very narrow game at few resorts. He believed that the two trends were obviously related to each other as the baccarat surge came at a cost as it relates to taxable gaming revenue, due to the large amount of credit play that was associated with baccarat and the subsequent discounts and settlements on player loses that were often offered to customers in order to attract the world's largest players to Las Vegas.

Lastly, Mr. Lawton said that the baccarat win forecast projected business to continue to grow 5.17% in FY 2013, 1.42% in FY 2014, and 2.47% in FY 2015. In FY 2013, percentage fee collections would have $671.3 million in collections, an increase of approximately 2.7%; currently fiscal year-to-date with four months reported, percentage fee collections were up about 13.6%, collections were projected in FY 2014 at $695.6 million, an increase of 3.6%, and percentage fee collections for FY 2015 were projected at $733.4 million, an increase of 5.4%.

Concluding his presentation on percentage fee collections, Mr. Lawton said the GCB forecasts were built on the assumptions that there would be sustained growth for the forecast period, and games and table play would grow faster than slots, which was due to the baccarat expansion. In addition, the spending patterns by customers shifted and the growth in revenue mix was being dominated by non-gaming amenities as opposed to gaming. For FY 2011, which was the most recent data from the Nevada Gaming Abstract, gaming revenues accounted for 38% of total revenues on the Strip as opposed to 62% in non-gaming, which represented rooms, food and beverage, retail, spa and entertainment. Mr. Lawton said that people could gamble anywhere but could not do the other things that were being offered in Las Vegas and even Reno, Nevada, as far as the amenities that were being offered to the customers. He stated that 1998 was the inflection point and it was only getting larger. Mr. Lawton said the GCB did not see the spending patterns changing anytime soon; however, the GCB did feel that as customers balance sheets continue to improve with the gradual national economic recovery, he anticipated that the baccarat revenue would be complimented more instead of dominated by the slot medium that they have built the tourist-based economy on.

Chairman Wiles asked if there has been a redeployment of slot floor space to table games or were there the same number of slots. Mr. Lawton noted that the slot space counts were declining, which was not taken up by table game space, but by the other non-gaming amenities. He stated that the casinos have gotten smarter and realized that more on the floor was not better and the establishments could be more efficient with their boxes – boxes offered more games and dominations for the players and there was not the need to have as many games on the floor as once thought. Accordingly, floor space was being replaced by retail space, food and beverage, and clubs.

Chairman Wiles said that Las Vegas floors were getting more concentrated in terms of table games and baccarat, but more diversified because there was a broader range of revenue sources within the casinos.

Mr. Lawton said he had concerns with how narrow the baccarat numbers were and how volatile play was. He said that typically baccarat play used to be seen in December, January and February during holiday time, and now there were spikes in June, and it was a different world which he did not think would change.

Mr. Maddox stated that the Las Vegas Strip has been helped by the casinos marketing to the high-end international customer. He stated that the upside for Las Vegas was when the housing market catches in the United States, the mid-tier property slot product would start to win more money in the domestic table games, but without that the casinos were overly reliant on the international customers – approximately 150 people willing to wage millions.

Mr. Maddox stated that the Wynn Resort was removing slots from their floors all the time and still only running at 30% utilization on the floors. He asked if the actual number of slots decreased overall since new products were opened in FY 2009 and FY 2010, such as Cosmopolitan and CityCenter. He requested to see the numbers for win per unit per day at the next Economic Forum meeting to understand if Las Vegas was winning more in the current capacity on the floors as compared to FY 2008 and FY 2009 before the new properties opened.

Mr. Lawton replied that win per unit was up but it was because the units were continually decreasing every month. He could provide the current capacity on the floors compared to FY 2008 and FY 2009 when the new products came on-line but the trend was win per unit was definitely up but the number of units were going down every month.

Mr. Guindon added that he looked at the quarterly charts for the Las Vegas Strip and the slot count peak in FY 2000, which has been falling since. He agreed with Mr. Lawton that it was boxes but the boxes could probably run just as many or more games than one box running one game versus multiple games. His opinion was floors needed less boxes but still provide diverse electronic gaming devices to the customer. He said it was another place where technology played its roll with regard to what can be done using technology and electronic gaming devices to offer a product.

Mr. Lawton stated that currently slot counts were down 2.9% for the first four months of FY 2013. In September 2010, the state had 165,994 slot machines on the floor and there were 158,788 machines in September 2012, which was the direction the casino floors were going. He interviewed properties on the Strip in all the markets and the properties believed they had reached a point where they were probably not able to take that much off the floors and be more efficient, which was reflected in the models. He said Las Vegas was seeing a point where slot counts might flatten out.

Mr. Maddox said it was definitely not about the number of units because the Wynn only had approximately 30% to 35% utilization on the slot floor. He said the units could keep coming down and it was just about getting the customers and how long they were playing. As the machines were holding more people were tightening up relative to the regional markets, so the win was actually more important than the volume metrics because $100 does not last as long.

Mr. Guindon directed the Forum to the chart titled Gaming Market Statistics for Las Vegas Strip – Quarterly Data displayed on the Economic Forum webpage under the November 9, 2012, meeting date.

Chairman Wiles said that baccarat was relatively unpredictable month-to-month and slot play was less volatile, so excluding all other games, a relative shift from slot play to baccarat play provided more volatility month-to-month. How asked how volatile the non-gaming revenue sources were because they were currently 62% of total Las Vegas Strip revenue.

Mr. Maddox replied that slot pay was clearly not as volatile as baccarat play. He said that non-gaming was a little softer in July and August because of the room rate fluctuations and slightly less non-gaming business, but it has been steady to growing on a month-to-month basis for the Wynn. He stated that FY 2013 looked better than FY 2012 and casino win in FY 2012 was $775 million at the Wynn, which was the highest grossing revenue in the State of Nevada's history. He said that FY 2013 looked like it would be better and the non-gaming revenue was growing. He said it was not a fast comeback, but he felt better looking forward than he did at the same time in FY 2012. However, if the United States economy plummeted, it was discretionary play and it could fall fast as experienced in FY 2009.

Mr. Nielson clarified on a comment made earlier in the meeting about the number of Zappos' employees that would be moving into the City Hall in downtown Las Vegas. He said that Zappos had about 1,200 employees but expected to bring about 2,000 employees downtown when the company moves to its new location, although they may not have 2,000 employees when it relocates.

Janet Rogers, Chief Economist, Division of Budget and Planning

Ms. Rogers stated that she had a slightly different approach than Mr. Lawton in her revenue forecast for gaming percentage fee tax. She referenced the handout, Executive Budget Office Economic Forecast, November 9, 2012, (Exhibit F). She directed the members to page 2, which was data from 2011 that showed Nevada's dependence on leisure and hospitality. Nevada had the largest proportion of employment in the leisure and hospitality sector of any state and almost higher than the next highest states combined. She said that 22% of Nevada's retail sales were in the food services and drinking places and Nevada's dependence on visitors was very extreme. Ms. Rogers said that the Budget Division forecast was econometrically driven so she would not go into a forecast for slots but a visitor forecast. She said the chart on page 3 showed the visitor volume, and in March of FY 2012, Las Vegas visitor volume surpassed the previous high. She said her assessment was that the national economy was still shaky and Las Vegas was not going to see large increases in visitor volume into the next biennium. The Budget Division forecast was 1.3% growth in FY 2013, 1.2% growth in FY 2014, which was basically corresponding to the natural increase of population in the United States. She said there were no properties opening which was a variable that was highly correlated with upticks in visitors, and without that and the struggling national economy, she was not seeing a big uptick in visitor volume and growth was only up 1.8% in FY 2015. The visitor forecast that she used was very important and directly contributed to the Budget Division gaming forecast and was an input variable from her employment forecast. Page 4 showed total employment, which would feed into the retail sales more than gaming. She said the visitor volume was important because when she did the revenue forecast for gaming, she divided the gaming numbers into three parts – baccarat, Clark County, and all the rest of the state. When she forecast for Clark County she used national economic measures like the national employment growth rates and the percentage of spending on recreation. The Clark County forecast was done per visitor and measured how much visitors were spending and made an assumption that a visitor comes in with a fixed pot of money and would play slots, games, shop, and go to live entertainment, but their pot of money was somewhat fixed, so she did not try to break out what an individual was going to play on slots. Ms. Rogers said that she did not calculate baccarat per visitor, and forecast just on a straight level without adjusting for visitors and the rest of the state. The forecast was done on an inflation-adjusted basis, which allowed her to look at the series without having the influence of inflation impacting the numbers. Moving to page 5, Exhibit F, the slide showed inflation-adjusted gaming drop per million visitors for the whole state and showed a downward trend that has been occurring since the late 1980s where the amount of money played in the casino per visitor has been falling. Page 6 showed gaming drop not per visitor and not adjusted for inflation and a 0.7% increase was projected for FY 2013, a 2.1% increase was projected for FY 2014, and a 3.1% increase was projected for FY 2015 in the amount that was played in the state taking into account the increase in visitors and inflation.

Chairman Wiles asked Ms. Rogers what she used for her estimated inflation rate. Ms. Rogers replied that her estimated inflation rate was approximately 2%, which was Moody's Analytics national forecast for inflation.

Ms. Rogers said that the slide on page 7 of Exhibit F showed the gaming percentage fees without the estimated fee adjustment (EFA), and the EFA was basically the difference between the month's percentage fees due and the amount that was due three months ago. She said it was the result of adjusting for the marker credits and win percentages, the percentage fees were projected to increase by 1.4% in FY 2013, up 1.9% in FY 2014 and 3.2% in FY 2015. Page 8 showed actual gaming percentage fee collections, which were far more volatile from the effect of the EFA. The Budget Division forecast showed an increase in gaming percentage fee collections of 1.8% in FY 2013, 2.3% in FY 2014, and 3.5% in FY 2015.

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division

Mr. Guindon referred to the Fiscal Division packet – Fiscal Analysis Division, Forecast Information Packet, Exhibit G. He indicated that the charts in the Fiscal Division packet with “A” in the title showed the levels, and the charts with a “B” showed the growth rate for the corresponding A chart. He said Chart 1A on page 2 was the Fiscal Division outlook for Nevada total employment. Mr. Guindon said that after looking at the forecast from Mr. Anderson, DETR, the Fiscal Division was comfortable with the DETR forecast. The chart showed the DETR forecast and the Fiscal Division forecast, which was translated into a smooth seasonally adjusted forecast. In addition, the Moody’s baseline forecast was shown on the chart. Chart 1B showed slightly increasing average employment growth rates of approximately 1% for FY 2013, 1.4% in FY 2014, and 1.7% for FY 2015. Since the goal was to get personal income, total wages and salaries forecast because it went into some of the equations that were used for the forecasts, he had to forecast an average wage per employee. He said the Fiscal Division forecast showed that average wage per employee would increase approximately 1.5% in FY 2013, 1.9% in FY 2014 and 1.9% in FY 2015. He noted that the Fiscal Division also utilized the base forecast from Moody’s Analytics for Consumer Price Index (CPI) and the forecast was 2.1% growth in FY 2013, 2.5% in FY 2014, and 2.7% for FY 2015. Therefore, when looking at the Fiscal Division average wage per employee it was running below inflation which he did not think was an uncomfortable position looking at what was going on in the economy and the ability for employees to go to an employer and get a pay increase. The total wages forecast, page 6, Chart 3A showed the total wage and salary disbursements forecast of approximately 2.6% growth for FY 2013, 3.3% growth for FY 2014, and 3.7% growth for FY 2015.

Mr. Guindon added that the nonwage component of personal income had to be forecast, which was growing slightly, and tough to forecast because it included interest, dividends and rent and also included the transfer payments, which included the unemployment insurance (UI) payments. Moving to page 12, Chart 6A, the Fiscal Division forecast for personal income was projected to grow approximately 2.7% in FY 2013, 2.8% in FY 2014 and 3.0% in FY 2015, staying slightly above the inflation rate and on average there would a little growth in inflation-adjusted terms in total personal income.

Continuing, Mr. Guindon noted that page 24, Chart 12A showed the Fiscal Division forecast for total Las Vegas visitor volume, and 1.2% growth was projected in FY 2013, 1.9% in FY 2014 and 2.4% in FY 2015. Chart 13A, page 26 showed the assumption of room occupancy and in FY 2012 the average occupancy rate was approximately 83.8%. The Fiscal Division forecast projected average occupancy rates going up about 1.0% a year to 84.9% in FY 2013, 86% in FY 2014 and 87.1% in FY 2015. He stated that it was hard to get growth in visitors without the occupancy rate increasing because capacity was not being added. Without adding the capacity, if Las Vegas did not get the occupancy rate up then it was hard to get visitor growth and the growth in spending would have to come from the visitors with bigger budgets. Chart 14A on page 28 showed the comparison of actual historical data and forecasts for the U.S. Consumer Price Index.

Mr. Guindon said the Fiscal Division forecasts gaming percentage fee collections to increase by 2.6% in FY 2013, 4.4% in FY 2014, and 3.5% in FY 2015. Chart 1 through

Chart 4 on pages 33 thorough 36 showed the actual and forecast total win, slot win and game win per Las Vegas visitor. Chart 2 showed total win, slot win and game win per statewide employee. Chart 3 on page 35 showed Clark County total win, slot win and game win per Las Vegas visitor. Chart 4, page 36 showed Clark County total win, slot win and game win per statewide employee and Clark County was the vast majority of the state's gaming win. Page 37 showed the Fiscal Division's summary page forecast for percentage fee tax collections for FY 2013, FY 2014 and FY 2015. He said that the Fiscal Division forecast Clark County, Washoe County and the rest of the state on the slot and game and table side. Mr. Guindon noted that he put the tables in the packet because there was quarterly and fiscal history, which would provide historical data for the new members. He mentioned that Mr. Lawton from the GCB was nice enough to share some of the information that he tracked, because as the regulatory agency, the properties would talk to him.

Mr. Guindon said that the Fiscal Division showed a slight growth in slot win in FY 2013, and as heard previously in the meeting, the game side was where the growth was coming from.

Mr. Maddox asked how much the state was down in the first four months of FY 2013 in percentage fees collected. Mr. Lawton replied that percentage fee collections were up 13.6% for the first four months of FY 2013, and collections were very good for October 2012.

Mr. Guindon added that the month that was just reported, which was the fourth month of the fiscal year, was 38.2% against a -8.9% a year ago. He said that the estimated fee adjustment (EFA) drove that and was a $16 million net plus impact and accounted for almost 2% of the actual collections reported in October.

Mr. Maddox asked what was projected for the last eight months of FY 2012 to end up with 1.7% growth if the state was up 13.6% fiscal year-to-date for percentage fees collected.

Mr. Guindon replied that the 13.6% in FY 2013 was against a minus -5.5% a year ago in FY 2012, and over the last eight months of FY 2012, percentage fee collections were up 3%, so the last eight months were stronger than the first four months. Therefore, to hit the Fiscal Division forecast of 1.7% in percentage fees from taxable gaming revenue (TGR) the state had to average about 1.6% against the 2.1% a year ago. To hit the total percentage fee collections of the 2.6%, the state had to average 1.9% against an average of 1.6% in FY 2012. He said in the Fiscal Division forecast the EFA was a net negative drag in FY 2012, but now forecast in FY 2013 to be $3.4 million, adding a net positive impact of $5.6 million, which was adding 0.9 of a percent to the growth for the Fiscal Division forecast of 2.6% because of the EFA. He said when looking at the actual growth in October of 38.2% and the state was up 13.6% fiscal year-to-date, but the 13.6% was against an average of -5.5%, and on average over the last eight months up 3%, so the forecast would be bouncing around that or a little above 3%. Therefore, his forecast would be a little better average than the growth posted over the last eight months of FY 2012. He said if they took the 38.2% and the EFA was removed, the month was up 6.1%, which showed how much the EFA could move month-to-month.

Mr. Maddox stated that the forecasts for percentage fee collections growth for the Fiscal Division and Budget Division were almost the same, and Mr. Guindon thought the remaining eight months in FY 2013 would average between 1.5% to 2% growth over last year. He said the first quarter (January, February, March) for FY 2013 looked very strong and he wondered if the state was coming off tough comparisons.

Mr. Lawton added that there was an 8% increase on total win in October 2012 and a 7% increase in November 2012, so the comparisons were tough to finish the year. He noted that the second quarter of calendar year 2013 would be easier comparisons.

Mr. Guindon said that looking back at March 2012 collections, which were based on February activity, there was a 69% increase compared to a 11% increase a year ago. Therefore, the percentages bounced around and it was hard not to react too much to one month; the forecasters had to look where the state was year-to-date and a year ago, and then figure out what the state would have to do against those numbers.

Mr. Maddox said it was hard to say the state was up 13% in the first four months of the fiscal year and only a 1.6% increase was projected in the last eight months of the fiscal year. He thought the forecasters needed to understand how difficult the comparisons were when they were looking at the forecasts.

Mr. Guindon said that his intent was to look at the numbers to see what the state would have to grow, but the other forecasters, as well as Moody's Analytics, did not always have the most current information. He noted that he could go into the Controllers system to see what the GCB was posting in the most recent month so he had a good idea if it was going to be a big month or not. Mr. Guindon stated that even after looking at the forecast he did not know if he would come back with a significantly different forecast unless there was something unusual in the month. He said he looked at his games forecast, which was where he had the most reservations because baccarat play was one of the most unique elements of a very complex industry, so if it was truly a population of approximately 150 people, he had no idea if they brought in 100 people or 150 people in a year and how the people were rotated in to keep the market growing. In addition, do the people bring in bigger budgets each year, or do they bring in more in one year versus another year, but remembering that the house or the player could win and that was the volatility. Mr. Guindon said that as he looked at his forecasts for games win – it was not that he did not think games and baccarat play could grow, but it was hard to think how to keep that growing if there was a limited number of people, and did the people have larger budgets or do they bring in more people per year.

Mr. Maddox replied it was more than 150 people, but the 80/20 rule, and a 150 people generated a vast majority of the win. Mr. Maddox stated it was a macro call on China and South America, and interpreting the Chinese economy, and if it was a hard landing the number gets crushed, if they accelerate, the number would get bigger.

Concluding, Mr. Guindon said that the Fiscal Division forecast the ratio of TGR to win falling in FY 2013 compared to FY 2012 and then starting to recover some. He believed that was the bottom and would start to recover, but the first quarter was horrendous with only 90.6%, one of the lowest ratios seen in the first quarter of a fiscal year. He said the Fiscal Division forecast had things improving over the rest of FY 2013 to get to the 91.9% for TGR to win ratio. The Fiscal Division forecast had TGR growing 1.6%, but the ratio falling, and the average effective tax rate was coming up a little because he could see where it was at currently, so there was 1.6% growth in the percentage fees from TGR. He added that the EFA was projected to be a net positive so they actually get another 0.9% of growth.

Mr. Guindon clarified that the Budget Division forecast was 1.8% for FY 2013, Fiscal Division forecast was 2.6%, agency forecast was 2.7%, and Moody's Analytics forecast was 4.2% for the growth rate for total percentage fee collections, shown on Table 4, page 83 of Exhibit A.

LIVE ENTERTAINMENT TAX – GAMING

Mike Lawton, Senior Research Analyst, Gaming Control Board

Mr. Lawton said the Live Entertainment Tax (LET) revenue forecast was based on a forecast of taxable casino entertainment activity, an examination of historical growth patterns, and most importantly, through interviews with the various properties. He said the forecast also incorporated expected increases in taxable activity due to the opening of new properties, or changes in entertainment venues at existing properties, which has been happening a lot in the last few months.

Mr. Lawton said the LET was one of the more difficult taxes to forecast, because charges for admissions, beverage and food were not consistent from year to year, nor was the entertainment itself. Making it even more difficult was the addition of large venues with 7,500 seats or more, whereby the revenue was derived primarily from concerts. The pricing of concert tickets was hard to predict, and it was difficult to know which acts were coming to town from year to year.

Referring to page 14 of the handout provided by the State of Nevada Gaming Control Board, Fiscal Years 2013-2105 Gaming Revenue Forecasts (Exhibit E), Mr. Lawton said for FY 2013, after consecutive years of growth, the GCB forecasts a decline in growth of -1.5%, or $123.5 million in collections. The decline was due either to shows going dark and not being replaced in the fiscal year, or shows being replaced later in the fiscal year, so the state would not get the benefit of the entire year of revenue.

Mr. Lawton said this trend has been happening for the past year. Fiscal year-to-date, LET collections were down -3.3%, and calendar year-to-date, down -3.7%. He said the

LET revenue spiked for a while, but because of the show rotations, revenues have declined recently.

Mr. Lawton said that in FY 2014, the GCB expected an uptick in LET of 3.7% to about $128 million in collections. He explained that the shows that had been dark would come online and would be annualized. He said the show at the Mandalay Bay Hotel and Casino in Las Vegas was being replaced by the Michael Jackson show, which would be online for the entire FY 2014. Mr. Lawton said for FY 2015 a growth rate of about 1.5% was projected, with $129.9 million in collections.

Mr. Lawton said the average growth rate for casino LET collections over the last five years was about 1.8%, with a ten-year average of 7.2%. He felt the projections were fairly conservative as the forecasts were below the high average of the last ten years.

Chairman Wiles asked if there was an analysis that showed the LET detail by component, for example, large venues versus small venues.

Mr. Lawton affirmed that the GCB had a metric to compare large venue versus small venue. He said the large venues had a very strong year, with growth of about 34.5% in FY 2012. The operators of the large venues felt comfortable that they had a strong event calendar for FY 2013. The smaller venue shows were closing, and, because the showrooms needed to be revamped for a different show, the shows were not replaced immediately and the showrooms were dark for a period. He noted the Aria Resort and Casino in Las Vegas was replacing its Elvis show; the Lion King show at the Mandalay Bay Hotel and Casino has been dark for a year; two shows at the Venetian Hotel and Casino were being replaced, but the shows would not come online until later; and, the showroom at the Wynn Resorts was going dark due to the Garth Brooks show closing, with no reopening date set for the showroom.

Mr. Lawton said the LET revenues did not come to the GCB with lots of data points; rather, the GCB received a raw number, and must investigate to find out what was driving it.

Mr. Nielsen asked what types of events were taxable under the LET. Mr. Lawton said approximately 76% of the LET revenue was from show admissions. He said sales of food and beverage and retail sales related to the show added to the revenue. He noted nightclubs and the related activity that was generating a great deal of revenue for the properties were not taxable under the LET.

Mr. Nielsen asked how a show was defined. Mr. Lawton said any of the shows on The Las Vegas Strip, such as the Cirque de Soleil "O" at the Bellagio, generate LET revenues for sales of tickets, food and beverage, and merchandise.

Chairman Wiles said the LET was a fairly complex process as it depended upon where the drinks were sold. He said lots of the properties' retail stores were located outside of the main venue, which meant they were not subject to LET. If the retail sales took place inside the venue beyond the admission doors, they were subject to LET, because the items for sale could only be accessed as part of the show experience. He said show operators had the ability to adjust the amount of LET they paid based on the location of the retail outlets, bars and restaurants.

Mr. Guindon added that the LET was complex because there were certain exemptions, and the tax rate was driven by seat thresholds. He explained that the rate for a venue with over 7,500 seats was taxed at 5%, which was not attached to food, beverage, or merchandise. A venue with between 200 and 7,500 seats was taxed at a rate of 10%, which included food, beverage and merchandise. He said the tax was bifurcated, and the two rates were attached to different bases.

Chairman Wiles asked if the portfolio was moving toward big events due to the different tax rates. Mr. Lawton said the majority of the LET revenue was not generated by the large venue tax on shows with over 7,500 seats.

Janet Rogers, Chief Economist, Executive Budget Office

Ms. Rogers said the Executive Budget Office forecast for the LET revenue was also econometrically driven. Referring to the Executive Budget Office Economic Forecast for LET per million visitors (Exhibit F), page 9, she said the assumption was that the bulk of the revenue would come from the Clark County area, therefore a per-visitor inflation adjusted forecast made sense. She forecast the inflation adjusted LET per million visitors for FY 2013 to decline -.7%; grow 2.1% in FY 2014; and, grow 1.9% in FY 2015.

Referring to the Executive Budget Office Economic Forecast for LET gaming on page 10 (Exhibit F), Ms. Rogers said she expected growth of 3.3% in FY 2013; 6.0% in FY 2014; and, 6.5% in FY 2015. She said that compared to a 10% compound average annual growth rate from FY 1999 through FY 2007.

Ms. Rogers said her forecast reflected the belief that the venue operators would be aggressive in trying to get non-gaming dollars from the visitors. She did not think the operators would be quite as successful as in the recent past, but growth would be stronger.

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division

Mr. Guindon referred to the LET revenue forecast on page 55 of the Fiscal Analysis Division Forecast Information Packet (Exhibit G). He noted the GCB shared information from operators about the status of the shows for the Fiscal Analysis Division staff to use in its forecasts. He said the forecast was prepared on an inflation adjusted per visitor basis.

Mr. Guindon said for actual collections for the first quarter of FY 2013, revenue was down -3.2%, compared to being up 21.4% in the same period in FY 2012. He said the first quarter was down, and the second quarter of FY 2013 would be compared against another strong quarter of growth in FY 2012.

Mr. Guindon said his LET revenue forecast for FY 2013 was a decline of -1.9%. To meet that forecast, the LET would have to decrease an average of -1.3% over the last nine months of FY 2013, compared to an average increase of 1.0% over the last nine months of FY 2012.

Mr. Guindon agreed the LET was a difficult revenue to forecast. However, although he did not know which shows would be opening, because non-gaming revenue was so important to the operators, he expected the casinos to get shows online to generate revenue. Therefore, he forecast growth of 3.2% in FY 2014 and 3.9% in FY 2015.

STATE 2% SALES TAX

Sumiko Maser, Deputy Director, Nevada Department of Taxation

Ms. Maser said she would describe the methodology used to develop the forecast. She said the methodology was consistent with that of prior estimates for the Economic Forum; a simple linear regression analysis was applied to prior years' revenue.

Ms. Maser said there have been 26 months of continuous growth in the State 2% Sales Tax revenue. She said fiscal year-to-date collections were up $8.3 million, or 6.17%, as of the August period compared to the same period in FY 2012. She said there was continued recovery in several industries, such as the motor vehicle and parts dealers sector, which was up 17.9% fiscal year-to-date compared to the same period in FY 2012. She said the food service and drinking establishments sector was up 1.1% fiscal year-to-date compared to the same period in FY 2012. The general merchandise sector was up 10.3% fiscal year-to-date compared to the same period in FY 2012.

Ms. Maser said that the forecast took into account historical events, such as the amnesty programs in 2008 and 2010. In addition the Ruby Pipeline Project, the natural gas line that was built across the northern part of the state, occurred over FY 2010 and FY 2011. Those effects of those events on past collections were considered so that the forecast would not be over projected.

Ms. Maser said the Department of Taxation's forecast for the State 2% Sales Tax was 2.9% growth, or $867.7 million for FY 2013; 3.8% growth, or $900.4 million in FY 2014; and, 3.6% growth or $933.04 million in FY 2015.

Ms. Maser said the Department of Taxation expected the recovery from the recession to continue in a conservative manner.

In response to a request from Chairman Wiles, Ms. Maser said she would provide a hard copy of the Department of Taxation's forecast presentation.

Janet Rogers, Chief Economist, Executive Budget Office

Ms. Rogers said the Executive Budget Office forecast for the State 2% Sales Tax was shown on the Executive Budget Office Economic Forecast handout (Exhibit F), pages 11 and 12. She said the forecast was prepared using an econometric model using various measures to determine the health of the national and state economy, and the level of gaming activity in the state, because that would obviously play into the retail sales activity.

Ms. Rogers directed the members to the chart on page 11 (Exhibit F) titled Inflation Adjusted 2% Sales and Use Tax per Million Jobs. She said sales dropped to a historic low during the recession, and picked up with fairly reasonable actual growth of 1.9% in FY 2012. She reiterated that the information on the chart was per million jobs and adjusted for inflation, so it was less than the actual of almost 6% that was recorded in current dollars in FY 2012. She said the recent uptick was due to pent-up demand, which was the purchase of necessary replacement items that had been put off over the course of the recession. She said that was a one-time period of consumer activity that would not continue. She noted that the information on the chart took into consideration the amnesty periods and the Ruby Pipeline activity.

Referring to page 12 (Exhibit F), Ms. Rogers said the chart reflected continued healthy growth. The forecast was based on her forecast for employment growth, which was very similar to DETR's forecast of almost 2% in FY 2015, coupled with the inflation forecast. She said the Executive Budget Office expected the State 2% Sales Tax to grow 4.5% in FY 2013; 4.4% in FY 2014; and, 4.9% in FY 2015.

Mr. Maddox noted all of the forecasters missed the May 2011 forecast for the State 2% Sales Tax by at least $40 million. He asked how much of that was one-time purchases or pent-up demand that cannot be replicated.

Ms. Rogers said she could not tell on a dollar for dollar basis. She explained that the model did not include Ruby Pipeline and the amnesty periods, but she did not try to quantify what portion of the retail activity appeared to be one-time activity, and what portion seemed to be ongoing.

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division

Mr. Guindon referred to the Fiscal Analysis Division Forecast Information Packet, page 65 (Exhibit G), to the State 2% Sales Tax revenue forecast.

Mr. Maddox observed that in FY 2012 the State 2% Sales Tax revenue returned to FY 2009 levels of $842 million (page 71, Exhibit A). He asked if there were any legislative issues in FY 2008 that resulted in collections of $966 million in State 2% Sales Tax.

Mr. Guindon replied that increase was due to the economy. There were no legislative changes to the rate of tax on sales; in fact, the state's 2% tax rate cannot be amended without a vote of the people.

Mr. Maddox noted the projection was for FY 2013 revenue to be 9% below FY 2008 actual collections.

Mr. Guindon noted that the peak was not in FY 2008 with collections of $966 million; rather, it was in FY 2007 with collections of over $1 billion. He considered that comparison in the forecast, as noted in the narrative on page 66 of the Fiscal Analysis Division Forecast Information Packet (Exhibit G).

Mr. Maddox said he would hate for this forecast to be low again. He noted that in the Wynn organization non-gaming aspects have recovered more quickly than gaming. Therefore, it seemed the State 2% Sales Tax revenues would recover faster than Gaming Percentage Fee revenues.

Mr. Guindon said that the only information available to the forecasters was the taxable sales reported by the NAICS (North American Industry Classification System) codes. He said that sometimes it was obvious that something happened to cause a blip in taxable sales, but it was difficult to know what caused it, and whether it would be sustainable. He noted that if the growth was annualized against these levels of taxable sales, but it was truly a one-time purchase, then the growth would be impacted one year later. He said the forecasters knew the Ruby Pipeline was a one-time project, and how many months it would affect the revenue. It was usually assumed that unaccounted for large increases in the revenue were due to mining, but it was not clear whether the activity was due to one-time purchases, or whether it reflected underlying sustainable growth.

Mr. Maddox noted that in FY 2007 and FY 2008 there were several multi-billion dollar construction projects in Las Vegas. He asked how that activity impacted the revenue. Mr. Guindon said that revenue cannot be itemized, because that information was not provided to the Department of Taxation.

Mr. Guindon said the data for the State 2% Sales Tax revenue forecast was cleaner so a regression equation was used for the forecast. He said his forecast for visitors, employment and personal income were reflected in the equation.

Mr. Guindon referred to the Fiscal Analysis Division Forecast Information Packet, page 67 (Exhibit G), to Table 1 which showed taxable sales growth of 5.1% in FY 2013 compared to growth of 7.6% in FY 2012. Mr. Guindon said actual collections were up 6.1% for the first two months of FY 2013 compared to 5.2% for the same period in FY 2012. He did not know if that reflected growth in the underlying economy, or whether some of the growth was due to large one-time purchases.

Mr. Guindon said the Fiscal Analysis Division forecast for State 2% Sales Tax revenue was for growth of 6.4% in FY 2013; 4.6% in FY 2014; and, 4.2% in FY 2015. He noted that growth was increasing over the forecast period, but at a decreasing rate. He was not bothered by that, because there were one-time purchases reflected in the collections for FY 2012, and some of that was carrying over to FY 2013, so growth would taper off a bit in FY 2014 and FY 2015.

Chairman Wiles said one-time events were important, particularly recurring events.

Mr. Guindon agreed, and said if he knew they were one-time purchases he might use dummy variables to isolate those purchases econometrically. He said the regression equation showed that the underlying economic variables of visitors, construction employment and personal income could not predict the recent levels of taxable sales activity. He concluded that the activity affecting taxable sales was not being driven by visitors, construction employment or personal income. He did not know what the activity was, and if he did know, he would not have historical data to use in the forecast.

Mr. Guindon said it was possible that the forecast could be a little low, but he would not increase the forecast unless someone could convince him that the increased activity was not due to one-time purchases. He was comfortable with the forecast.

Mr. Guindon said he would explain some details of his forecast. He said, for FY 2012, taxable sales grew 7.6%, but sale tax collections grew only 6%, leaving a fairly significant 1.6% gap. He explained that his forecast for taxable sales for FY 2013 was for growth of 5.1%. He then multiplied the $45,158.8 billion estimate by 2%, and adjusting for the taxpayer collection allowance, that resulted in 6.9% growth. He noted that the gap was created by two programs for economic development for which taxable sales were reported, but the State 2% Sales Tax was not fully paid due to abatements. He identified one program as a renewal energy tax abatement program, which paid a portion of the sales tax, so it appeared as taxable sales, but not as State 2% Sales Tax collections. Based on analysis by the Department of Taxation, the 1.6% gap was equal to about $14 million, $11.2 million of which could be attributed to the renewable energy abatement program. He said $3.6 million was attributable to the STAR (Sales Tax Anticipated Revenue) bond program, which also paid taxes on a portion of sales, but a portion was also not recorded in the state's tax collections.

Mr. Guindon expected to present the Economic Forum with a revised forecast for collections at the next meeting. He explained that the renewable energy abatements were only in affect for three years, and he would need to investigate the abatements used in FY 2011. He noted that if the abatement amount was $11.2 million in FY 2012, and only $2 million in FY 2013, that would amount to over a $9 million positive swing in FY 2013 compared to FY 2012.

Mr. Guindon referred to Table 2 on page 68 (Exhibit G) which showed the actual collections that were reported and deposited in the state's General Fund. Imputed collections were the amount that would have been collected had the reported taxable sales generated tax collections. He noted some of the collections were late payments, or audit collections that included penalty and interest, so those other collections could have created the gap. He pointed out that for the second quarter of FY 2012 there was a -5.4% difference in imputed collections versus actual collections.

Chairman Wiles asked if those types of abatements would be in effect in FY 2013 and FY 2014. Mr. Guindon said he would contact the Nevada State Office of Energy to request that information. He noted the abatements expired three years from the date of approval, whether the projects were completed or not.

Chairman Wiles asked if the revenue would be affected by other economic development programs that offered abatements, deferrals or waivers to attract businesses to the state.

Mr. Guindon was not certain, but he believed most of the abatement programs did not allow “double-dipping.” If a business qualified for one program, it cannot then qualify for another program.

Chairman Wiles was referring to the incentive that was offered to Apple Corporation that would affect sales tax or other revenue to the state.

Mr. Guindon said economic development plans required that you give something to get something. Whether the costs outweighed the benefits would depend on whether the abatement was viewed from an economic development perspective or an economics perspective. He noted that Apple Corporation’s abatements were for both sales and property tax.

Chairman Wiles said those kinds of abatements were one-time events that occurred every year. He said, with the focused economic development effort, it would be helpful to know whether there were significant projects to which aggressive incentives would be provided that would affect the Economic Forum’s ability to forecast.

Mr. Guindon did now know if that kind of information could be explicitly used in the forecast, because the Governor's Office of Economic Development cannot discuss upcoming projects. Even if the projects were identified, it would be difficult to estimate the timing of the projects and the impact of the abatements. He said the best way to account for those projects was to keep in mind during forecasting that the projects may generate taxable sales, but those sales may not generate collections.

Mr. Maddox noted that the Fiscal Analysis Division forecast was significantly higher than the other forecasts. Mr. Guindon said he expected to reduce the forecast to the 6.0% range. He would continue working with the Department of Taxation to identify the data before the next forecast.

INSURANCE PREMIUM TAX

Sumiko Maser, Deputy Director, Nevada Department of Taxation

Ms. Maser said the Department of Taxation used the conservative approach of a simple linear regression analysis applied to prior years' revenue to produce the forecast for Insurance Premium Tax revenues.

Ms. Maser said the forecast was for a decline of -3.79%, or $227.8 million in FY 2013; -1.81%, or $223.6 million in FY 2014; and -1.84%, or $219.5 million in FY 2015.

Chairman Wiles asked whether Ms. Maser had identified outliers in the data set that might bias the forecast. He noted that a single outlier could significantly bias a linear regression model's projections.

Ms. Maser said, similar to the sales tax, certain events occur that should not be taken into account in the forecast, or future results would be skewed. However, for the Insurance Premium Tax, she did not know of anything that would have called for removal.

Janet Rogers, Chief Economist, Executive Budget Office

Ms. Rogers referred to pages 13 and 14 of the Executive Budget Office Economic Forecast packet (Exhibit F) to the Insurance Premium Tax revenue forecasts. She said there was not much detailed data available for this forecast. She used total private wages as a proxy for the activities that would produce Insurance Premium Tax. Page 13 showed collections per million total private wages from FY 2005 to FY 2012. She noted there was a bump in FY 2010, for which she did not have a good explanation. She thought it was reasonable to show a slight decline in FY 2013 and very modest increases in FY 2014 and FY 2015.

Ms. Rogers said the Insurance Division of the Department of Business and Industry expected the Patient Protection and Affordable Care Act (PPACA), to increase revenue by about $3 million in calendar year 2014, and she added half of that amount to the FY 2014 forecast. For calendar year 2015, the Insurance Division anticipated approximately $10 million. She included half of that, plus the other half of the $3 million in calendar year 2014 to arrive at $7.5 million for FY 2015.

Ms. Rogers said her forecast for Insurance Premium Tax revenue on a non-inflation adjusted basis was for growth of 1.6% in FY 2013; 4.5% in FY 2014; and, 5.7% in FY 2015. She noted the increases in FY 2014 and FY 2015 were due to the policies sold due to the PPACA.

Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division

Mr. Nakamoto pointed out that the Insurance Premium Tax numbers shown on Table 4 on page 83 of the meeting packet (Exhibit A) for the agency forecast are higher than the numbers stated by the Department of Taxation. He explained that the Insurance Premium Tax was collected by two different agencies: the Department of Taxation collected the vast majority, about 97%; the other 3% was collected by the Insurance Division of the Department of Business and Industry. He said the additional revenue collected by the Insurance Division was approximately $7.1 million per year, which was correctly reflected on the table.

Mr. Nakamoto noted that the Fiscal Analysis Division's Insurance Premium Tax forecast began on page 77 of the Fiscal Analysis Division Forecast Information Packet (Exhibit G). He said a summary of the forecast was displayed on the table on page 78. He noted there were a number of categories for this revenue that were reported by the Department of Taxation and the Insurance Division. He said it was unfortunate that the information on the table was the only information available to the forecasters. There was no indication as to the type of insurance being written. It cannot be determined how much of the $236.8 million collected in FY 2012 from this tax across the various categories was generated from the sale of life insurance, health insurance or auto insurance.

Mr. Nakamoto said the four quarter-ending categories made up somewhere between 95% and 96% of the annual collections consistently from year-to-year. The Fiscal Analysis Division forecast looked specifically at those quarterly collections and performed a regression model of those collections per employee, as related to single-family home sales per employee (page 18, Exhibit G), and Nevada personal income per employee. Taking all of that into account, and performing a trend analysis on the other parts of the forecast resulted in projected increases of 3.1% in FY 2013 to $244.1 million; 2.8% in FY 2014 to $250.9 million; and, 3.1% in FY 2015 to $258.8 million.

Mr. Nakamoto referred to further Insurance Premium Tax information on pages 79, 80 and 81 of the Fiscal Analysis Division Information Packet (Exhibit G). He said the chart on page 79 showed annual collections going back to FY 1992. He noted the peak was in FY 2007, with close to $260 million in collections. The Fiscal Analysis Division forecast for FY 2015 was just below that level at $258.87 million. He said the chart on page 80 compared actual collections and the forecast to personal income growth and employment growth. The chart on page 81 involved quarterly Insurance Premium Tax collections for which a regression forecast per Nevada employee was performed. He said, even though the revenue fluctuated, especially over the last few years, the collections per employee had increased fairly consistently. He said the chart on page 81 illustrated that trend continuing throughout the forecast period.

Mr. Guindon noted that information on first quarter actual collections that could affect the forecasts would be available shortly before the next meeting of the Economic Forum.

MODIFIED BUSINESS TAX

Mr. Guindon explained that the forecasts for Modified Business Tax (MBT) were divided into nonfinancial and financial sectors to provide consistency in the forecasts. He explained that the MBT for the nonfinancial sector was subject to a sunset provision approved during the 2011 Legislative Session. He explained that nonfinancial and financial cannot be lumped together, because if a sunset were removed or extended, the two sectors could not be separated easily by staff. Further, he explained that the Economic Forum must consider its forecast using current law, without considering whether the Governor or the Legislature might extend or remove a tax sunset.

Mr. Guindon noted that this was another of the quarterly revenue sources for which more information would be available shortly before the next meeting of the Economic Forum.

NONFINANCIAL INSTITUTIONS

Sumiko Maser, Deputy Director, Nevada Department of Taxation

Ms. Maser said, currently, the MBT for nonfinancial institutions was a two-tiered rate. The tiered rate was scheduled to sunset effective the end of FY 2013. The Department of Taxation approached this forecast a bit differently than the other revenues. She explained, because the tiered rate was to sunset, and this tiered rate came into effect a couple of years ago, the revenue was not historically consistent, because of the changes in tax rates. Rather than use the historical revenue to forecast future revenue, the Department of Taxation considered the wages reported on the MBT returns and forecast taxable wages into the future, then applied the current tiered rate for FY 2013. For FY 2014 and FY 2015 the .63% tax rate was used.

Ms. Maser said the forecast for MBT nonfinancial institutions revenue was for growth of 2.9%, or $359.2 million in FY 2013. The .63% tax rate was applied to arrive at the FY 2014 and FY 2015 forecasts, for a decline of -27.9%, or $259.18 million in FY 2014; and, growth of 3%, or $266.9 million, in FY 2015.

FINANCIAL INSTITUTIONS

Ms. Maser said the tax rate for the MBT Financial Institutions has historically been consistent, so it was forecast using historical revenues in the simple linear regression methodology. She said historical events that might affect the forecast were accounted for, such as the amnesty.

Ms. Maser said the forecast for revenue was for growth of 4.2%, or $21.5 million, in FY 2013; a decline of -0.1%, or $21.56 million, in FY 2014; and, a decline of -0.1%, or $21.55 million, in FY 2015.

NONFINANCIAL INSTITUTIONS

Janet Rogers, Chief Economist, Executive Budget Office

Ms. Rogers referred to page 15 of the Executive Budget Office Economic Forecast (Exhibit F). She explained that her forecast began with a forecast of nonfinancial private employment, which was up 1.7% in FY 12. She forecast an increase of 1.2% in FY 2013; 1.6% in FY 2014; and, 2.1% in FY 2015, which reflected strengthening in the economy. She said the MBT nonfinancial forecast was a bit different than her earlier employment forecast, because this forecast involved private employment, whereas the overall forecast was weighted down by the loss of jobs in the government sector.

Ms. Rogers said she then forecast nonfinancial average monthly wage on an inflation-adjusted basis as shown on page 16 (Exhibit F), which was falling. She said the two forecasts were combined, resulting in total monthly wages for nonfinancial institutions, which rose 1.7% in FY 2012. She forecast an increase of 1.4% in FY 2013; 2.3% in FY 2014; and, 1.3% in FY 2015. Ms. Rogers said approximately 17.8% of those wages fell below the $250,000 per year limit on which there are no taxes, and the remainder was taxed at a rate of 1.17%.

Ms. Rogers said the Executive Budget Office forecast for MBT nonfinancial revenue was for growth of 1.7% in FY 2013; a decline of -31.9% in FY 2014, as the rate of tax drops to .63% for all tiers; and, growth of 3.5% in FY 2015, which then corresponds to the rising total wage in the nonfinancial sector.

FINANCIAL INSTITUTIONS

Ms. Rogers referred to page 20 of the Executive Budget Office Economic Forecast (Exhibit F) to her forecast for financial private employment. She said financial private employment had been declining, and was expected to continue declining during the forecast period, although at a slower rate. She said wages in the financial sector have been rising, resulting in the average monthly wage rising between 3% and 4% for the three years of the forecast period. She said total wages would rise 1.6% in FY 2013; 3.8% in FY 2014; and, 3.3% in FY 2015. These percentages were used to compute the forecast for MBT financial institutions.

Ms. Rogers said the monies collected for the MBT include collections from previous quarters, so there was not a 100% correlation between taxable wages and the forecast. She said the Executive Budget Office forecast for MBT financial revenue was for growth of 2.0% in FY 2013; 2.3% in FY 2014; and, 2.8% in FY 2015.

NONFINANCIAL INSTITUTIONS

Joe Reel, Deputy Fiscal Analyst, Fiscal Analysis Division

Mr. Reel said the Fiscal Analysis Division MBT nonfinancial revenue forecast began on page 83 of the Fiscal Analysis Division Information Packet (Exhibit G). The table on page 89 showed the wage forecast for the nonfinancial sector. He explained that the Fiscal Analysis Division forecast was based on the DETR employment forecast information.

Mr. Reel noted that the employment nonfinancial column showed four years of decline for FY 2008, FY 2009, FY 2010, and FY 2011. For FY 2012, there was a 1.9% increase over the previous fiscal year. He said the Fiscal Analysis Division forecast nonfinancial employment growth of 1.2% in FY 2013; 1.7% in FY 2014; and, 1.9% in FY 2015. He said the assumption for average wage for employee showed growth, after two years of decline in FY 2009 and FY 2010. The average wage increased 2% in FY 2011; 0.6% in FY 2012; and it was assumed that the average wage would increase 2% in FY 2013, which was just below the rate of inflation, which was reflected as a decline in real terms in inflation adjusted annual wage.

Mr. Reel said the Fiscal Analysis Division forecast for nonfinancial wages was for growth of 3.3% in FY 2013; 3.7% in FY 2014; and, 4.0% in FY 2015.

Mr. Reel noted that page 88 showed taxable wages reported to the Department of Taxation. He explained that additional revenue of $2.5 million was reported in FY 2011, which was related to the amnesty program. He explained that the collections were shown with and without the amnesty amount so that the forecast would not include the one-time event.

Mr. Reel said the taxable wages reported by the Department of Taxation showed the same trend reported by the Bureau of Economic Analysis. He said there were declines in FY 2009 and FY 2010, but there was growth in FY 2011 of 0.5%, and in FY 2012 actual collections grew 4.8%. He pointed out that the forecast in the growth rates for wages were up and down because of the difference in the tax rates associated with this revenue. He said FY 2011 and FY 2012 are not comparable in revenues because of the tax rate change. He noted the average effective tax rate was 1.045% for FY 2011 based on a tax rate of 0.5% on the first $62,500 of taxable wages and 1.17% over $62,500, and for FY 2012, based on tax rate of 0.0% on the first $62,500 in taxable wages and 1.17% over $62,500. He said most of the decline experienced in FY 2012 was due to the change in the tax structure, because wages actually grew 4.8%. He said FY 2013 essentially adopted the same effective tax rate that was in place in FY 2012, but it was a bit different at .966% compared to .97%.

Mr. Reel noted the effective tax rate was a little higher at .633% due to the prior periods' collections that came in late. He said 95% of the wages and collections belonged to the current quarter, and the remaining 5% was from prior quarters. Since the rate was higher in the prior years, there was some revenue reported in the FY 2014 collections that was based on an effective tax rate that was a bit higher. He said the 3.5% growth in collections in FY 2015 matched the growth rate for taxable wages.

FINANCIAL INSTITUTIONS

Mr. Reel said there was a similar table for the MBT financial revenue on page 99 of the Fiscal Analysis Division Information Packet (Exhibit G). He noted there were five years of declines. Comparing the Quarterly Census of Employment and Wages **(**QCEW**)** data to the monthly series, it appeared that things were perhaps a bit stronger. Following the DETR forecast, the Fiscal Analysis Division expects growth of 0.3% in FY 2013; 0.8% in FY 2014; and, 1.3% in FY 2015.

Mr. Reel said, regarding the assumption for the average wage per employee, in FY 2010, FY 2011, and FY 2012 there was some wage growth for the financial sector that was in many cases outstripping inflation. He expected that to continue, but to a slightly lesser extent so that wages would grow 1.5% in FY 2013; 2.6% in FY 2014; and, 2.8% in FY 2015.

Mr. Reel said the growth rates for wage and salary disbursements were 1.7% in FY 2013; 3.5% in FY 2014; and, 4.1% in FY 2015, as shown on Table 3 on page 99 (Exhibit G). He explained there was no distortion in the results, because the tax rate was fixed at the same 2% rate.

Mr. Reel said the Fiscal Analysis Division forecast for MBT financial revenue was for growth of 1.6% in FY 2013; 3.5% in FY 2014; and, 4.1% in FY 2015.

REAL PROPERTY TRANSFER TAX

Sumiko Maser, Deputy Director, Nevada Department of Taxation

Ms. Maser said that with the Department of Taxation used a simple linear regression to estimate the future Real Property Transfer Tax (RPTT) revenue using prior fiscal years' revenues.

Ms. Maser said the forecast for RPTT revenue was for a decline of -3.24%, or $46.8 million in FY 2013; -4.31%, or $44.7 million in FY 2014; and, -4.51%, or $42.7 million in FY 2015.

Janet Rogers, Chief Economist, Executive Budget Office

Ms. Rogers referred to pages 25 and 26 of the Executive Budget Office Economic Forecast (Exhibit F). She said page 25 showed the home price index as forecast by Moody's for a decline of -5.2% in FY 2013; an increase of 1.2% in FY 2014; and, an increase of 3.1% in FY 2015. That information, as well and the number of homes that would be sold and the number of new single-family home permits issued, were variables in the econometric model.

Ms. Rogers said the Executive Budget Office forecast for RPTT was shown on page 26 (Exhibit F), for a decline in FY 2013 of -2.0%. She explained that the first quarter numbers were down fairly significantly from last year; however, she believed it had hit the bottom, because there was almost no discount for buying a foreclosed home. Her forecast showed activity picking up. Although home prices were not rising much, the number of home sales was starting to increase. For FY 2014 she expected a fairly healthy increase of 9.5%. She said those who had been waiting for the bottom of the market would start buying, and that activity cannot be predicted in an econometric model. She expected the market to cool off in FY 2015, with growth of 4.7%.

Mr. Maddox asked if A.B. 284 was calculated in the forecast. Ms. Rogers said she did not use a specific variable, but it was considered in her forecast. She said A.B. 284 would delay the sale of homes that had been foreclosed, and would produce lower home prices, but that would be made up for in activity.

Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division

Referring to pages 18 and 19 the Fiscal Analysis Division forecast packet (Exhibit G), Mr. Nakamoto said Charts 9A and 9B showed Nevada's total existing single-family home sales. He said Chart 9A showed a ramping up followed by a big drop off when the housing boom ended, and then there was a significant take off, primarily driven by investors, as foreclosures began to enter the market. In fact, there was a point at which 53% of the homes being sold in Clark County were cash sales. The Fiscal Analysis Division forecast expects that activity has settled. He explained that, as an implicit effect of A.B. 284, there was a "shadow" inventory that was not making it to the market, because the properties were not true foreclosures. Therefore, the cash sales and investor property purchases were tapering off, and the market would flatten out. For single family homes for FY 2013 the average growth rate was forecast to be -8.7%; for FY 2014, -1.3%; and, for FY 2015, 2.2%.

Mr. Nakamoto said on pages 20 and 21 (Exhibit G), Charts 10A and 10B showed Nevada's total single family home completions, or how many houses were actually being built. The number of single family home completions were projected to increase in FY 2013 by 10.4%; in FY 2014 by 6.1%; and, in FY 2015 by 7.5%. He said that might seem like lots of growth, but when the number of starts had been 5,600 houses built per year, and the expectation was for 6,700 houses per year statewide in FY 2015, there was not as much growth as those percentages would necessarily indicate.

Mr. Nakamoto said Charts 11A and 11B on pages 22 and 23 (Exhibit G) showed the forecasts for the Case-Schiller House Price Index for Nevada. He said the Fiscal Analysis Division expected growth to return a little quicker than Moody's estimated, but not at an appreciable rate. He recalled that in his presentation, Mr. White of Moody's pointed out that the forecasted index value 100 level had not occurred since calendar year 2000, and the Fiscal Analysis Division expected that it would barely get to that level by the end of the forecast period. He said the growth rates were forecast to be 2.8% in FY 2013; 1.6% in FY 2014; and, 2.7% in FY 2015. He noted there was a bit of growth in home prices, and gap in prices between the foreclosures and the regular home sales was shrinking. He explained there were fewer foreclosures on the market, and a more buyers entering the market, but not an appreciable number of buyers.

Referring to the Fiscal Analysis Division's forecast for the RPTT on page 107 (Exhibit G). He said this was the only one of the major taxes that was not actually collected by the Department of Taxation or the Gaming Control Board; rather, it was collected by the county recorder when a new title was recorded to transfer real property in the county from one person to another. The county recorder would then distribute the revenue to the state on a monthly or quarterly basis.

Mr. Nakamoto said there was good information on the first quarter for the RPTT, based on the fact that all 17 counties have posted their information for this particular tax in the Controller's system. For the first quarter, the RPTT collections were $11.9 million, which was a -12.2% decrease compared to the first quarter of FY 2012. In Clark County, $8.6 million was collected, a decrease of -18.9% and the $8.6 million represented about 72.9% of the total collections. In Washoe County, about $2.1 million was collected for the first quarter, an increase of 30.5% compared to the first quarter of FY 2012. He said Washoe County made up about 17.8% of the total collections for the first quarter. Washoe County and Clark County comprised over 90% of the collections.

Mr. Nakamoto said the Fiscal Analysis Division used a regression equation that compared the RPTT collections to the three variables shown on the charts: single family home sales; new home completions; and, the Case-Schiller House Price Index. Mr. Nakamoto said growth in the RPTT revenue was forecast by the Fiscal Analysis Division to be $44.2 million, or -8.7%, in FY 2013; $44.7 million, or 1.2% in FY 2014; and, $47.7 million, or 6.7%, in FY 2015. He said RPTT was one of the taxes for which there was good information for collections for the first quarter, barring any late payments or refunds. For the Fiscal Analysis Division to achieve its forecast in FY 2013, he said the remaining three quarters must decrease by -7.3% compared to FY 2012. In the last three quarters of FY 2012, RPTT collections were about $34.8 million, a decrease of -10.6% compared to the last three quarters of FY 2011. Revenue growth was expected to decrease, but at a slower rate. He said for the last few Economic Forum cycles, the forecasters have been waiting for the bottom of the market, which was getting close.

Mr. Maddox asked whether the 18% decrease in the revenue in Clark County was due to an issue with collections. He noted that Moody's indicated a recovery in housing in Nevada.

Mr. Nakamoto said part of the problem in forecasting revenue for this tax was that, while information was provided by county, there was no indication as to what was actually driving the activity. There was no real way to determine whether the sale of residential or commercial property, or vacant land was driving the revenue. He said that for the last couple of years a significant amount of investors bought foreclosure property. Now, with fewer properties available due to the shadow inventory, that activity that resembled growth had fallen off.

X. REVIEW AND DISCUSSION OF PRELIMINARY FORECASTS OF MINOR GENERAL FUND REVENUES FOR FY 2013, FY 2014, AND FY 2015 APPROVED BY THE TECHNICAL ADVISORY COMMITTEE AT ITS NOVEMBER 1, 2012, MEETING.

Mr. Guindon directed the Economic Forum members to the Technical Advisory Committee (TAC) November 1, 2012, forecast tables beginning on page 85 of the Economic Forum meeting packet (Exhibit A). He prefaced his comments by saying the major General Fund revenues discussed under Agenda Item IX comprised about 75% of the state's General Fund resources, and this percentage would change due to the upcoming tax sunsets.

Mr. Guindon said Table 5 (page 85, Exhibit A) provided detail on the some of the more significant minor General Fund revenues that were forecast by the TAC as well as the forecasts recommended by the agency, the Fiscal Analysis Division, and the Executive Budget Office. He said Table 6 on page 87 was the preliminary forecast for every revenue source for which the TAC developed a consensus forecast for FY 2013, FY 2014 and FY 2015 at its November 1, 2012, meeting. He noted the major revenue source forecasts to be developed by the Economic Forum were not yet included on the table.

Mr. Guindon said Table 7 on page 93 was requested by the TAC. The table showed the FY 2012 actual collections; TAC forecasts for FY 2013, FY 2014 and FY 2015; and, a biennium comparison. He noted that the difference in the TAC forecast for the two biennia was $479 million. He explained that the sunset provisions for the Net Proceeds of Minerals tax caused a switch from the current tax structure to the old tax structure, creating a gap in FY 2014, which was why the Net Proceeds of Minerals forecast was zero for that year. Mr. Guindon pointed out that the TAC had not lowered its forecast for Net Proceeds of Minerals very much for FY 2015 compared to the forecast for FY 2013.

Mr. Maddox asked why the TAC forecast for the FY 2014 Net Proceeds of Minerals was zero. Mr. Guindon explained that under current law, the taxes paid in a fiscal year were based on estimated taxes for the current calendar year of mining operations. After the sunset effective July 1, 2013, the taxpayer would pay on a fiscal year basis based on the preceding calendar year's actual activity. He said FY 2013 taxes were being paid based on the old law, on the estimate for calendar year 2013, then adjusting the tax payment when the actuals were available. Since, under the sunset law, FY 2014 taxes were based on the actual activity for FY 2013, and the proceeds from FY 2013 were already collected under the old law, there would be no revenue shown for FY 2014.

Mr. Guindon reported that the TAC has requested staff to explore the sunset issue. He said staff from the Executive Budget Office, the Fiscal Analysis Division and the Department of Taxation would meet in the coming weeks to sort out the details as to which deductions were subject to the sunset provisions.

Mr. Guindon said the TAC forecast on quarterly fees for restricted and non-restricted slots took into account that the law requiring that $1 be diverted to the Problem Gambling Fund would sunset. Under the new law, beginning in 2014, the amount would return to $2.

Regarding the Governmental Services Tax, Mr. Guindon said the law changed in 2009. For the first four years it was dedicated to the General Fund. Under current law, it is dedicated to the Highway Fund beginning in FY 2014, which was why the estimated General Fund revenue was zero for both FY 2014 and FY 2015.

Mr. Guindon said the annual Business License Fee of $200 would revert to $100 for FY 2014 and FY 2015 under current law. He said that explained the large declines in the forecast for these two years compared to FY 2013.

Mr. Guindon said the GST commissions and penalties was a one-time revenue enhancement provision that was approved by the Legislature and signed by the Governor during the 2011 Legislative Session. Those provisions would expire in FY 2014 and FY 2015.

Mr. Guindon said the Supplemental Account for Medical Assistance to the Indigent would expire under current law for FY 2014 and FY 2015.

Mr. Guindon explained that $405 million of the $479 million gap was accounted for by the sunset provisions.

Returning to the table on page 93, Mr. Guindon said the Unclaimed Property forecast required explanation. He said there was no sunset, but the effect of the law caused the collection of $97 million in FY 2012, which would then fall back to the $30 million range. He said the All Others category accounted for the remaining $74.5 million.

XI. DISCUSSION AND RECOMMENDATIONS REGARDING OUTSIDE REVIEWERS VOLUNTARILY PROVIDING INFORMATION TO THE ECONOMIC FORUM.

Mr. Guindon said it has been customary for representatives from the universities or the private sector to provide information to the Economic Forum at its organizational meeting at the beginning of the forecasting cycle in September. This effort has not always been successful because of scheduling difficulties. He explained that since, A.B. 332 (2011 Legislative Session), added two meetings of the Economic Forum to review current economic conditions, the September meeting was not scheduled in 2012.

Mr. Guindon said that if Chairman Wiles would like for the Economic Forum to attempt to schedule outside reviewers, staff would work to arrange the individuals to provide comments for consideration at the next meeting.

Chairman Wiles noted that if someone wanted to provide comments to the Economic Forum, there would be a public comment period to do so. Given the time constraints, he did not think it was a good use of staff time to solicit presentations. He invited anyone watching online or in the audience to attend the upcoming meeting and make comments during the public comment period.

XII. INSTRUCTIONS TO TECHNICAL ADVISORY COMMITTEE CONCERNING THE NEXT MEETING.

Mr. Guindon advised Chairman Wiles that at his prerogative, revenues that had been forecast as minor revenues by the TAC could be moved to the major revenues to be forecast by the Economic Forum, or vice versa. For example, the Real Property Transfer Tax has become a smaller revenue source, and the Chair may direct the TAC to forecast that as a minor revenue.

Chairman Wiles said, at this point, given the tight timeframe, he was not sure that any changes would be warranted. He asked the other members of the Economic Forum if they had any comment and there were none.

XIII. SCHEDULING OF FUTURE ECONOMIC FORUM MEETING.

Mr. Guindon explained that staff would prefer to have the next meeting on Monday, December 3, 2012. He understood that the meeting might be scheduled earlier to accommodate the members' schedules. He asked that the meeting be scheduled no earlier than November 29 or November 30 to allow staff time to collect and consider information that becomes available in late November.

Chairman Wiles preferred to meet on November 29 or 30 with a 9:30 a.m. start time. He said it would be difficult for him to meet on December 3. In addition, he would prefer not to prepare the forecast on the day of the statutory deadline in case there was a situation where the Economic Forum requested more research from staff. He asked the Economic Forum members if there was a conflict with any one of those three days and there was not.

Chairman Wiles said he understood it would be helpful for staff to have the weekend to work on the forecasts. He noted the objective was to provide the best forecast possible. He asked staff whether having those extra days on the weekend would improve the quality of the forecasts provided to the Economic Forum.

Mr. Guindon replied that he did not know whether having those two weekend days would result in a better forecast, but it would allow staff more time to prepare the material. He added that if the meeting was scheduled for November 30, staff would make it work. He cautioned that the open meeting law requires that the meeting agenda be posted at least three full business days before the meeting. If the Economic Forum meets on November 30, and requests more research from staff and another meeting, the agenda for the December 3 meeting would have to have be posted before 9:00 a.m. on November 28, 2012.

Mr. Maddox asked if the Economic Forum could schedule meetings for both November 30 and December 3, and then cancel the second meeting if it was no longer needed. Mr. Guindon said that could be arranged. Chairman Wiles asked the Economic Forum members if they were amenable to this proposal and there were no objections.

In response to a question from Chairman Wiles, Mr. Guindon suggested that the members attend the upcoming meetings in Carson City.

Mr. Guindon said he would contact Chairman Wiles to finalize the meeting schedule.

XIV. PUBLIC COMMENT.

Maud Naroll, Department of Administration, said she has been involved with the Economic Forum for many years as staff of the Executive Budget Office. She said as difficult as some of the decisions were, the Economic Forum has always been able to forecast the major General Fund revenues in a one-day meeting.

Chairman Wiles said he hoped that the Economic Forum would be able to complete its work on November 30, 2012.

V. ADJOURNMENT.

The meeting was adjourned at 3:37 p.m.

Respectfully submitted,

____
Patti Sullivan, Committee Secretary

____
Becky Lowe, Transcribing Secretary

____
Donna Thomas, Transcribing Secretary

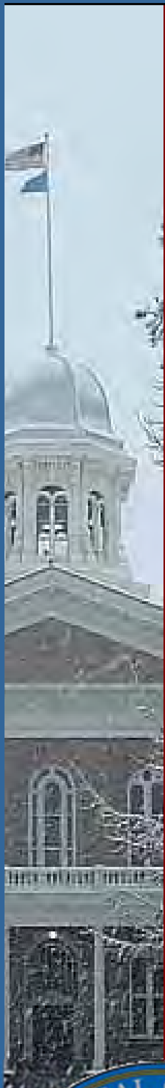
APPROVED:

____

Ken Wiles, Chairman

Date:____________________________

Copies of exhibits mentioned in these minutes are on file in the Fiscal Analysis Division at the Legislative Counsel Bureau, Carson City, Nevada. The division may be contacted at (775) 684-6821.



Nevada Labor Market Briefing (Part II): November 2012

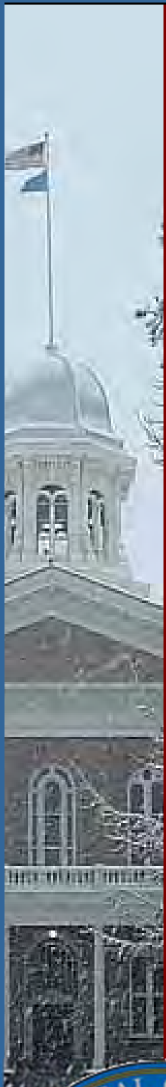
Department of Employment, Training & Rehabilitation

Frank R. Woodbeck, Director

Bill Anderson, Chief Economist

Prepared by the Research and Analysis Bureau for presentation to the Nevada Economic Forum

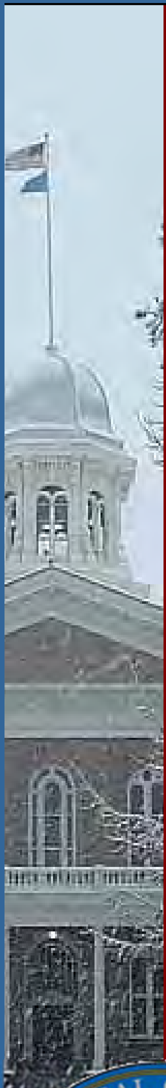
Executive Summary: Nevada by the Numbers



State Unemployment Rate

- 11.5% Unemployment Rate (SA[1])
  - down from 11.8% in September; down from 13.4% a year ago
  - compares to an 7.9% rate for the U.S.

[1]seasonally adjusted



State Employment (SA)

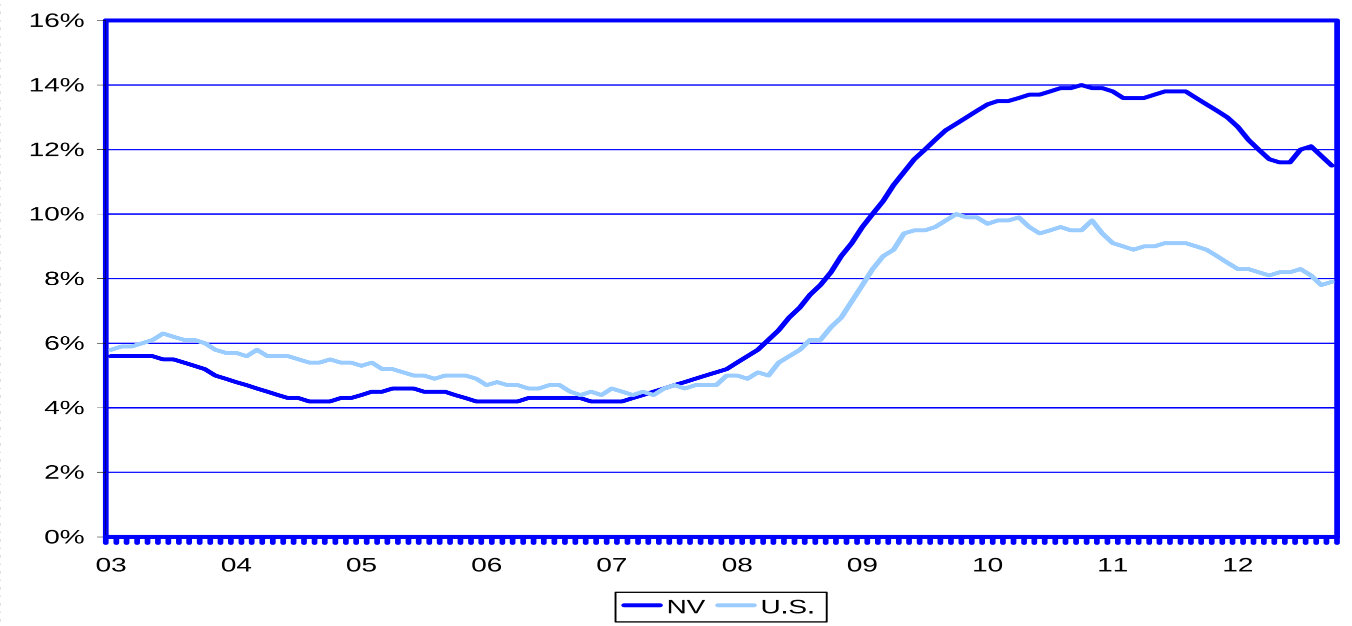
- Non-Farm Job Levels Up 5,300 Relative to a Year Ago (+7,800 YTD)
- Up 2,200 Over the Month (September-October)
  - 2,500 (NSA) jobs were expected to be added based upon historical trends, but 4,700 were actually added, resulting in the seasonally adjusted increase.

Unemployment Insurance Statistics

- Initial Claims for Unemployment Insurance Up 5.5% From a Year Ago (down 6.8% YTD)
- Total Number of Claims Paid per Week (regular benefits plus extensions) = 55,000

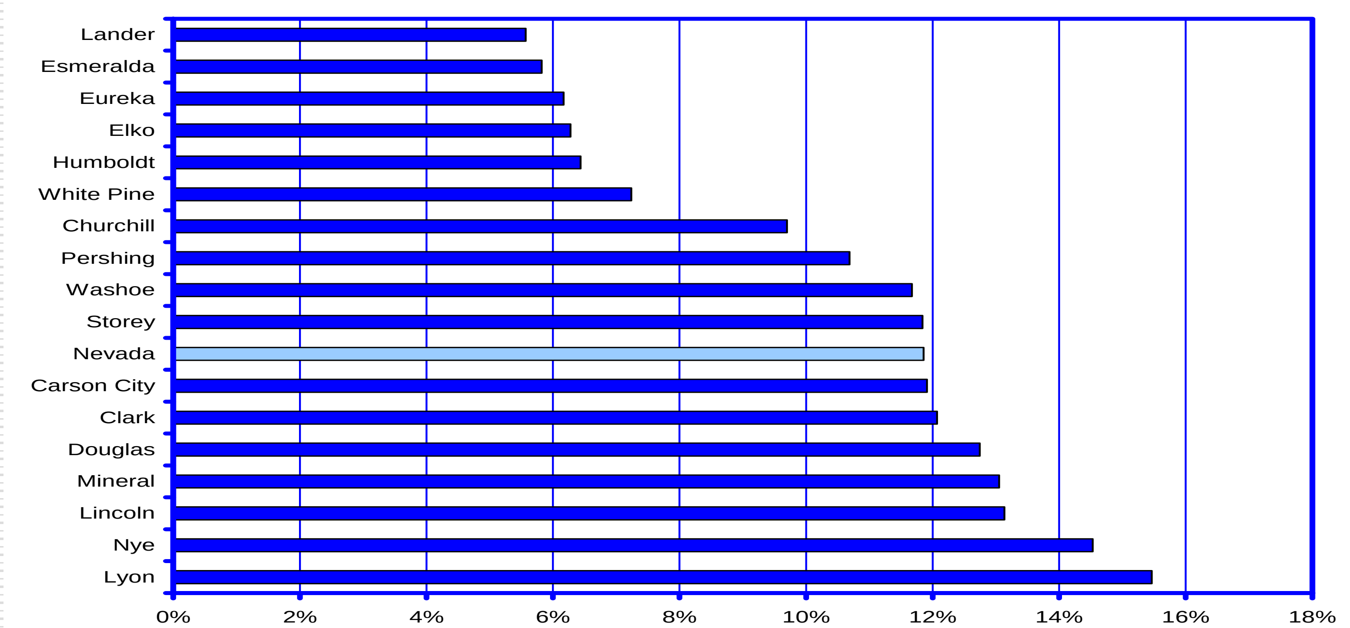
Nevada Labor Market Conditions

NV vs. the U.S. Unemployment Rate (SA)



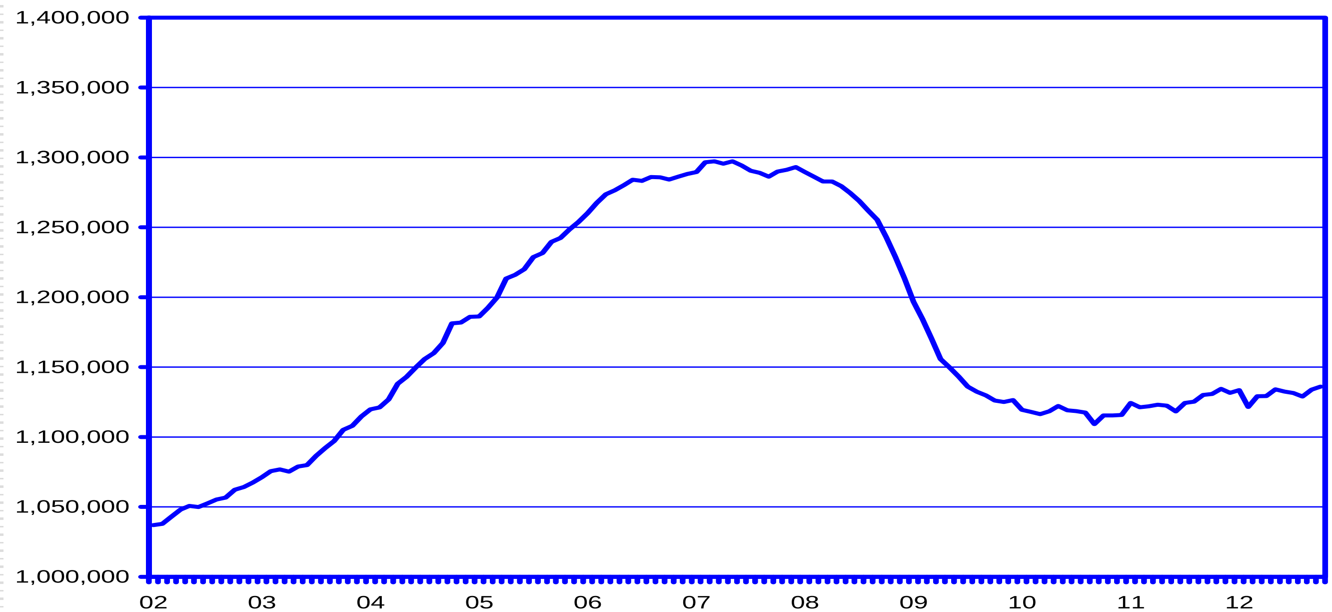
- Nevada's unemployment rate stands at 11.5% in October, down from 11.8% in September. Still well below October 2011's 13.4%.
- Off from a record high of 14% recorded in October 2010.
- The State's jobless rate stands 3.6 points higher than the nation's 7.9%.

County Unemployment Rates (YTD, NSA)



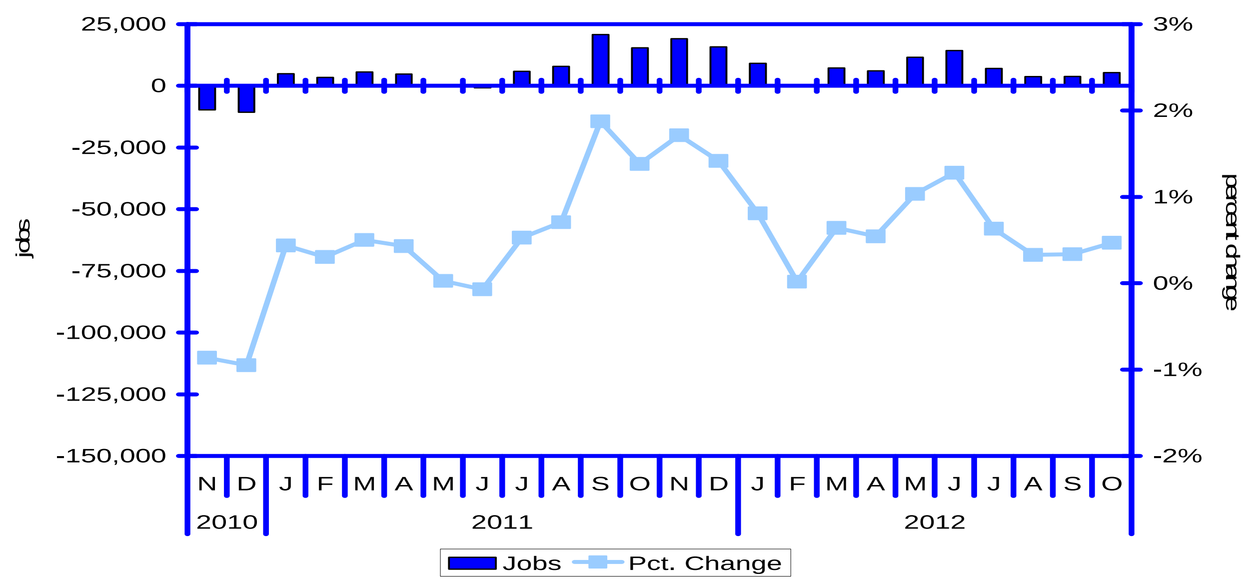
- The highest unemployment rates are in Lyon and Nye counties, with Lander, Esmeralda, and Eureka having the lowest.

Nonfarm Jobs in Nevada (SA)



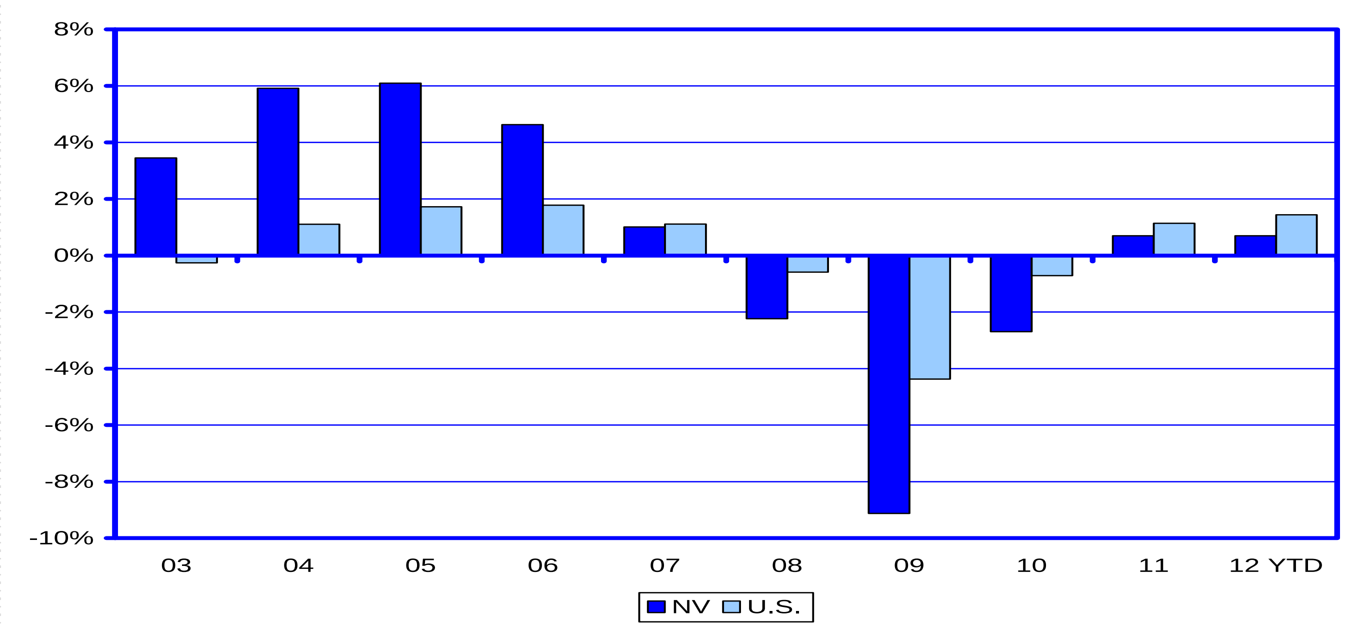
- In totaling 1.14 million, job readings are up by 5,300 relative to a year ago, and by 2,200 over-the-month.
- Between 2007 and 2010, job losses totaled more than 175,000.

Job Growth (SA; year-over-year)



- Nevada job readings are up 0.5% from a year ago.
- This increase marks the 16th straight month (and the 21st time in 22 months) in which year-over-year gains have been recorded.
- In mid-2009, job losses exceeded ten percent on a year-over-year basis.

Job Growth: NV vs. the U.S. (year-over-year; NSA)

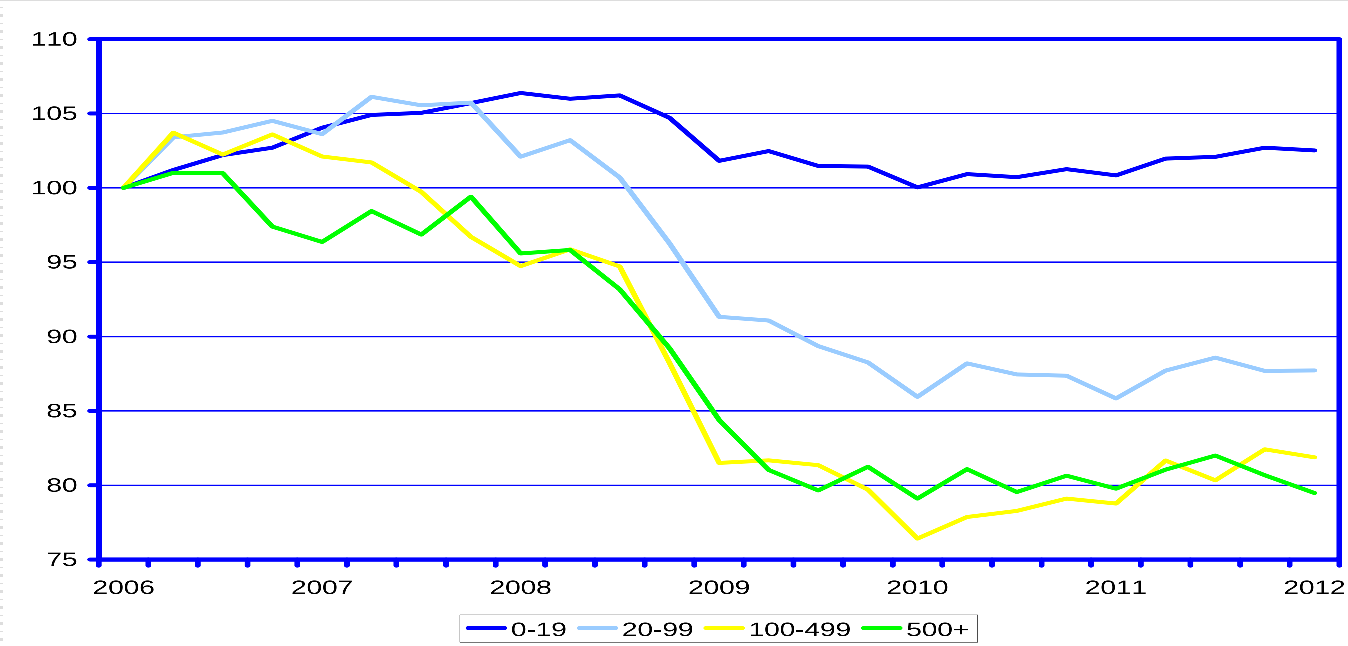


- After growing at a much faster pace than the U.S. prior to the recession, Nevada job losses were more pronounced than in the nation during the downturn. Job gains during the early stages of recovery have trailed the nation's.
- The "gap" between Nevada and U.S. growth has narrowed from -4.8 percentage points in 2009 to -0.7 point this year.

DETR
Nevada Department of Employment, Training and Rehabilitation

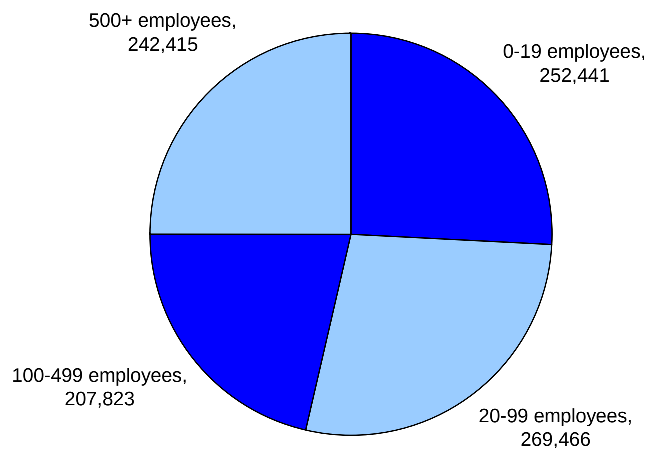
Nevada JobConnect

Private Sector Job Trends by Worksite Size (2006:IQ = 100)



- Establishments with the largest employment levels tended to be hit harder and quicker during the early stages of the recession. The State's smaller employers did not begin cutting payrolls until 2008.
- Over the 2006-2012 period, the State's largest establishments have shed more than 60K jobs. Employment in the smallest establishments (less than 20 employees) is actually up by 6K.

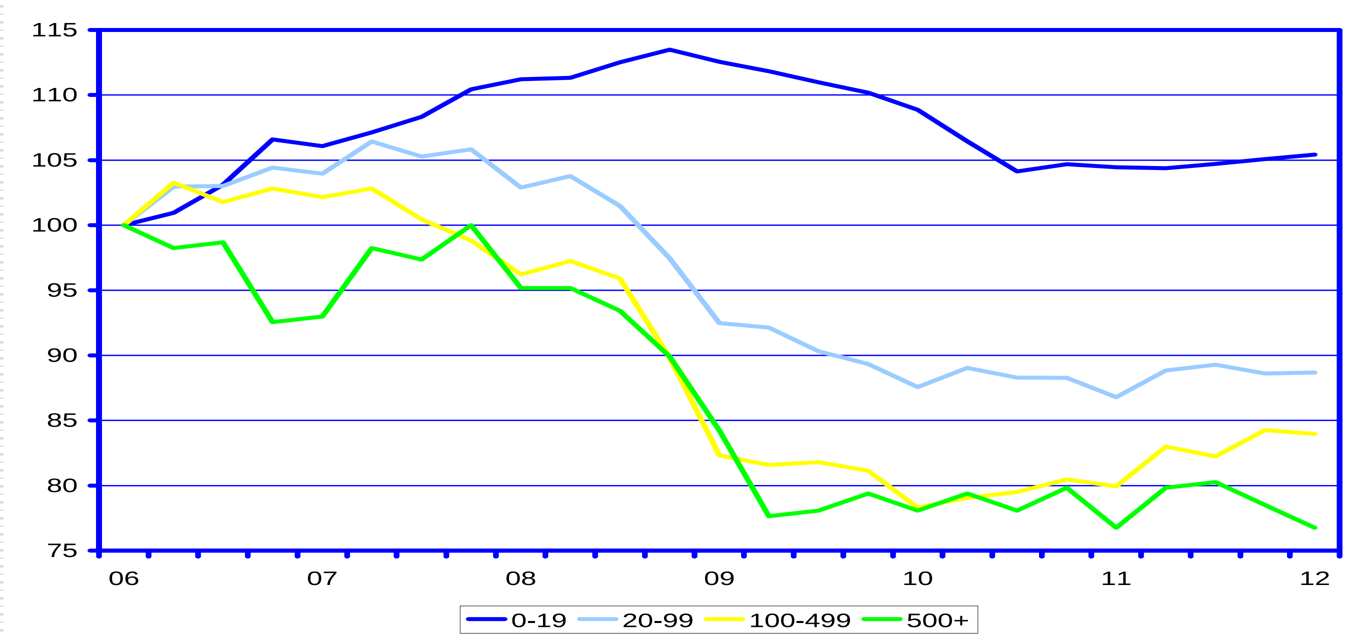
Private Sector Jobs by Worksite Size (2012:IQ)



- Jobs are fairly evenly distributed across worksite size classes.
- Only the “0-19” size class has grown over time.

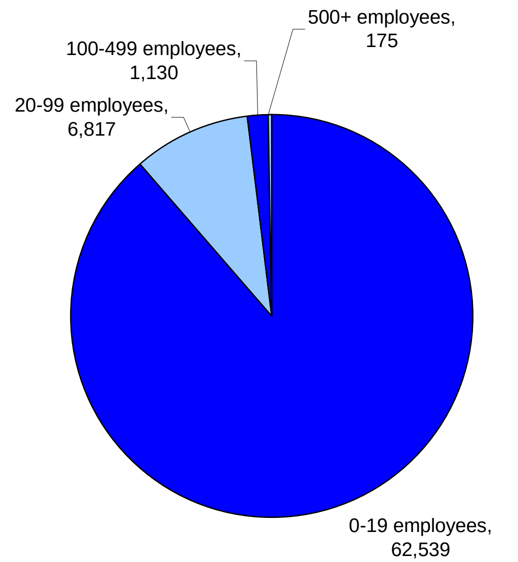
.

Private Sector Worksites by Size (2006:IQ = 100)



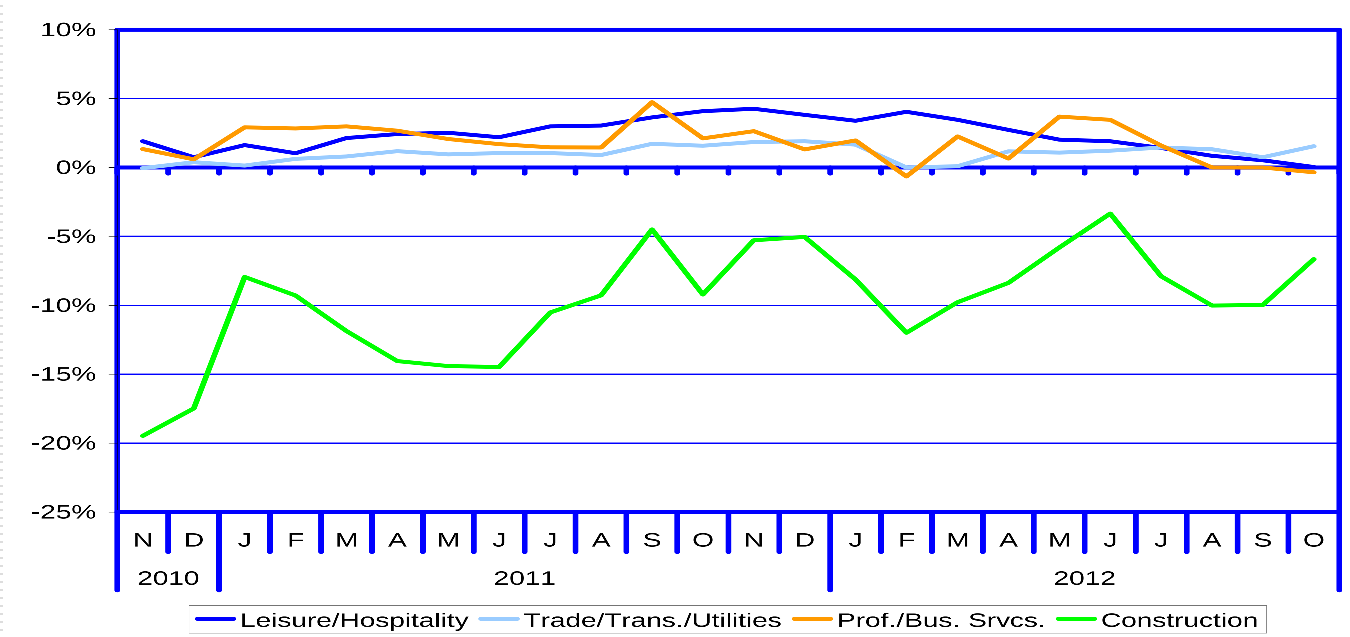
- Establishments with the largest employment levels tended to be hit harder and quicker during the early stages of the recession. The number of smaller employers in the State actually grew through 2008 before declining, but still remain above pre-recession levels.
- Over the 2006-2012 period, the State's largest establishments, with at least 500 employees, have declined by nearly one-fourth from 228 to 175. The number of smaller establishments, with less than 20 employees, has actually grown from 59,300 to 62,500.

Private Sector Worksites by Size (2012:IQ)



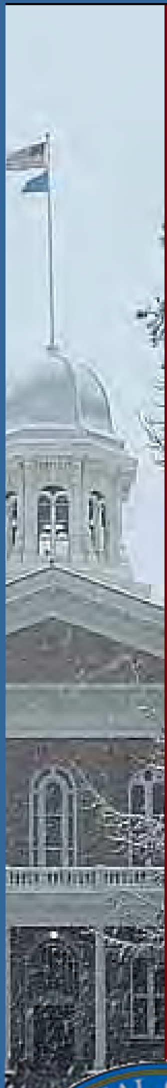
- The vast majority of worksites in Nevada have less than 20 jobs.

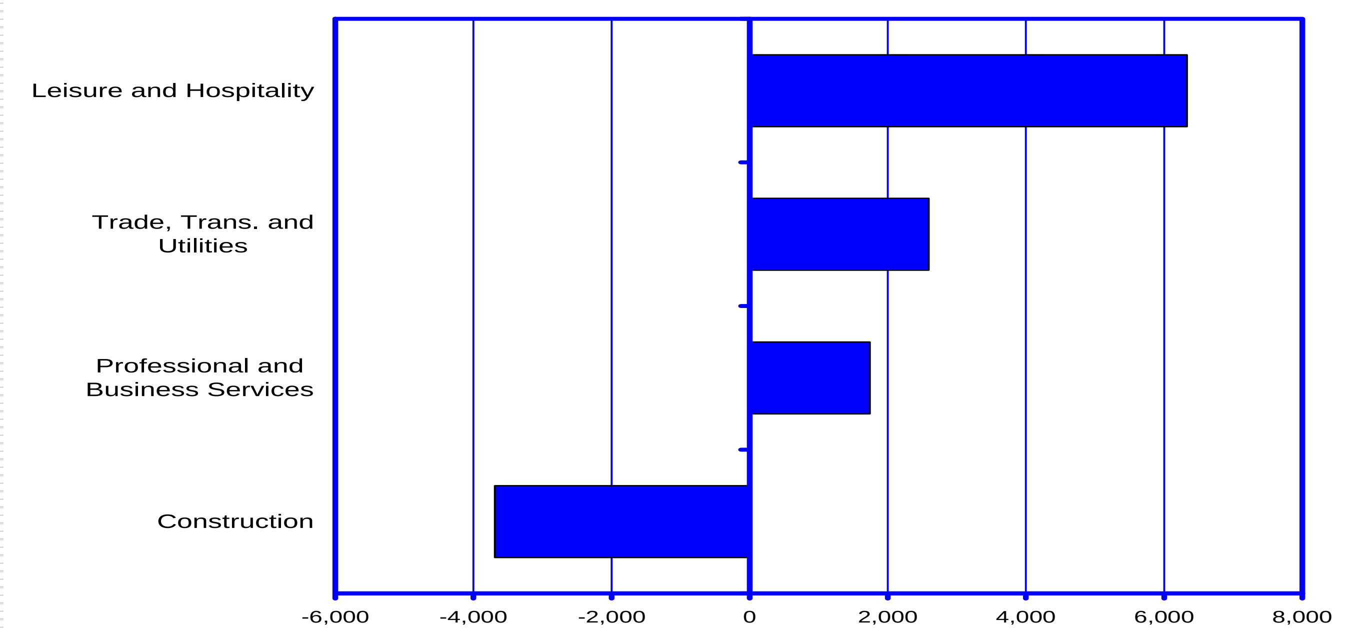
Historical Industry Job Growth (SA; year-over-year)



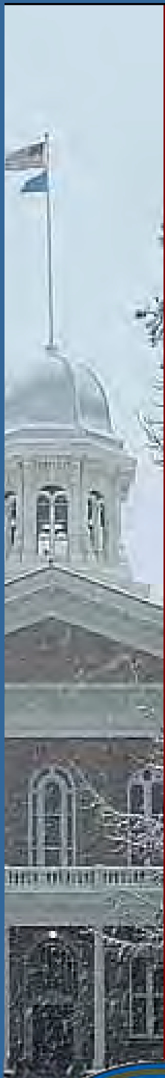
- Job growth in the State's two largest industries, leisure/hospitality and trade/transportation/utilities, remained positive in October, but just barely.
- Professional/business services job levels are barely below a year ago. Construction jobs continue to trend down.

Job Growth by Industry (YTD; year-over-year; NSA)

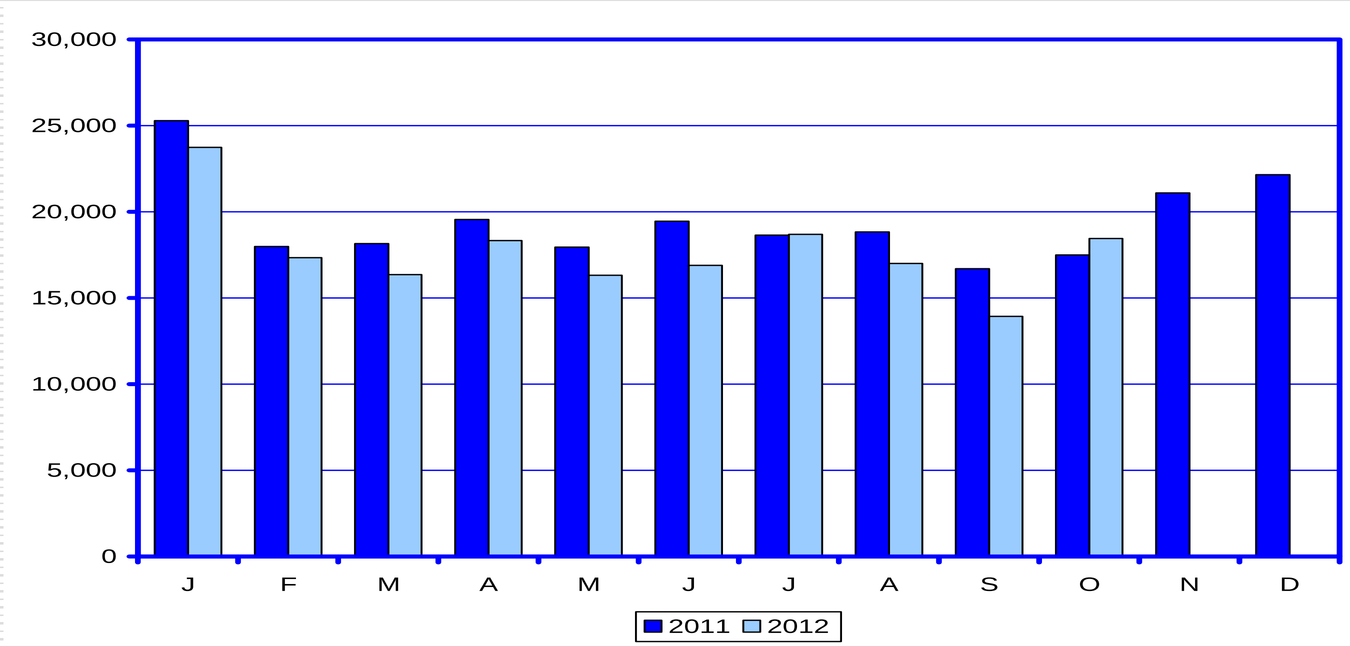




- Although job growth has eased of late, YTD trends continue to show growth. Leisure/hospitality leads the way with 6,300 more jobs so far this year than in 2011.
- TTU has added in excess of 2,500 jobs over the same period, while PBS is up by 1,700.
- Construction continues to shed jobs, as 3,700 positions have been cut so far this year.

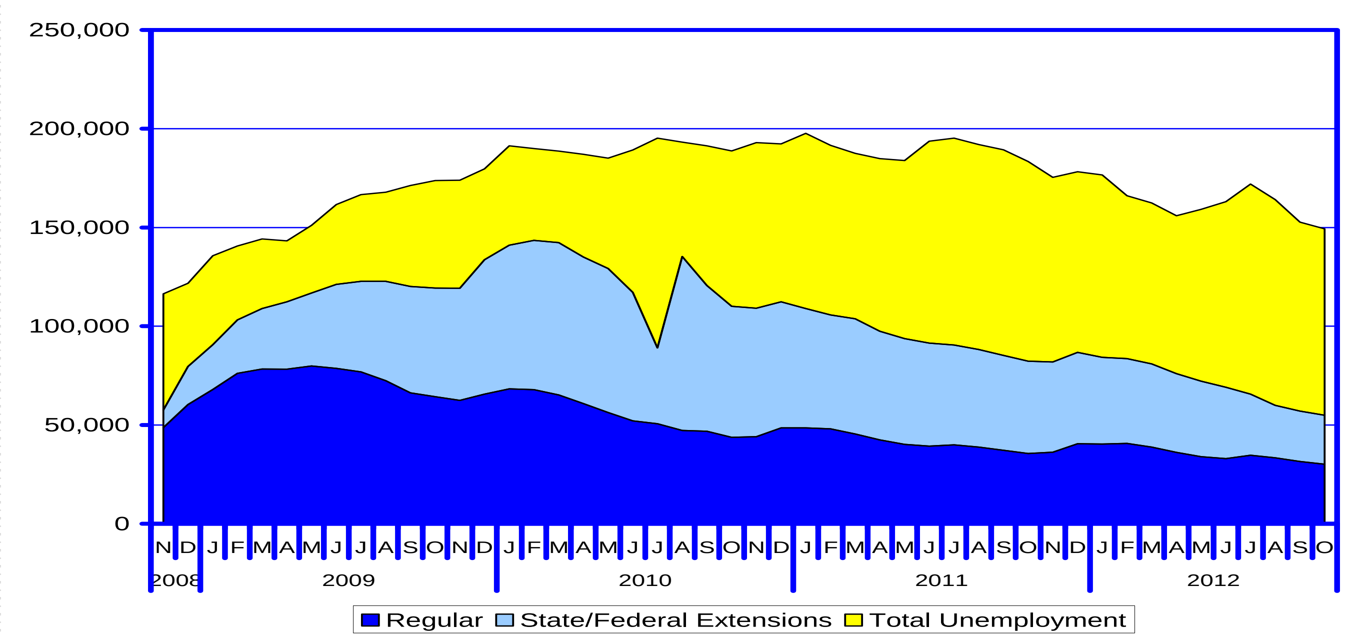


Initial Claims for Unemployment Insurance

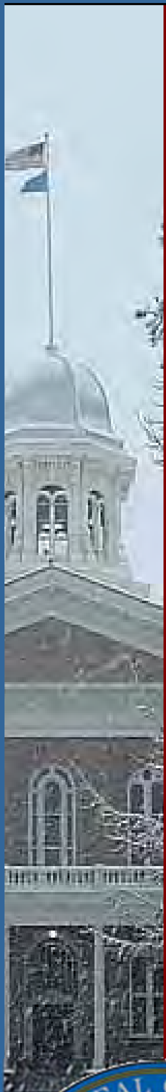


- Initial claims totaled 18,500 in October. This compares to 17,500 a year ago, the second time in the past four months that claims activity has ticked up.
- Claims activity during the recession peaked in excess of 36,000.

Total Unemployment Insurance Claims vs. the Total Number of Unemployed

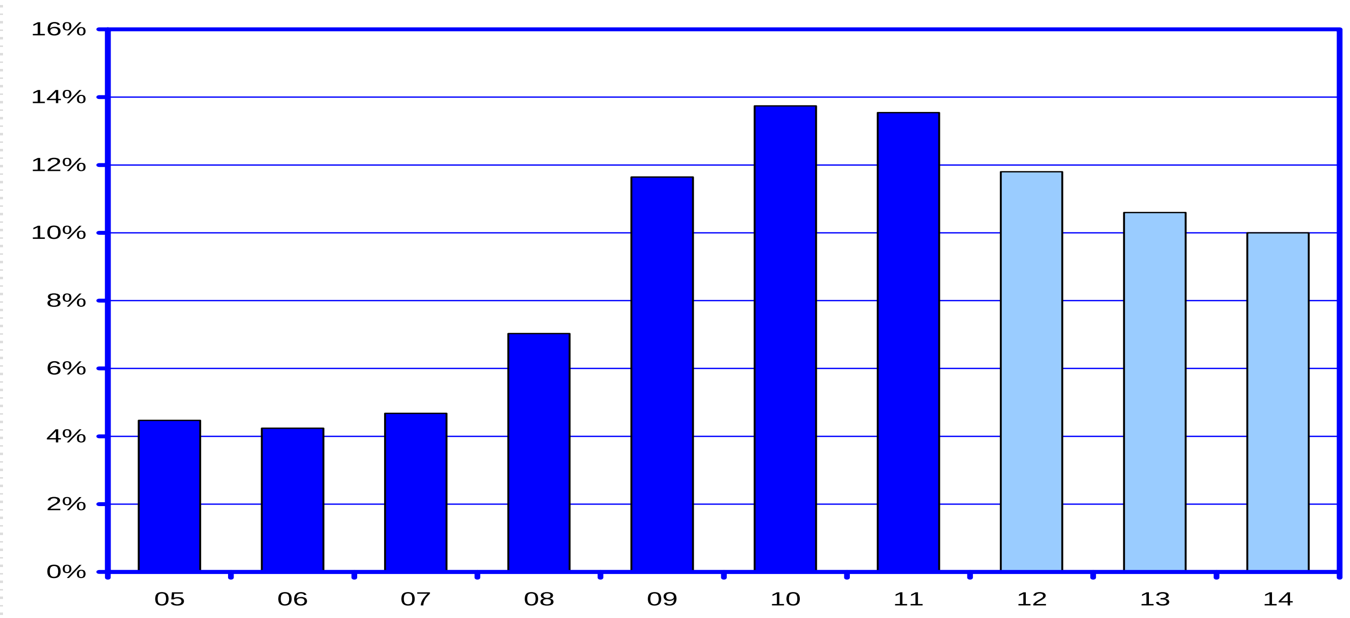


- There were approximately 55,000 Nevadans submitting UI claims in October, down by 2,100 from the prior month.
- 30,100 were regular UI claims; 24,900 fell under a variety of extension programs.
- Of the 149,300 Nevadans estimated to be unemployed in October, 37%, were receiving benefits. In the first half of 2008, 46% of those counted as unemployed received benefits. At its peak, the "coverage ratio" exceeded 70%.



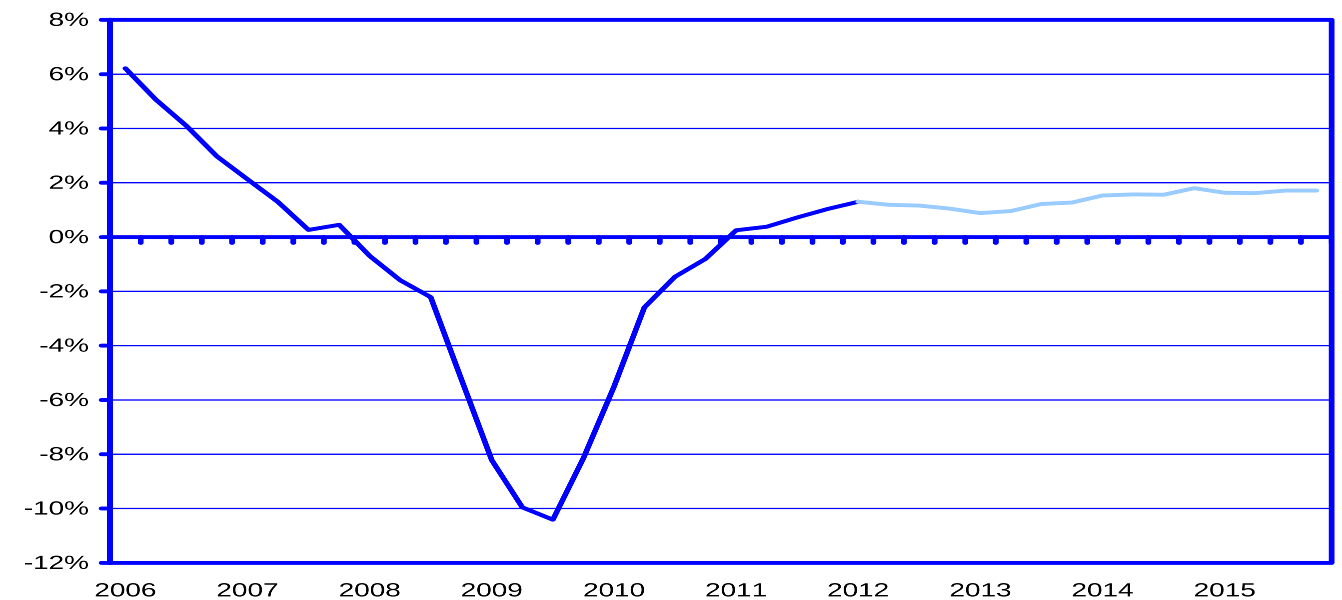
Nevada Labor Market Outlook

Nevada’s Unemployment Rate Forecast



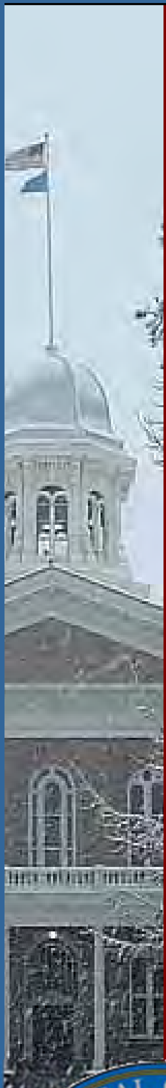
- The jobless rate peaked at 13.7% in 2010.
- We expect a modest downtrend over the next several years.
  - 11.8% in 2012 (12 percent YTD)
  - 10.6% in 2013 and ten percent in 2014

Nevada's Employment Growth Forecast (year-over-year)



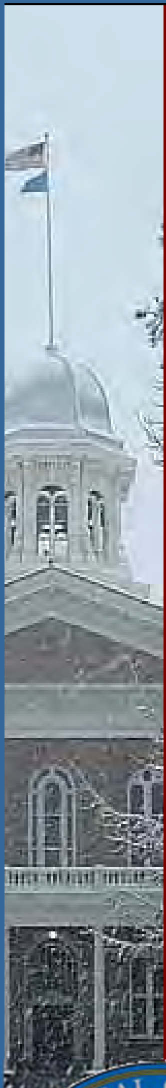
- Job losses peaked at 115,000 (-9.2%) in 2009; losses eased to a -2.6% clip in 2010.
- 2011 saw a return to positive growth (+7,000) with an additional 13,000 jobs expected in 2012.
- We expect an additional 12,000 jobs in 2013 (+1.1%), 18,000 in 2014, and 19,000 in 2015.

DETR
Nevada Department of Employment, Training and Rehabilitation
Nevada JobConnect



Notable Industry Trends Over the 2011-2015 Period

- Biggest gainers are accommodation/food services (12,800 jobs) and retail trade (11,100 jobs).
- Other industries of note…healthcare/social assistance (+8,000), transportation/warehousing (+4,500), and mining (+4,300).
- Some industries which have trended down over the past several years are projected to hold steady over the time period…construction, finance, and manufacturing.
- The public sector is expected to continue shedding jobs, with a projected loss of 1,500 positions over the period.



Assessment of Projections to Date

- Projected employment growth in the second quarter was 1.2%. Actual growth was 1.3%.
- Total industrial employment came in just 900 higher than anticipated.
- At this time, a revision is not warranted.

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER
Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	YEAR-TO-DATE [b.] FY 2012 OCTOBER	FY 2013 OCTOBER	% Change
	TAXES													
	PROPERTY/MINE													
3064	Net Proceeds of Minerals [1-00][3-09][19-10][1-12][2-12]	$34,685,775	25.3%	$72,300,385	108.4%	$76,350,861	5.6%	$111,534,972	46.1%	$120,414,858	8.0%	$2,254,683	$1,168,045	-48.2%
3241	Net Proceeds Penalty [1-00]	$292,867		$5,889		$301,761		$1,618						
3245	Centrally Assessed Penalties	$152,433	1366.2%	$49,649	-67.4%	$178,099	258.7%	$20,461	-88.5%	$4,327	-78.9%			
3116	Mining Claims Fee [20-10][3-12]					$17,150		$18,135,082		$6,300				
	TOTAL PROPERTY/MINE TAX	$35,131,075	26.8%	$72,355,923	106.0%	$76,847,872	6.2%	$129,692,132	68.8%	$120,425,485	-7.1%	$2,254,683	$1,168,045	-48.2%
	SALES AND USE													
3001	Sales and Use Tax [1-04][1A-09][1-10]	$966,101,313	-3.4%	$842,380,933	-12.8%	$755,344,243	-10.3%	$795,575,210	5.3%	$842,941,556	6.0%	$205,398,467	$216,690,009	5.5%
3002	State Share - LSST [2-00][3-00][1-04][1B-09][1-10][4-12]	$7,916,522	-4.6%	$6,896,561	-12.9%	$7,264,043	5.3%	$7,730,620	6.4%	$8,309,073	7.5%	$2,011,557	$2,125,287	5.7%
3003	State Share - BCCRT [2-00][3-00][1-04][1B-09][1-10]	$1,759,335	-4.6%	$1,532,383	-12.9%	$3,268,705	113.3%	$3,473,803	6.3%	$3,682,170	6.0%	$895,834	$947,759	5.8%
3004	State Share - SCCRT [3-00][1-04][1B-09][1-10]	$6,156,358	-4.6%	$5,361,782	-12.9%	$11,442,957	113.4%	$12,156,488	6.2%	$12,884,425	6.0%	$3,135,082	$3,317,836	5.8%
3005	State Share - PTT [3-00][1-04][1B-09][1-10]	$3,806,200	-3.7%	$3,364,510	-11.6%	$7,028,623	108.9%	$7,344,471	4.5%	$7,778,846	5.9%	$1,880,485	$1,997,041	6.2%
	TOTAL SALES AND USE	$985,739,728	-3.4%	$859,536,168	-12.8%	$784,348,571	-8.7%	$826,280,591	5.3%	$875,596,070	6.0%	$213,321,426	$225,077,932	5.5%
	GAMING - STATE													
3032	Pari-mutuel Tax	$4,920	16.1%	$3,983	-19.0%	$4,217	5.9%	$3,652	-13.4%	$2,113	-42.1%	$1,915	$2,896	51.2%
3181	Racing Fees	$15,542	1.5%	$15,460	-0.5%	$13,513	-12.6%	$11,731	-13.2%	$11,616	-1.0%	$9,067	$7,942	-12.4%
3247	Racing Fines/Forfeitures	$2,150	-30.6%	$2,789	29.7%	$810	-71.0%	$353	-56.4%		-100.0%			
3041	Percent Fees - Gross Revenue [2-04]	$770,965,236	-6.0%	$655,199,442	-15.0%	$630,526,019	-3.8%	$652,206,230	3.4%	$653,672,645	0.2%	$199,412,294	$226,486,359	13.6%
3042	Gaming Penalties	$670,688	88.2%	$847,125	26.3%	$1,030,064	21.6%	$1,413,028	37.2%	$459,560	-67.5%	$146,495	$240,586	64.2%
3043	Flat Fees-Restricted Slots [3-04][1-06][1-08][5-12]	$9,507,690	-1.1%	$8,999,245	-5.3%	$8,578,006	-4.7%	$8,417,549	-1.9%	$8,485,702	0.8%	$2,128,597	$2,118,973	-0.5%
3044	Non-Restricted Slots [1-06][1-08][5-12]	$12,771,871	-2.5%	$12,662,476	-0.9%	$12,425,211	-1.9%	$12,275,845	-1.2%	$12,628,582	2.9%	$3,207,326	$3,104,553	-3.2%
3045	Quarterly Fees-Games	$6,990,365	-3.1%	$6,926,985	-0.9%	$6,699,150	-3.3%	$6,673,087	-0.4%	$6,592,935	-1.2%	$1,677,810	$1,639,453	-2.3%
3046	Advance License Fees	$2,599,278	-66.8%	$6,872,554	164.4%	$8,663,395	26.1%	$2,229,415	-74.3%	$3,996,985	79.3%	$2,298,770	$572,735	-75.1%
3048	Slot Machine Route Operator	$36,000	-4.0%	$37,000	2.8%	$37,000		$36,000	-2.7%	$36,500	1.4%	$500	$2,000	300.0%
3049	Gaming Info Systems Annual	$18,356	2.0%	$18,000	-1.9%	$12,000	-33.3%	$15,124	26.0%	$18,000	19.0%			
3028	Interactive Gaming Fee - Operator													
3029	Interactive Gaming Fee - Service Provider									$1,000			$4,000	
3030	Interactive Gaming Fee - Manufacturer									$125,000			$375,000	
3033	Equip Mfg. License	$209,500	0.5%	$219,000	4.5%	$228,500	4.3%	$278,000	21.7%	$264,500	-4.9%	$4,000	$7,000	75.0%
3034	Race Wire License	$35,196	-61.8%	$19,007	-46.0%	$15,884	-16.4%	$33,393	110.2%	$38,849	16.3%	$12,460	$13,230	6.2%
3035	Annual Fees on Games	$119,333	13.9%	$137,497	15.2%	$134,225	-2.4%	$123,296	-8.1%	$116,425	-5.6%			
	TOTAL GAMING - STATE	$803,946,125	-6.4%	$691,960,563	-13.9%	$668,367,995	-3.4%	$683,716,703	2.3%	$686,450,412	0.4%	$208,899,234	$234,574,726	12.3%
	CASINO/LIVE ENTERTAINMENT TAX													
3031	Casino Entertainment Tax [4a-04]													
3031G	Live Entertainment Tax-Gaming [4b-04]	$121,638,259	0.0%	$112,405,395	-7.6%	$108,244,011	-3.7%	$118,538,335	9.5%	$125,337,855	5.7%	$33,451,257	$32,339,369	-3.3%
3031NG	Live Entertainment Tax-Nongaming [4b-04][2-06][2-08]	$10,181,962	-6.1%	$9,162,269	-10.0%	$11,475,519	25.2%	$12,099,287	5.4%	$11,644,191	-3.8%	$3,001,070	$2,636,727	-12.1%
	Total Live Entertainment Tax	$131,820,221		$121,567,664		$119,719,530	-1.5%	$130,637,622	9.1%	$136,982,047	4.9%	$36,452,326	$34,976,096	-4.0%
	INSURANCE TAXES													
3061	Insurance Premium Tax [21-10]	$256,693,189	-1.0%	$238,524,098	-7.1%	$233,905,463	-1.9%	$234,830,927	0.4%	$236,787,376	0.8%	$61,754,030	$63,317,771	2.5%
3062	Insurance Retaliatory Tax	$120,501	120.3%	$98,528	-18.2%	$60,019	-39.1%	$218,916	264.7%	$396,380	81.1%	$2,563	$4,410	72.1%
3067	Captive Insurer Premium Tax	$553,405	-17.5%	$580,370	4.9%	$583,747	0.6%	$742,267	27.2%	$675,188	-9.0%	$1,616	$24,813	1435.9%
	TOTAL INSURANCE TAXES	$257,367,094	-1.0%	$239,202,995	-7.1%	$234,549,230	-1.9%	$235,792,111	0.5%	$237,858,943	0.9%	$61,758,209	$63,346,994	2.6%
	MODIFIED BUSINESS TAX (MBT)													
3069NF	MBT-Nonfinancial [10-04][5-06][6-06][3-08][2-10][6-12]	$263,902,120	2.5%	$253,118,727	-4.1%	$363,411,521	43.6%	$361,355,326	-0.6%	$348,943,337	-3.4%	$86,059,745	$88,567,389	2.9%
3069F	MBT-Financial [11-04][5-06]	$20,698,297	-3.8%	$24,397,566	17.9%	$21,698,267	-11.1%	$20,545,331	-5.3%	$20,717,296	0.8%	$4,620,898	$5,671,416	22.7%
	Total Modified Business Tax	$284,600,418		$277,516,292		$385,109,788	38.8%	$381,900,657	-0.8%	$369,660,633	-3.2%	$90,680,643	$94,238,805	3.9%
	CIGARETTE TAX													
3052	Cigarette Tax [6-04][2-09][3-10]	$110,418,288	-2.3%	$96,986,907	-12.2%	$88,550,857	-8.7%	$85,961,100	-2.9%	$82,974,853	-3.5%	$21,572,578	$22,221,304	3.0%
	REAL PROPERTY TRANSFER TAX													
3055	Real Property Transfer Tax [13-04][8-06]	$85,882,799	-28.7%	$65,922,452	-23.2%	$53,315,435	-19.1%	$51,552,368	-3.3%	$48,373,678	-6.2%	$13,442,145	$11,901,592	-11.5%
	ROOM TAX													
3057	Room Tax [4-10]					$97,671,733		$112,567,350	15.3%					
	GOVERNMENTAL SERVICES TAX (GST)													
3051	Governmental Services Tax [5-10]					$51,330,663		$61,537,648	19.9%	$62,358,153	1.3%	$16,073,001	$15,824,007	-1.5%
	OTHER TAXES													
3113	Business License Fee [8-04][4-06][6-10][7-12]	$19,566,390	-2.2%	$22,516,702	15.1%	$41,940,370	86.3%	$54,466,138	29.9%	$64,790,426	19.0%	$19,245,001	$21,838,685	13.5%
3050	Liquor Tax [5-04][2-09][7-10]	$39,434,816	1.3%	$36,980,883	-6.2%	$38,425,078	3.9%	$39,483,406	2.8%	$40,649,951	3.0%	$10,082,439	$9,495,537	-5.8%
3053	Other Tobacco Tax [7-04][2-09][8-10]	$8,840,580	0.0%	$9,140,387	3.4%	$9,574,952	4.8%	$10,039,228	4.8%	$8,274,310	-17.6%	$2,631,903	$2,436,279	-7.4%
4862	HECC Transfer	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000				
3065	Business License Tax [9-04]	$13,983	-94.2%	$3,228	-76.9%	$8,381	159.6%	$13,710	63.6%	$597	-95.6%			
3068	Branch Bank Excise Tax [12-04][7-06]	$3,142,650	3.7%	$3,131,495	-0.4%	$3,378,900	7.9%	$3,074,089	-9.0%	$3,047,528	-0.9%	$761,250	$754,250	-0.9%
	TOTAL TAXES	$2,770,904,166	-4.1%	$2,501,821,658	-9.7%	$2,658,139,354	6.2%	$2,811,714,854	5.8%	$2,742,443,087	-2.5%	$697,174,838	$737,854,252	5.8%

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER
Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

												YEAR-TO-DATE [b.]		
GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2012 OCTOBER	FY 2013 OCTOBER	% Change
	LICENSES													
3101	Insurance Licenses	$14,500,714	5.8%	$14,738,011	1.6%	$15,376,278	4.3%	$16,542,772	7.6%	$15,646,219	-5.4%	$7,226,920	$8,344,769	15.5%
3110	Banking Licenses [1-01][16-04]													
3120	Marriage Licenses	$490,094	-4.3%	$446,691	-8.9%	$419,295	-6.1%	$411,453	-1.9%	$404,472	-1.7%	$107,856	$99,296	-7.9%
	SECRETARY OF STATE													
3105	UCC [1-02][14-04][23-10]	$1,610,231	-3.1%	$1,270,498	-21.1%	$1,326,105	4.4%	$1,837,476	38.6%	$1,829,710	-0.4%	$598,360	$550,806	-7.9%
3106	Las Vegas Commercial Filings [1-02][14-04][23-10]	$4,813,335	-0.8%	$5,946,777	23.5%	$3,487,231	-41.4%	$2,720,100	-22.0%		-100.0%			
3129	Notary Fees [23-10]	$605,618	-5.1%	$675,360	11.5%	$573,417	-15.1%	$767,795	33.9%	$579,228	-24.6%	$191,026	$211,548	10.7%
3130	Commercial Recordings [1-02][14-04][23-10]	$72,249,142	0.2%	$64,913,240	-10.2%	$65,197,355	0.4%	$70,844,590	8.7%	$66,693,331	-5.9%	$21,425,848	$20,901,270	-2.4%
3131	Video Service Franchise	$114,750		$7,000		$28,500	307.1%			$8,425			$150	
3121	Domestic Partnership Registry Fee [23-10]							$23,855		$33,891				
3152	Securities [14-04][23-10]	$21,172,156	6.0%	$20,386,627	-3.7%	$20,349,692	-0.2%	$24,041,627	18.1%	$24,534,996	2.1%	$3,056,967	$2,947,438	-3.6%
	TOTAL SECRETARY OF STATE	$100,565,232	1.3%	$93,199,502	-7.3%	$90,962,300	-2.4%	$100,235,443	10.2%	$93,679,582	-6.5%	$25,272,201	$24,611,212	-2.6%
3172	Private School Licenses	$217,403	-12.7%	$204,973	-5.7%	$207,304	1.1%	$237,816	14.7%	$224,140	-5.8%	$66,323	$69,101	4.2%
3173	Private Employment Agency	$18,700	2.2%	$17,200	-8.0%	$14,700	-14.5%	$13,500	-8.2%	$11,800	-12.6%	$200	$200	
	REAL ESTATE													
3143	Escrow Agent License [16-04]													
3161	Real Estate Licenses [2-02][15-04]	$2,881,208	-8.7%	$2,636,964	-8.5%	$2,605,804	-1.2%	$2,365,131	-9.2%	$4,005,955	69.4%	$1,188,117	$1,022,825	-13.9%
3162	Real Estate Fees	$3,510	-40.2%	$5,715	62.8%	$4,370	-23.5%	$4,800	9.8%	$3,300	-31.3%	$1,050	$920	-12.4%
	TOTAL REAL ESTATE	$2,884,718	-8.7%	$2,642,679	-8.4%	$2,610,174	-1.2%	$2,369,931	-9.2%	$4,009,255	69.2%	$1,189,167	$1,023,745	-13.9%
	FINANCIAL INSTITUTIONS													
3100	Credit Union Fees [1-01][16-04]													
3114	Check Cashing/Deferred Deposit Reg Fee [16-04]													
3115	Trust Co License & Fees [16-04]													
3116	Coll. Agency Lic & Fees [16-04]													
3135	Dev Corp. License & Fees [16-04]													
3163	Mortgage Co License & Fees [16-04]													
3164	Debt Adjuster License [16-04]													
3174	Small Loan Co License & Fees [16-04]													
3175	Money Order Co Lic & Fee [16-04]													
3177	Thrift Co License & Fee [1-01][16-04]													
3179	Financial Inst. Fees [1-01][16-04]													
	TOTAL FINANCIAL INSTITUTIONS													
3102	Athletic Commission Fees [5-02][24-10]	$3,200,947	-24.6%	$3,458,904	8.1%	$2,946,092	-14.8%	$2,927,029	-0.6%	$5,115,117	74.8%	$1,160,010	$1,138,497	-1.9%
	TOTAL LICENSES	$121,877,809	0.6%	$114,707,960	-5.9%	$112,536,143	-1.9%	$122,737,944	9.1%	$119,090,583	-3.0%	$35,022,676	$35,286,821	0.8%
	FEES AND FINES													
3200	Vital Statistics Fees [17-04][25-10]	$979,552	-1.1%	$820,274	-16.3%	$791,398	-3.5%	$1,029,720	30.1%	$1,024,903	-0.5%			
3203	Divorce Fees	$201,111	-0.4%	$211,254	5.0%	$187,816	-11.1%	$190,395	1.4%	$184,862	-2.9%	$47,404	$43,588	-8.1%
3204	Civil Action Fees	$1,530,101	5.8%	$1,653,016	8.0%	$1,438,379	-13.0%	$1,447,508	0.6%	$1,389,756	-4.0%	$356,596	$321,554	-9.8%
3242	Insurance Fines	$2,143,195	142.8%	$1,177,780	-45.0%	$816,140	-30.7%	$565,403	-30.7%	$1,431,172	153.1%	$326,945	$414,171	26.7%
3103MD	Medical Discount Plan Reg. Fees	$12,000		$10,000	-16.7%	$10,500	5.0%	$10,500		$9,895	-5.8%	$8,395	$2,050	-75.6%
	REAL ESTATE FEES													
3107IOS	IOS Application Fees	$4,200		$6,560	56.2%	$11,100	69.2%	$7,440	-33.0%	$9,800	31.7%	$2,560	$2,920	14.1%
3165	Land Co Filing Fees	$267,496	-29.0%	$187,575	-29.9%	$133,270	-29.0%	$122,325	-8.2%	$140,650	15.0%	$39,225	$35,950	-8.3%
3166	Land Co Reg Rep Filing Fees													
3167	Real Estate Adver Fees	$8,610	4.4%	$6,080	-29.4%	$4,115	-32.3%	$5,715	38.9%	$4,180	-26.9%	$16,637	$460	-97.2%
3169	Real Estate Reg Fees	$31,870	-24.4%	$22,695	-28.8%	$14,920	-34.3%	$13,050	-12.5%	$15,725	20.5%	$2,825	$6,550	131.9%
4741	Real Estate Exam Fees [19-04]	$341,139	-35.2%	$237,828	-30.3%	$234,133	-1.6%	$215,220	-8.1%	$218,816	1.7%			
3171	CAM Certification Fee	$48,850	26.4%	$54,590	11.8%	$57,645	5.6%	$65,672	13.9%	$86,040	31.0%	$24,860	$19,870	-20.1%
3178	Real Estate Accred Fees	$126,750	-3.3%	$101,950	-19.6%	$89,650	-12.1%	$86,050	-4.0%	$79,050	-8.1%	$22,250	$22,650	1.8%
3248	Manufactured Housing													
3254	Real Estate Penalties	$88,019	-4.9%	$134,340	52.6%	$83,320	-38.0%	$76,636	-8.0%	$101,285	32.2%	$33,675	$36,800	9.3%
3190	A.B. 165, Real Estate Inspectors	$40,250	-9.8%	$41,510	3.1%	$58,970	42.1%	$42,785	-27.4%	$63,250	47.8%	$17,720	$19,515	10.1%
	TOTAL REAL ESTATE FEES	$957,184	-24.5%	$793,128	-17.1%	$687,123	-13.4%	$634,892	-7.6%	$718,796	13.2%	$159,752	$144,715	-9.4%
3066	Short Term Car Lease [3-02][4-09][10-10][8-12]	$29,792,195	0.0%	$27,519,640	-7.6%	$33,579,292	22.0%	$38,600,630	15.0%	$44,499,016	15.3%	$12,972,952	$13,018,167	0.3%
3103AC	Athletic Commission Licenses/Fines [5-02]	$482,325	-17.6%	$149,853	-68.9%	$179,125	19.5%	$135,750	-24.2%	$231,865	70.8%	$35,450	$28,630	-19.2%
3180	Water Planning Fees [4-02]													
3205	State Engineer Sales [4-02][11-10]	$2,272,980	5.0%	$2,146,733	-5.6%	$3,026,422	41.0%	$2,996,259	-1.0%	$3,366,568	12.4%	$639,105	$607,654	-4.9%
3206	Supreme Court Fees	$220,335	0.9%	$202,498	-8.1%	$202,075	-0.2%	$206,575	2.2%	$211,955	2.6%	$61,490	$70,975	15.4%
3115	Notice of Default Fee [26-10]					$2,442,525		$8,155,391	233.9%	$2,484,840	-69.5%	$2,021,904	$556,438	-72.5%
3271	Misc Fines/Forfeitures	$2,400,455	-8.8%	$6,185,720	157.7%	$1,896,987	-69.3%	$3,315,371	74.8%	$2,851,838	-14.0%	$205,517	$125,812	-38.8%
	TOTAL FEES AND FINES	$40,991,433	2.0%	$40,869,894	-0.3%	$45,257,781	10.7%	$57,288,396	26.6%	$58,405,467	1.9%	$16,835,509	$15,333,754	-8.9%

TABLE 1

GENERAL FUND REVENUES - ACTUALS

FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER

Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	YEAR-TO-DATE [b.] FY 2012 OCTOBER	FY 2013 OCTOBER	% Change
	USE OF MONEY AND PROPERTY													
	OTHER REPAYMENTS													
4401	Higher Education Tuition Admin	$2,188,014		$1,160,577										
4403	Forestry Nurseries Fund Repayment (05-M27)	$26,250		$15,090		$20,670		$20,670		$20,670				
4404	Bldg. and Grounds Repayments	$47,413		$333,643										
4404	CIP 95-C14, Mailroom Remodel	$21,122		$190,102										
4405	Prison Industry Repayment													
4407	Printing Repayment [8-02][18-04]													
4408	Comp/Fac Repayment [7-02]	$23,744		$23,744		$23,744		$23,744		$23,744				
4408	Comp/Fac - CIP 85-60													
4408	CIP 89-11 Computer Facility													
4408	CIP 95-M1, Security Alarm [7-02]	$2,998		$2,998		$2,998		$2,998		$2,998				
4408	CIP 95-M5, Facility Generator [7-02]	$6,874		$6,874		$6,874		$6,874		$6,874				
4408	CIP 95-S4F, Advance Planning	$1,000		$1,000		$1,000		$1,000		$1,000				
4408	CIP 97-C26, Capitol Complex Conduit System, Phase I [7-02]	$62,542		$62,542		$62,542		$62,542		$62,542				
4408	CIP 97-S4H, Advance Planning Addition to Computer Facility [7-02]	$9,107		$9,107		$9,107		$9,107		$9,107				
4408	S.B. 201, 1997; Cost of PBX System	$249,967		$249,967										
4408	A.B. 576-Virtual Tape Storage	$463,444		$463,444		$463,444								
4408	DoIT Repayment - April 9, 2008 IFC	$348,240		$197,258										
4409	Motor Pool Repay - Carson													
4409	Motor Pool Repay - Reno	$24,385		$24,385		$24,385								
4409	Motor Pool Repay - LV	$6,638		$6,638		$6,630								
NEW	Equal Rights Repayment (S.B. 387)													
4410	Purchasing Repayment	$19,326		$164,148										
4402	State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$1,644,795		$1,644,795		$970,267		$970,267		$236,082				
	TOTAL OTHER REPAYMENTS	$5,145,859	77.1%	$4,556,312	-11.5%	$1,591,661	-65.1%	$1,097,202	-31.1%	$363,017	-66.9%			
4406	Marlette Repayment	$10,512		$10,512		$10,512		$9,033	-14.1%					
	INTEREST INCOME													
3290	Treasurer [6-02][9-12]	$55,876,491	6.6%	$18,363,013	-67.1%	$2,373,219	-87.1%	$1,096,923	-53.8%	$522,729	-52.3%		$130,194	
3291	Other	$459,855	-10.1%	$142,148	-69.1%	$13,041	-90.8%	$83,252	538.4%	($17,606)	-121.1%	$1,040	$1,838	76.7%
	TOTAL INTEREST INCOME	$56,336,346	6.5%	$18,505,161	-67.2%	$2,386,259	-87.1%	$1,180,175	-50.5%	$505,123	-57.2%	$1,040	$132,032	
	TOTAL USE OF MONEY AND PROPERTY	$61,492,717	10.1%	$23,071,985	-62.5%	$3,988,432	-82.7%	$2,286,410	-42.7%	$868,140	-62.0%	$1,040	$132,032	
	OTHER REVENUE													
3059	Hoover Dam Revenue	$300,000		$300,000		$300,000		$300,000		$300,000				
	MISC SALES AND REFUNDS													
4794	GST Commissions and Penalties / DMV [10-12]									$24,678,398		$6,411,483	$6,279,942	-2.1%
3047	Expired Slot Machine Wagering Vouchers [11-12]									$3,134,219		$674,911	$3,487,410	416.7%
3071	Property Tax: 4-cent operating rate (Clark & Washoe) [13-10]					$36,448,071		$29,295,778	-19.6%	$22		$22		
3070	Property Tax: 5-cent capital rate (Clark & Washoe) [14-10]					$34,690,823		$23,365,976	-32.6%	$11		$11		
4792	Room Tax: State 3/8 of 1% Rate [15-10]					$2,334,563		$3,265,434	39.9%					
4791	Insurance Verification Fees [17-10]					$7,000,000		$1,732,513	-75.2%					
4790	Suppl. Account for Med. Assist. To Indigent [18-10][12-12]					$25,199,365		$21,889,136	-13.1%	$19,112,621	-12.7%			
4793	Lobbyist Registration Fee [27-10]							$100,000						
3107	Misc Fees	$197,310	21.6%	$182,332	-7.6%	$252,176	38.3%	$424,845	68.5%	$251,299	-40.8%	$67,597	$107,784	59.5%
3109	Court Administrative Assessments [16-10][13-12]	$1,386,084	-61.5%	$381,525	-72.5%	$4,580,172		$5,126,625	11.9%	$4,434,259	-13.5%	$1,077,980	$1,052,017	-2.4%
3114	Court Administrative Assessments Fee [28-10]					$271,461		$2,381,634	777.3%	$2,537,600	6.5%	$611,714	$642,803	
3150	Telemarketing Fees	$97,250	-18.5%	$91,050	-6.4%									
3151	Deceptive Trade Settlement													
3168	Declare of Candidacy Filing Fee	$40,615	2.8%	$32,272	-20.5%	$63,767	97.6%	$31,854	-50.0%	$68,541	115.2%	$4,145	$13,616	228.5%
3202	Fees and Writs of Garnishments	$2,180	-9.4%	$2,715	24.5%	$3,130	15.3%	$2,845	-9.1%	$2,255	-20.7%	$860	$1,025	19.2%
3220	Nevada Report Sales	$30,235	74.4%	$12,800	-57.7%	$9,335	-27.1%	$9,050	-3.1%	$5,670	-37.3%	$1,420		
3222	Excess Property Sales	$41,215	-92.3%	$38,715	-6.1%	$32,385	-16.3%	$21,009	-35.1%	$32,966	56.9%	$2,651	$3,973	49.9%
3240	Sale of Trust Property	$1,014	-87.8%	$2,124	109.4%	$3,038	43.0%	$16,885	455.8%	$14,429	-14.5%	$1,575	$484	-69.3%
3243	Insurance - Misc	$514,555	3.9%	$522,920	1.6%	$516,856	-1.2%	$557,428	7.8%	$432,446	-22.4%	$124,693	$113,895	-8.7%
3250	Telemarketing Fines	$10,000												
3272	Misc Refunds	$878	-43.2%	$3,287	274.2%									
3274	Misc Refunds	$61,769	24.2%	$64,494	4.4%	$42,508	-34.1%	$39,090	-8.0%	$63,338	62.0%	$10,699	$9,120	-14.8%
3276	Cost Recovery Plan	$7,139,068	-31.7%	$7,142,251	0.0%	$9,148,627	28.1%	$9,050,662	-1.1%	$8,495,233	-6.1%	$2,166,049	$2,326,569	7.4%
	TOTAL MISC SALES AND REFUNDS	$9,522,173	-38.5%	$8,476,485	-11.0%	$120,596,278	1322.7%	$97,310,765	-19.3%	$63,263,309	-35.0%	$4,744,329	$14,038,638	195.9%
3060	Petroleum Inspection Fees [4-08]													
3255	Unclaimed Property [9-02][9-06][5-09][12-10][29-10][30-10][1-11][14-12]	$49,179,534	109.6%	$50,092,050	1.9%	$66,201,764	32.2%	$83,787,789	26.6%	$97,397,588	16.2%			
	TOTAL OTHER REVENUE	$59,001,707	48.0%	$58,868,534	-0.2%	$187,098,042	217.8%	$181,398,554	-3.0%	$160,960,897	-11.3%	$4,744,329	$14,038,638	195.9%
TOTAL GENERAL FUND REVENUE		$3,054,267,831	-2.9%	$2,739,340,032	-10.3%	$3,007,019,753	9.8%	$3,175,426,158	5.6%	$3,081,768,174	-2.9%	$753,778,391	$802,645,497	6.5%

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER

Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	YEAR-TO-DATE [b.] FY 2012 OCTOBER	FY 2013 OCTOBER	% Change

NOTES:

[b.] The fiscal year-to-date amounts for Sales and Use Tax, Cigarette Tax, Liquor Tax, Other Tobacco Tax, Live Entertainment Tax-Nongaming and Gaming, and all of the taxes and fees listed under Gaming-State are based on actual amounts reported by the Department of Taxation and Gaming Control Board. The fiscal year-to-date amounts for the Secretary of State License revenues are based on actual amounts reported by the Secretary of State. The fiscal-year-to-date amounts for all other General Fund revenue sources shown in the table represent the figures obtained from the Controller's system through October 31 of FY 2012 and FY 2013. The amounts for revenue sources from the Department of Taxation represent the fiscal year-to-date amount through first three months (for monthly tax sources) and for the first quarter (for quarterly tax sources).

FY 2004

[1-04] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the sales tax to the state from 1.25% to 0.5%, effective July 1, 2003.

[2-04] S.B. 8 (20th S.S.) increased gross gaming tax rates by 0.5%: 3.0% to 3.5% on monthly revenue up to $50,000; 4.0% to 4.5% on revenue over $50,000 and up to $134,000; 6.25% to 6.75% on revenue exceeding $134,000, effective August 1, 2003.

[3-04] S.B. 8 (20th S.S.) increased quarterly restricted slot fees by 33%: from $61 to $81 per machine, up to 5 machines; from $106 to $141 for each machine over 5, up to 15 machines, effective July 22, 2003.

[4a-04] S.B. 8 (20th S.S.) modified types of establishments and entertainment subject to the current 10% Casino Entertainment Tax (CET), effective September 1 to December 31, 2003 [Estimated to generate $4,982,000 additional collections during 4-month period].

[4b-04] S.B. 8 (20th S.S.) repealed CET and replaced by Live Entertainment Tax (LET): 5% of admissions price, if entertainment is in facility with 7,500 or more seats; 10% of admissions price and food, beverage, and merchandise purchased, if facility has more than 300 and up to 7,500 seats; exempt from the tax if facility is a nongaming establishment with less than 300 seats or is gaming establishment with less than 300 seats and less than 51 slot machines, 6 games, or any combination thereof, effective January 1, 2004.

[5-04] S.B. 8 (20th S.S.) increased liquor taxes by 75%: beer from 9 cents to 16 cents per gallon; liquor up to 14% alcohol from 40 cents to 70 cents per gallon; liquor over 14% and up to 22% alcohol from 75 cents to $1.30 per gallon; liquor over 22% alcohol from $2.05 (15 cents for alcohol abuse program, 50 cents to local government, and $1.40 to State General Fund) to $3.60 per gallon (15 cents for alcohol abuse program, 50 cents to local government, and $2.95 to State General Fund) , effective August 1, 2003. [Estimated to generate $13,873,000 in FY 2004 and $15,536,000 in FY 2005]. A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the liquor tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $734,000 in FY 2004 and $822,000 in FY 2005]

[6-04] 2003. [Estimated to generate $63,268,000 in FY 2004 and $70,047,000 in FY 2005] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the cigarette tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $2,538,000 in FY 2004 and $2,884,000 in FY 2005]

[7-04] A.B. 4 (20th S.S.) reduced collection allowance provided to taxpayer for collecting and remitting tax on other tobacco items from 2.0% to 0.5%, effective August 1, 2003.

[8-04] S.B. 8 (20th S.S.) changed the $25 one-time annual business license fee to an annual fee of $100, effective July 22, 2003.

[9-04] S.B. 8 (20th S.S.) repealed the current quarterly $25 per employee tax when the Modified Business Tax comes online, effective October 1, 2003. [See Notes 10 and 11]

[10-04] S.B. 8 (20th S.S.) imposes tax on gross payroll of a business less a deduction for health care provided to employees, effective October 1, 2003. Tax rate is 0.70% in FY 2004 and 0.65% in FY 2005.

[11-04] S.B. 8 (20th S.S.) imposes tax of 2.0% on gross payroll of a financial institution less a deduction for health care provided to employees, effective October 1, 2003.

[12-04] S.B. 8 (20th S.S.) imposes excise tax on each bank of $7,000 per year ($1,750 per quarter) on each branch office, effective January 1, 2004.

[13-04] S.B. 8 (20th S.S.) imposes tax of $1.30 per $500 of value on the transfers of real property, effective October 1, 2003.

[14-04] S.B.2 and A.B. 4 (20th S.S.) makes changes to the rates and structure of the fees collected from entities filing with the Secretary of State's office, effective September 1, 2003 for Securities and UCC fee increases and November 1, 2003 for changes to commercial recording fees.

[15-04] S.B. 428 (2003 Session) increases real estate salesman, broker-salesman, and brokers licensing fees by $20 for an original license and $10 for renewal of license (original and renewal license fee varies depending on type of license), effective July 1, 2003.

[16-04] A.B. 493 (2003 Session) established that revenues from fees collected by the Division of Financial Institutions of the Department of Business & Industry will be deposited in a separate fund to pay the expenses related to the operations of the Commissioner of Financial Institutions and the Division of Financial Institutions, effective January 1, 2004. Previously, the revenues from the fees were deposited in the State General Fund.

[17-04] A.B. 550 (2003 Session) increased state's portion of the fee for issuing copy of a birth certificate by $2 and fee for issuing copy of death certificate by $1, effective October 1, 2003

[18-04] S.B. 504 (2003 Session) transferred the State Printing Division of the Department of Administration to the Legislative Counsel Bureau and all debt to the State General Fund was forgiven, effective July 1, 2003.

[19-04] Beginning in FY 2004, the portion of the fees collected by the Real Estate Division for Real Estate Testing Fees that belong to the General Fund are transferred from Category 28 in BA 3823 to GL 4741 in the General Fund. Previously, the revenue from these fees were reverted to the General Fund at the end of the fiscal year.

FY 2006

[1-06] S.B. 357 (2005 Session) allocates $1 per slot machine per quarter in FY 2006 and $2 per slot machine per quarter in FY 2007 from the quarterly license fee imposed on restricted and nonrestricted slot machines and sunsets effective June 30, 2007. A total of $822,000 in FY 2006 and $1,678,000 in FY 2007 is projected to be deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. (FY 2006: $84,666 - Restricted; $737,334 - Nonrestricted and FY 2007: $172,834 - Restricted; $1,505,166 - Nonrestricted)

[2-06] A.B. 554 (2005 Session) lowers the occupancy threshold from 300 to 200, effective July 1, 2005. Estimated to generate $3,600,000 in FY 2006 and FY 2007.

[3-06] S.B. 3 (22nd S.S.) provides an exemption for entities that have four or fewer rental dwelling units. Estimated to reduce collections by $2,975,000 in FY 2006 and $3,060,000 in FY 2007.

[4-06] S.B. 3 (22nd S.S.) allows an entity operating a facility where craft shows, exhibitions, trade shows, conventions, or sporting events to pay the Business License Fee for entities not having a business license as an annual flat fee of $5,000 or on a $1.25 times the number entities without a business license times the number days of the show basis. Estimated to generate $134,420 in FY 2006 and $158,884 in FY 2007.

[5-06] S.B. 391 (2005 Session) replaces the NAICS-based approach for defining a financial institution with a structure based on a state or federal licensing or regulatory requirement for conducting financial activities. Collection agencies and pawn shops are not included as financial institutions, but as nonfinancial businesses. The changes are estimated to reduce MBT-Financial collections by $1,801,800 in FY 2006 and $2,047,500 in FY 2007 and increase MBT-Nonfinancial collections by $584,168 in FY 2006 and $621,237 in FY 2007. Net effect is a reduction in total MBT collections of $1,217,632 in FY 2006 and $1,426,263 in FY 2007.

[6-06] S.B. 523 (2005 Session) reduces the MBT-Nonfinancial institutions tax rate from 0.65% to 0.63% from July 1, 2005 to June 30, 2007. Estimated to reduce collections by $6,978,000 in FY 2006 and $7,450,000 in FY 2007.

[7-06] S.B. 3 (22nd S.S.) provides an exemption for the first branch bank operated by a bank in each county, replacing the previous exemption for one branch bank only. Estimated to reduce collections by $441,000 in FY 2006 and FY 2007.

[8-06] S.B. 390 (2005 Session) increases the collection allowance provided to Clark County and Washoe County from 0.2% to 1.0%, effective July 1, 2005, which makes the collection allowance 1.0% in all 17 counties. Estimated to reduce collections by $1,056,292 in FY 2006 and $1,022,504 in FY 2007.

[9-06] S.B. 4 (22nd S.S.) allocates $7,600,000 of the Unclaimed Property revenues collected by the State Treasurer to the Millenium Scholarship Trust Fund in FY 2006 and FY 2007.

FY 2008

[1-08] Per the June 30, 2007, sunset provision of S.B. 357 (2005 Session), the $2 per slot machine per quarter allocated from the quarterly license fee imposed on restricted and nonrestricted slot machines to the Account to Support Programs for the Prevention and Treatment of Problem Gambling ceases and the full amount collected from the quarterly slot fees remains in the General Fund.

[2-08] Per the A.B. 554 (2005 Session), race events that are part of the National Association of Stock Car Auto Racing (NASCAR) Nextel Cup series and all races associated with such an event are exempt from the LET, effective July 1, 2007.

[3-08] Per the sunset provision of S.B. 523 (2005 Session), the MBT-Nonfinancial institutions tax rate increases to 0.65% from 0.63%, effective July 1, 2007.

[4-08] S.B. 165 (2005 Session) requires the State General Fund portion of the petroleum inspection fees imposed pursuant to NRS 590.120 to be deposited into a separate account for use by the Department of Agriculture, effective July 1, 2007.

FY 2009

[1A-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes to the state from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the change will generate $1,087,145 for the State 2% Sales Tax.

[1B-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the General Fund commission of 0.75% retained by the State for collecting and distributing the LSST, BCCRT, SCCRT, and Local Option taxes (LOPT) will generate the following additional General Fund revenue: LSST - $8,859; BCCRT - $1,968; SCCRT - $6,893; and LOPT - $4,275.

[2-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting cigarette taxes, liquor taxes, and other tobacco taxes to the state from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated to generate the following additional General Fund revenue: Cigarette Tax - $125,955; Liquor Tax - $50,412, and Other Tobacco Tax - $11,209.

[3-09] S.B. 2 (25th S.S.) requires the advance payment on the Net Proceeds of Minerals Tax in FY 2009 based upon estimated net proceeds for the current calendar year. The provisions of S.B. 2 also apply to FY 2010 and FY 2011, but the Net Proceeds of Minerals tax reverts back to the former method (based on previous calendar year) of taxing net proceeds on July 1, 2011. Based on S.B. 2, the Economic Forum's December 1 estimates for Net Proceeds of Minerals Tax for FY 2010 will be collected in FY 2009 and FY 2011 will be collected in FY 2010. Thus, S.B. 2 is estimated to increase FY 2009 net proceeds tax collections by $28,000,000 and decrease FY 2010 collections by $1,500,000 ($26,500,000 - $28,000,000). There is no revenue impact on FY 2011 as the Net Proceeds of Minerals Tax is estimated to remain at $26,500,000 in FY 2011.

[4-09] S.B. 2 (25th S.S.) requires that 1% of the 4% recovery surcharge retained by short-term car rental companies as reimbursement for costs of vehicles licensing fees and taxes to be deposited in the State General Fund effective January 1, 2009, and ending June 30, 2009. During the six months that the transfer of 1% of the 4% recovery surcharge to the General Fund is effective in FY 2009, it is estimated that it will generate additional General Fund revenue of $1,779,910.

[5-09] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% Room Tax in Clark and Washoe counties but not to exceed a total combined of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the Room Tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education thereafter beginning in FY 2012. Due to the July 1, 2009, effective date, only 10 months of revenue is deposited in FY 2010.

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER

Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	YEAR-TO-DATE [b.] FY 2012 OCTOBER	FY 2013 OCTOBER	% Change

FY 2010

NOTE: Revenue amounts listed in the footnotes for FY 2010 based on legislative actions during the 2009 Session were prepared by the Fiscal Analysis Division using the Economic Forum's forecasts for FY 2010 and FY 2011 produced at its May 1, 2011, meeting. For those revenues for which revised forecasts were produced during January 2010, the effect of the legislative adjustment is included into the revised forecasts for the major General Fund revenue forecasts approved by the Economic Forum at its January 22, 2010, meeting, and the consensus General Fund revenue forecasts for minor revenue sources prepared by the Fiscal Analysis Division and the Budget Division.

[1-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. A.B. 552 also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by the BCCRT, SCCRT, and local option taxes (did not apply to the LSST) from 0.75% to 1.75%, effective July 1, 2009. Collectively, these changes are estimated to generate an additional $16,031,800 in FY 2010 and $16,679,000 in FY 2011. [FY 2010 - State 2%: $2,007,000 (TCA); LSST: $1,037,700 (TCA); BCCRT: $1,946,000 (GFC) + $3,700 (TCA); SCCRT: $6,806,700 (GFC) + $12,800 (TCA); LOPT: $4,210,000 (GFC) + $7,900 (TCA) and FY 2011 - State 2%: $2,049,700 (TCA); LSST: $1,081,400 (TCA); BCCRT: $2,028,000 (GFC) + $3,800 (TCA); SCCRT: $7,093,600 (GFC) + $13,300 (TCA); LOPT: $4,400,900 (GFC) + $8,300 (TCA) where GFC represents amount due to General Fund Commission rate change and TCA represents amount due to Taxpayer Collection Allowance change.]

[2-10] S.B. 429 changed the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by creating a two-tiered tax rate in lieu of the single rate of 0.63%, effective July 1, 2009.. Under S.B. 429, a nonfinancial business pays a tax rate of 0.5% on all taxable wages (gross wages less allowable health care expenses) up to $62,500 per quarter, and a rate of 1.17% on taxable wages exceeding $62,500 per quarter. Estimated to generate an additional $173,330,000 in FY 2010 and $172,393,400 in FY 2011. The change to the MBT-General Business sunsets effective June 30, 2011.

[3-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. This change is estimated to generate an additional $236,200 in FY 2010 and $237,300 in FY 2011.

[4-10] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% Room Tax in Clark and Washoe counties but not to exceed a total combined rate of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the Room Tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education beginning in FY 2012.

[5-10] S.B. 429 increases the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purposes of calculating the Governmental Services Tax (GST) due, effective September 1, 2009. The portion of the GST generated from the depreciation schedule change is allocated to the State General Fund, which is estimated to generate $42,842,800 in FY 2010 and $51,411,300 in FY 2011. Under S.B. 429, additional revenue generated from the GST is deposited in the General Fund until FY 2013 and is then deposited in the State Highway Fund beginning in FY 2014.

[6-10] S.B. 429 increases the Business License Fee (BLF) by $100 to $200 for initial and annual renewals, effective July 1, 2009. Effective October 1, 2009, A.B. 146 transfers the BLF to the Secretary of State from the Department of Taxation as part of the business portal program and requires all entities filing with the Secretary of State under Title 7 to pay the initial and annual renewal $200 BLF. It is estimated to generate an additional $38,254,800 in FY 2010 and $44,802,600 in FY 2011. Under S.B. 429, the $100 increase in the BLF sunsets effective June 30, 2011.

[7-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $100,400 in FY 2010 and $102,800 in FY 2011.

[8-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting other tobacco taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $23,560 in FY 2010 and $24,270 in FY 2011.

[9-10] Effective July 1, 2009, S.B. 53 requires fees collected for expedite services provided by the Secretary of State to business entities to be deposited in the State General Fund. Estimated to generate $2,272,569 in FY 2010 and $1,818,056 in FY 2011.

[10-10] Effective October 1, 2009, S.B. 234 increases the state rate imposed on the short-term rental of a vehicle from 6.0% to 10.0% with the proceeds equivalent to 9.0% deposited in the General Fund and 1.0% deposited in the Highway Fund (maintains provisions of A.B. 595 from the 2007 Session). S.B. 234 eliminates the 4.0% recovery surcharge and allows short-term car rental companies to impose a surcharge to recover their vehicle licensing and registration costs. Estimated to generate an additional $9,883,900 in FY 2010 and $13,565,000 in FY 2011.

[11-10] A.B. 480 increases various fees collected by the State Engineer for examining and filing applications and issuing and recording permits, effective July 1, 2009. Estimated to generate an additional $900,000 in FY 2010 and FY 2011.

[12-10] A.B. 562 redirects $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011.

[13-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 4-cents worth of property tax generated from their operating rate to the State General Fund in FY 2010 and FY 2011. Estimated to generate $36,010,800 in FY 2010 and $32,446,600 in FY 2011. (Clark County: $30,380,500 - FY 2010 and $27,329,100 - FY 2011) (Washoe County: $5,630,300 - FY 2010 and $5,117,500 - FY 2011)

[14-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 3.8 cents in FY 2010 and 3.2 cents in FY 2011 worth of property tax generated from the capital rate imposed pursuant to NRS 354.59815 to the State General Fund in FY 2010 and FY 2011. Estimated to generate $34,210,300 in FY 2010 and $25,957,300 in FY 2011. (Clark County: $28,861,500 - FY 2010 and $21,863,300 - FY 2011) (Washoe County: $5,348,800 - FY 2010 and $4,094,000 - FY 2011)

[15-10] S.B. 431 requires a portion of the revenue generated from the state 3/8 of 1% room tax revenue provided to the Nevada Commission on Tourism to be allocated to the State General Fund in FY 2010 and FY 2011. Estimated to generate $2,334,563 in FY 2010 and $3,265,434 in FY 2011.

[16-10] A.B. 531 requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund, effective July 1, 2009. Estimated to generate $4,763,532 in FY 2010 and $6,133,023 in FY 2011.

[17-10] S.B. 431 requires the transfer of the estimated residual amount of revenue generated from Insurance Verification Fees to the State General Fund in FY 2010 and FY 2011. Estimated to generate $7,000,000 in FY 2010 and $6,000,000 in FY 2011.

[18-10] S.B. 431 requires the transfer of $25,199,365 in FY 2010 and $22,970,977 in FY 2011 from the Supplemental Account for Medical Assistance to Indigent Persons created in the Fund for Hospital Care to Indigent Persons to the State General Fund.

FY 2010 - Continued: Notes 19 to 30 represent legislative actions approved during the 26th Special Session in February 2010.

[19-10] Based on information provided to the Fiscal Analysis Division regarding the amount of net proceeds that would be reported to the Department of Taxation on March 1, 2010, pursuant to NRS 362.115 for calendar year 2009 for FY 2010 and information on estimated mining operations for calendar year 2010 and 2011, the Fiscal Analysis Division produced a revised estimate for FY 2010 and FY 2011 for Net Proceeds of Minerals Tax of $71,700,000 and $62,100,000, respectively. These revised estimates were $31,700,000 and $27,100,000 higher than the consensus forecast prepared by the Budget Division/Fiscal Analysis Division on February 1, 2010 of $40,000,000 for FY 2010 and $35,000,000 for FY 2011.

[20-10] Section 47 of A.B. 6 (26th S.S.) creates a new annual Mining Claims Fee based on a progressive graduated fee per mining claim associated with the total number of mining claims held by an entity in Nevada. This new Mining Claims Fee is estimated to generate $25,700,000 in FY 2011 only as the fee is scheduled to sunset effective June 30, 2011.

[21-10] The Division of Insurance of the Department of Business and Industry is required to implement a program to perform desk audits of tax returns submitted by insurance companies when filing for the Insurance Premium Tax. This program is estimated to generate an additional $10,000,000 in Insurance Premium Tax collections in FY 2011.

[22-10] Section 64 of A.B. 6 (26th S.S.) requires the Department of Taxation to conduct a tax amnesty program from July 1, 2010 to September 30, 2010 for all taxes that are required to be reported and paid to the Department. It is estimated that the tax amnesty program will generate $10,000,000 in FY 2011 from all the different applicable taxes, but an estimate of additional revenue expected from each individual revenue source was not prepared.

[23-10] A.B. 6 (26th S.S.) increased various fees authorized or imposed in NRS associated with activities of the Secretary of State's Office related to securities, commercial recordings, and UCC filing requirements as well as changed the allocation of the portion to the State General Fund for fees associated with notary training and domestic partnerships. The changes were estimated to generate the following amounts in FY 2010 and FY 2011: UCC: $155,200 - FY 2010 and $465,600 - FY 2011; Commercial Recordings: $354,342 - FY 2010 and $1,063,027 - FY 2011; Notary Fees: $0 - FY 2010 and $153,600 - FY 2011; Securities: $855,314 - FY 2010 and $4,860,193 - FY 2011; and Domestic Partnerships: $0 - FY 2010 and $50,000 - FY 2011.

[24-10] Section 45 of A.B. 6 (26th S.S.) increases the license fee from 4% to 6% on the gross receipts from admission fees to a live contest or exhibition of unarmed combat, effective July 1, 2010. This fee increase is estimated to generate $1,250,000 in additional revenue for FY 2011.

[25-10] A.B. 6 (26th S.S.) requires the current fees specified in NRS 440.700 associated with birth and death certificates to continue to be collected by the State Registrar until the State Registrar establishes new higher fees through regulation. The higher fees imposed through regulation are expected to be effective July 1, 2010, and are estimated to generate an additional $368,511 in revenue for FY 2011.

[26-10] Section 31 of A.B. 6 (26th S.S.) imposes a new fee of $150 per notice of default or election to sell with the proceeds deposited in the State General Fund, effective April 1, 2010. This new notice of default fee is estimated to generate additional General Fund revenue of $2,760,000 in FY 2010 and $11,040,000 in FY 2011.

[27-10] Section 36 of A.B. 6 (26th S.S.) requires the Legislative Commission to transfer the first $100,000 in revenue collected from lobbyist registration fees imposed pursuant to NRS 218H.500 to the State General Fund. The $100,000 transfer to the General Fund is for FY 2011 only as the provisions sunset on June 30, 2011.

[28-10] Section 34 of A.B. 6 (26th S.S.) increases the adminstrative assessment amount associated with misdemeanor violation fines by $5 effective upon passage and approval of A.B. 6 (March 12, 2010). The proceeds from the additional $5 adminstrative assessment as part of the sentence for a violation of a misdemeanor are deposited in the State General Fund and is estimated to generate an additional $192,544 in FY 2010 and $2,310,530 in FY 2011.

[39-10] Based on information provided by the Treasurer's Office, the Fiscal Analysis Division revised the estimate for Unclaimed Property collections to be deposited in the State General Fund to $52,000,000 in FY 2010 and $58,081,000 in FY 2011. This revised forecast for Unclaimed Property proceeds yields an additional $4,018,000 in FY 2010 and $15,000,000 in FY 2011 above the February 1, 2010, consensus forecast of $47,919,000 for FY 2010 and $43,081,000 for FY 2011 prepared by the Budget Division/Fiscal Division based on information provided by the Treasurer's Office.

[30-10] Section 1 of A.B. 3 (26th S.S.) redirects the full $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. A.B. 562 (75th Session) redirected $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. The net effect of the provisions of A.B 3 is an additional $3,800,000 in General Fund revenue in FY 2010 and FY 2011 from Unclaimed Property proceeds.

FY 2011

[1-11] The Treasurer's Office provided the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau with information on additional unclaimed property for FY 2011, based on more complete information that became available after the Economic Forum May 2, 2011, meeting on actual unclaimed property remitted to the Treasurer's Office. Treasurer's Office estimated an additional $13,630,561 for FY 2011.

FY 2012

[1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals Tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate $11,919,643 in addtional revenue in both FY 2012 and FY 2013.

[2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.

[3-12] S.B 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the Mining Claims Fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011 forecast for MBT - Nonfinancial tax collections.

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2008 THROUGH FY 2012 AND FY 2013 VERSUS FY 2012 YEAR-TO-DATE THROUGH OCTOBER

Economic Forum November 30, 2012, Meeting - 11/27/12 - 10:00 AM

GL NO.	DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	YEAR-TO-DATE [b.] FY 2012 OCTOBER	FY 2013 OCTOBER	% Change

FY 2012 (continued)

[4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013 generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,052,720 in FY 2012 and $1,084,301 in FY 2013.

[5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from $2 to $1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other $1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate $682,982 in FY 2012 and $692,929 in FY 2013 from non-restricted slot machines and $75,970 in FY 2012 and $77,175 in FY 2013 from restricted slot machines.

[6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $62,500 per quarter and taxable wages exceeding $62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $117,981,497 in FY 2012 and $119,161,117 in FY 2013.

[7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $29,949,000 in FY 2012 and $30,100,000 in FY 2013.

[8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate $4,402,222 in FY 2012 and $4,457,778 in FY 2013.

[9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate $105,313 in FY 2012 and $244,750 in FY 2013.

[10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed $20,894,228 from commissions and $4,672,213 from penalties in both FY 2012 and FY 2013.

[11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate $3,332,750 in FY 2012 and $13,331,000 in FY 2013.

[12-12] A.B. 529 requires transfer of $19,112,621 in FY 2012 and $19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.

[13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.

[14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than $10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of $30,594,750, but a net loss in FY 2013 of $33,669,923.

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
NOVEMBER 30, 2012 FORECAST: FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FISCAL YEAR 2012	FISCAL YEAR 2013 AGENCY ESTIMATE	%	FISCAL YEAR 2013 FISCAL ESTIMATE	%	FISCAL YEAR 2013 BUDGET ESTIMATE	%	FISCAL YEAR 2014 AGENCY ESTIMATE	%	FISCAL YEAR 2014 FISCAL ESTIMATE	%	FISCAL YEAR 2014 BUDGET ESTIMATE	%	FISCAL YEAR 2015 AGENCY ESTIMATE	%	FISCAL YEAR 2015 FISCAL ESTIMATE	%	FISCAL YEAR 2015 BUDGET ESTIMATE	%
	TAXES																			
	PROPERTY/MINE																			
3064	Net Proceeds of Minerals [19-10][1-12][2-12]	$120,414,858	$106,744,332	-11.4%	$106,744,000	-11.4%	$106,744,000	-11.4%							$86,169,279		$86,169,000		$86,169,000	
3241	Net Proceeds Penalty		$50,000		$50,000										$50,000		$50,000			
3245	Centrally Assessed Penalties	$4,327	$50,000		$50,000		$4,000	-7.6%	$50,000		$50,000		$4,000		$50,000		$50,000		$4,000	
3116	Mining Claims Fee [20-10][3-12]	$6,300																		
	TOTAL PROPERTY/MINE TAX	$120,425,485	$106,844,332	-11.3%	$106,844,000	-11.3%	$106,748,000	-11.4%	$50,000		$50,000		$4,000		$86,269,279		$86,269,000		$86,173,000	
	SALES AND USE																			
3001	Sales and Use Tax [1-10]	$842,941,556	$869,085,426	3.1%	$891,445,000	5.8%	$883,490,000	4.8%	$903,164,591	3.9%	$934,536,000	4.8%	$921,739,000	4.3%	$937,243,755	3.8%	$972,983,000	4.1%	$968,837,000	5.1%
3002	State Share - LSST [1-10][4-12]	$8,309,073	$8,473,600	2.0%	$8,691,600	4.6%	$8,614,000	3.7%	$7,620,500	-10.1%	$7,885,100	-9.3%	$7,777,200	-9.7%	$7,908,000	3.8%	$8,209,500	4.1%	$8,174,600	5.1%
3003	State Share - BCCRT [1-10]	$3,682,170	$3,802,200	3.3%	$3,900,100	5.9%	$3,865,300	5.0%	$3,951,300	3.9%	$4,088,600	4.8%	$4,032,600	4.3%	$4,100,400	3.8%	$4,256,800	4.1%	$4,238,700	5.1%
3004	State Share - SCCRT [1-10]	$12,884,425	$13,307,900	3.3%	$13,650,300	5.9%	$13,528,400	5.0%	$13,829,700	3.9%	$14,310,100	4.8%	$14,114,100	4.3%	$14,351,500	3.8%	$14,898,800	4.1%	$14,835,300	5.1%
3005	State Share - PTT [1-10]	$7,778,846	$8,034,500	3.3%	$8,241,200	5.9%	$8,167,600	5.0%	$8,349,500	3.9%	$8,639,500	4.8%	$8,521,200	4.3%	$8,664,500	3.8%	$8,994,900	4.1%	$8,956,600	5.1%
	TOTAL SALES AND USE	$875,596,070	$902,703,626	3.1%	$925,928,200	5.7%	$917,665,300	4.8%	$936,915,591	3.8%	$969,459,300	4.7%	$956,184,100	4.2%	$972,268,155	3.8%	$1,009,343,000	4.1%	$1,005,042,200	5.1%
	GAMING - STATE																			
3032	Pari-mutuel Tax	$2,113	$2,895	37.0%	$2,900	37.2%	$4,000	89.3%	$3,100	7.1%	$3,100	6.9%	$4,000		$3,100		$3,100		$4,000	
3181	Racing Fees	$11,616	$8,000	-31.1%	$12,000	3.3%	$12,000	3.3%	$11,000	37.5%	$12,000		$12,000		$11,000		$12,000		$12,000	
3247	Racing Fines/Forfeitures		$500		$500				$500		$500				$500		$500			
3041	Percent Fees - Gross Revenue	$653,672,645	$672,441,768	2.9%	$674,408,000	3.2%	$668,821,000	2.3%	$696,662,646	3.6%	$702,957,000	4.2%	$683,038,000	2.1%	$734,550,867	5.4%	$726,777,000	3.4%	$708,854,000	3.8%
3042	Gaming Penalties	$459,560	$800,000	74.1%	$600,000	30.6%	$460,000	0.1%	$600,000	-25.0%	$600,000		$460,000		$600,000		$600,000		$460,000	
3043	Flat Fees-Restricted Slots [5-12]	$8,485,702	$8,378,837	-1.3%	$8,378,800	-1.3%	$8,379,000	-1.3%	$8,420,747	0.5%	$8,420,700	0.5%	$8,096,000	-3.4%	$8,499,973	0.9%	$8,500,000	0.9%	$7,943,000	-1.9%
3044	Non-Restricted Slots [5-12]	$12,628,582	$12,357,894	-2.1%	$12,357,900	-2.1%	$12,358,000	-2.1%	$11,811,225	-4.4%	$11,811,200	-4.4%	$11,949,000	-3.3%	$12,080,873	2.3%	$12,080,900	2.3%	$11,949,000	
3045	Quarterly Fees-Games	$6,592,935	$6,395,001	-3.0%	$6,395,000	-3.0%	$6,466,000	-1.9%	$6,485,828	1.4%	$6,485,900	1.4%	$6,363,000	-1.6%	$6,627,367	2.2%	$6,627,400	2.2%	$6,260,000	-1.6%
3046	Advance License Fees	$3,996,985	$1,500,000	-62.5%	$1,500,000	-62.5%	$1,500,000	-62.5%	$1,763,213	17.5%	$1,763,200	17.5%	$1,763,000	17.5%	$2,136,500	21.2%	$2,136,500	21.2%	$2,137,000	21.2%
3048	Slot Machine Route Operator	$36,500	$37,000	1.4%	$37,000	1.4%	$37,000	1.4%	$37,500	1.4%	$37,500	1.4%	$37,000		$38,000	1.3%	$38,000	1.3%	$37,000	
3049	Gaming Info Systems Annual	$18,000	$18,000		$18,000		$17,000	-5.6%	$18,000		$18,000		$17,000		$18,000		$18,000		$17,000	
3028	Interactive Gaming Fee - Operator		$1,312,498		$1,312,500		$1,312,000		$645,832	-50.8%	$645,800	-50.8%	$646,000	-50.8%	$1,250,000	93.5%	$1,250,000	93.6%	$750,000	16.1%
3029	Interactive Gaming Fee - Service Provider	$1,000	$14,000		$14,000		$14,000		$16,000	14.3%	$16,000	14.3%	$16,000	14.3%	$18,000	12.5%	$18,000	12.5%	$18,000	12.5%
3030	Interactive Gaming Fee - Manufacturer	$125,000	$650,000	420.0%	$650,000	420.0%	$650,000	420.0%	$400,000	-38.5%	$400,000	-38.5%	$400,000	-38.5%	$325,000	-18.8%	$325,000	-18.8%	$325,000	-18.8%
3033	Equip Mfg. License	$264,500	$265,000	0.2%	$265,000	0.2%	$247,000	-6.6%	$267,500	0.9%	$267,500	0.9%	$247,000		$271,000	1.3%	$271,000	1.3%	$247,000	
3034	Race Wire License	$38,849	$52,900	36.2%	$52,900	36.2%	$39,000	0.4%	$51,500	-2.6%	$51,500	-2.6%	$39,000		$49,500	-3.9%	$49,500	-3.9%	$39,000	
3035	Annual Fees on Games	$116,425	$121,649	4.5%	$122,000	4.8%	$109,000	-6.4%	$115,153	-5.3%	$115,200	-5.6%	$102,000	-6.4%	$112,421	-2.4%	$112,400	-2.4%	$94,000	-7.8%
	TOTAL GAMING - STATE	$686,450,412	$704,355,942	2.6%	$706,126,500	2.9%	$700,425,000	2.0%	$727,309,744	3.3%	$733,605,100	3.9%	$713,189,000	1.8%	$766,592,101	5.4%	$758,819,300	3.4%	$739,146,000	3.6%
	LIVE ENTERTAINMENT TAX (LET)																			
3031	LET-Gaming	$125,337,855	$123,513,275	-1.5%	$122,937,000	-1.9%	$127,591,000	1.8%	$128,046,236	3.7%	$126,941,000	3.3%	$133,213,000	4.4%	$129,966,929	1.5%	$131,902,000	3.9%	$140,642,000	5.6%
3031	LET-Nongaming	$11,644,191	$11,411,373	-2.0%	$11,123,000	-4.5%	$11,560,000	-0.7%	$11,642,923	2.0%	$11,207,000	0.8%	$11,560,000		$11,874,474	2.0%	$11,321,000	1.0%	$11,560,000	
	Total Live Entertainment Tax	$136,982,047	$134,924,648	-1.5%	$134,060,000	-2.1%	$139,151,000	1.6%	$139,689,159	3.5%	$138,148,000	3.0%	$144,773,000	4.0%	$141,841,403	1.5%	$143,223,000	3.7%	$152,202,000	5.1%
	INSURANCE TAXES																			
3061	Insurance Premium Tax [21-10]	$236,787,376	$239,545,318	1.2%	$243,687,000	2.9%	$240,610,000	1.6%	$240,605,979	0.4%	$250,484,000	2.8%	$264,791,000	10.0%	$241,666,640	0.4%	$258,321,000	3.1%	$282,383,000	6.6%
3062	Insurance Retaliatory Tax	$396,380	$208,881	-47.3%	$400,000	0.9%	$159,000	-59.9%	$208,881		$400,000		$159,000		$208,881		$400,000		$159,000	
3067	Captive Insurer Premium Tax	$675,188	$667,068	-1.2%	$675,000	0.0%	$629,000	-6.8%	$667,068		$675,000		$629,000		$667,068		$675,000		$629,000	
	TOTAL INSURANCE TAXES	$237,858,943	$240,421,266	1.1%	$244,762,000	2.9%	$241,398,000	1.5%	$241,481,928	0.4%	$251,559,000	2.8%	$265,579,000	10.0%	$242,542,589	0.4%	$259,396,000	3.1%	$283,171,000	6.6%
	MODIFIED BUSINESS TAX (MBT)																			
3069	MBT-Nonfinancial [2-10][6-12]	$348,943,337	$359,232,230	2.9%	$358,126,000	2.6%	$352,476,000	1.0%	$259,183,516	-27.9%	$243,206,000	-32.1%	$239,367,000	-32.1%	$266,904,471	3.0%	$251,675,000	3.5%	$247,336,000	3.3%
3069	MBT-Financial	$20,717,296	$21,703,122	4.8%	$21,969,000	6.0%	$21,915,000	5.8%	$21,711,434	0.0%	$22,424,000	2.1%	$22,370,000	2.1%	$21,719,746	0.0%	$23,335,000	4.1%	$22,956,000	2.6%
	Total Modified Business Tax	$369,660,633	$380,935,352	3.1%	$380,095,000	2.8%	$374,391,000	1.3%	$280,894,950	-26.3%	$265,630,000	-30.1%	$261,737,000	-30.1%	$288,624,217	2.8%	$275,010,000	3.5%	$270,292,000	3.3%
	CIGARETTE TAX																			
3052	Cigarette Tax [3-10]	$82,974,853	$75,469,364	-9.0%	$80,567,000	-2.9%	$80,486,000	-3.0%	$69,365,245	-8.1%	$79,606,000	-1.2%	$78,071,000	-3.0%	$63,261,126	-8.8%	$79,043,000	-0.7%	$75,729,000	-3.0%
	REAL PROPERTY TRANSFER TAX																			
3055	Real Property Transfer Tax	$48,373,678	$45,092,644	-6.8%	$44,178,000	-8.7%	$47,412,000	-2.0%	$42,460,132	-5.8%	$44,694,000	1.2%	$51,905,000	9.5%	$39,827,621	-6.2%	$47,693,000	6.7%	$54,323,000	4.7%
	GOVERNMENTAL SERVICES TAX (GST)																			
3051	Governmental Services Tax [5-10]	$62,358,153	$62,358,153		$62,572,000	0.3%	$63,190,000	1.3%												

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
NOVEMBER 30, 2012 FORECAST: FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L.			FISCAL YEAR 2013						FISCAL YEAR 2014						FISCAL YEAR 2015					
NO.	DESCRIPTION	FISCAL YEAR 2012	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%
	TAXES - CONTINUED																			
	OTHER TAXES																			
3113	Business License Fee [6-10][7-12]	$64,790,426	$67,835,058	4.7%	$67,852,000	4.7%	$68,930,000	6.4%	$36,831,000	-45.7%	$36,775,000	-45.8%	$38,871,000	-43.6%	$36,831,000		$37,085,000	0.8%	$40,532,000	4.3%
3050	Liquor Tax [7-10]	$40,649,951	$38,550,570	-5.2%	$40,343,000	-0.8%	$41,901,000	3.1%	$38,239,549	-0.8%	$40,927,000	1.4%	$43,108,000	2.9%	$37,928,528	-0.8%	$41,347,000	1.0%	$44,314,000	2.8%
3053	Other Tobacco Tax [8-10]	$8,274,310	$10,081,548	21.8%	$9,862,000	19.2%	$9,358,000	13.1%	$10,321,900	2.4%	$10,118,000	2.6%	$9,358,000		$10,562,252	2.3%	$10,397,000	2.8%	$9,358,000	
4862	HECC Transfer	$5,000,000	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	
3065	Business License Tax	$597			$2,400	302.3%														
3068	Branch Bank Excise Tax	$3,047,528	$3,145,247	3.2%	$3,027,500	-0.7%	$3,048,000	0.0%	$3,148,429	0.1%	$3,055,500		$3,048,000		$3,151,612	0.1%	$3,083,500		$3,048,000	
	TOTAL TAXES	$2,742,443,087	$2,777,717,750	1.3%	$2,811,219,600	2.5%	$2,799,103,300	2.1%	$2,531,707,627	-8.9%	$2,578,626,900	-8.3%	$2,570,827,100	-8.2%	$2,694,699,883	6.4%	$2,755,708,800	6.9%	$2,768,330,200	7.7%
	LICENSES																			
3101	Insurance Licenses	$15,646,219	$15,855,089	1.3%	$16,000,000	2.3%	$15,511,000	-0.9%	$15,855,089		$16,400,000	2.5%	$15,511,000		$15,855,089		$16,810,000	2.5%	$15,511,000	
3120	Marriage Licenses	$404,472	$384,112	-5.0%	$386,700	-4.4%	$404,000	-0.1%	$363,752	-5.3%	$385,900	-0.2%	$404,000		$343,392	-5.6%	$388,100	0.6%	$404,000	
	SECRETARY OF STATE																			
3105	UCC [23-10]	$1,829,710	$1,638,158	-10.5%	$1,675,000	-8.5%	$1,830,000	0.0%	$1,638,158		$1,700,000	1.5%	$1,830,000		$1,638,158		$1,700,000		$1,830,000	
3129	Notary Fees [9-10][23-10]	$579,228	$579,228		$600,000	3.6%	$627,000	8.2%	$580,000	0.1%	$600,000		$627,000		$580,000		$600,000		$627,000	
3130	Commercial Recordings [23-10]	$66,693,331	$66,005,151	-1.0%	$63,914,000	-4.2%	$65,945,000	-1.1%	$66,005,151		$63,162,000	-1.2%	$65,945,000		$66,005,151		$63,579,000	0.7%	$65,945,000	
3131	Video Service Franchise	$8,425	$100		$500		$100													
3121	Domestic Partnership Registry Fee [23-10]	$33,891	$37,619		$37,600		$34,000		$41,757	11.0%	$41,800	11.2%	$34,000		$46,350	11.0%	$46,400	11.0%	$34,000	
3152	Securities [23-10]	$24,534,996	$23,798,946	-3.0%	$23,600,000	-3.8%	$24,535,000	0.0%	$23,798,946		$24,000,000	1.7%	$24,535,000		$24,036,936	1.0%	$24,500,000	2.1%	$24,535,000	
	TOTAL SECRETARY OF STATE	$93,679,582	$92,059,203	-1.7%	$89,827,100	-4.1%	$92,971,100	-0.8%	$92,064,012	0.0%	$89,503,800	-0.4%	$92,971,000	0.0%	$92,306,595	0.3%	$90,425,400	1.0%	$92,971,000	
3172	Private School Licenses	$224,140	$235,000	4.8%	$235,000	4.8%	$216,000	-3.6%	$237,000	0.9%	$237,000	0.9%	$216,000		$239,000	0.8%	$239,000	0.8%	$216,000	
3173	Private Employment Agency	$11,800	$11,800		$11,800		$14,000	18.6%	$11,800		$11,800		$14,000		$11,800		$11,800		$14,000	
	REAL ESTATE																			
3161	Real Estate Licenses	$4,005,955	$3,200,000	-20.1%	$3,200,000	-20.1%	$4,006,000	0.0%	$1,427,000	-55.4%	$1,427,000	-55.4%	$4,006,000		$1,431,000	0.3%	$1,431,000	0.3%	$4,006,000	
3162	Real Estate Fees	$3,300	$3,000	-9.1%	$3,300		$5,000	51.5%	$3,300	10.0%	$3,300		$5,000		$3,300		$3,300		$5,000	
	TOTAL REAL ESTATE	$4,009,255	$3,203,000	-20.1%	$3,203,300	-20.1%	$4,011,000	0.0%	$1,430,300	-55.3%	$1,430,300	-55.3%	$4,011,000		$1,434,300	0.3%	$1,434,300	0.3%	$4,011,000	
3102	Athletic Commission Fees [24-10]	$5,115,117	$4,087,846	-20.1%	$4,088,000	-20.1%	$3,202,000	-37.4%	$4,087,846		$4,088,000		$3,202,000		$4,087,846		$4,088,000		$3,202,000	
	TOTAL LICENSES	$119,090,583	$115,836,050	-2.7%	$113,751,900	-4.5%	$116,329,100	-2.3%	$114,049,800	-1.5%	$112,056,800	-1.5%	$116,329,000	0.0%	$114,278,023	0.2%	$113,396,600	1.2%	$116,329,000	
	FEES AND FINES																			
3200	Vital Statistics Fees [25-10]	$1,024,903	$1,032,783	0.8%	$1,016,300	-0.8%	$1,025,000	0.0%	$1,013,267	-1.9%	$1,010,400	-0.6%	$1,025,000		$998,800	-1.4%	$1,005,000	-0.5%	$1,025,000	
3203	Divorce Fees	$184,862	$120,052	-35.1%	$179,400	-3.0%	$189,000	2.2%	$111,950	-6.7%	$177,800	-0.9%	$189,000		$103,849	-7.2%	$178,300	0.3%	$189,000	
3204	Civil Action Fees	$1,389,756	$1,397,227	0.5%	$1,333,000	-4.1%	$1,443,000	3.8%	$1,404,698	0.5%	$1,331,300	-0.1%	$1,443,000		$1,412,169	0.5%	$1,339,800	0.6%	$1,443,000	
3242	Insurance Fines	$1,431,172	$937,572	-34.5%	$1,000,000	-30.1%	$997,000	-30.3%	$937,572		$1,000,000		$997,000		$937,572		$1,000,000		$997,000	
3103MD	Medical Discount Plan Reg. Fees	$9,895	$10,298	4.1%	$10,300	4.1%	$10,000	1.1%	$10,298		$10,300		$10,000		$10,298		$10,300		$10,000	
	REAL ESTATE FEES																			
3107IOS	IOS Application Fees	$9,800	$8,000	-18.4%	$10,000	2.0%	$9,000	-8.2%	$10,000	25.0%	$10,000		$9,000		$10,000		$10,000		$9,000	
3165	Land Co Filing Fees	$140,650	$115,000	-18.2%	$141,000	0.2%	$137,000	-2.6%	$128,000	11.3%	$141,000		$137,000		$130,000	1.6%	$141,000		$137,000	
3167	Real Estate Adver Fees	$4,180	$2,900	-30.6%	$4,200	0.5%	$5,000	19.6%	$3,500	20.7%	$4,200		$5,000		$3,500		$4,200		$5,000	
3169	Real Estate Reg Fees	$15,725	$15,000	-4.6%	$16,000	1.7%	$15,000	-4.6%	$18,000	20.0%	$16,500	3.1%	$15,000		$18,000		$17,000	3.0%	$15,000	
4741	Real Estate Exam Fees	$218,816	$225,000	2.8%	$220,000	0.5%	$226,000	3.3%	$200,000	-11.1%	$220,000		$226,000		$200,000		$220,000		$226,000	
3171	CAM Certification Fee	$86,040	$60,000	-30.3%	$60,000	-30.3%	$92,000	6.9%	$60,000		$60,000		$102,000	10.9%	$60,000		$60,000		$112,000	9.8%
3178	Real Estate Accred Fees	$79,050	$75,000	-5.1%	$80,000	1.2%	$76,000	-3.9%	$78,000	4.0%	$80,000		$76,000		$78,000		$80,000		$76,000	
3254	Real Estate Penalties	$101,285	$100,000	-1.3%	$100,000	-1.3%	$92,000	-9.2%	$10,000	-90.0%	$100,000		$92,000		$5,000	-50.0%	$100,000		$92,000	
3190	A.B. 165, Real Estate Inspectors	$63,250	$60,000	-5.1%	$60,000	-5.1%	$51,000	-19.4%	$60,000		$60,000		$51,000		$62,000	3.3%	$62,000	3.3%	$51,000	
	TOTAL REAL ESTATE FEES	$718,796	$660,900	-8.1%	$691,200	-3.8%	$703,000	-2.2%	$567,500	-14.1%	$691,700	0.1%	$713,000	1.4%	$566,500	-0.2%	$694,200	0.4%	$723,000	1.4%
3066	Short Term Car Lease [10-10][8-12]	$44,499,016	$49,799,729	11.9%	$45,028,000	1.2%	$46,056,000	3.5%	$54,885,545	10.2%	$46,074,000	2.3%	$47,668,000	3.5%	$59,971,361	9.3%	$47,449,000	3.0%	$49,337,000	3.5%
3103AC	Athletic Commission Licenses/Fines	$231,865	$188,000	-18.9%	$188,000	-18.9%	$164,000	-29.3%	$188,000		$188,000		$164,000		$188,000		$188,000		$164,000	
3205	State Engineer Sales [11-10]	$3,366,568	$2,600,000	-22.8%	$2,600,000	-22.8%	$3,011,000	-10.6%	$2,600,000		$2,600,000		$3,011,000		$2,600,000		$2,600,000		$3,011,000	
3206	Supreme Court Fees	$211,955	$222,869	5.1%	$222,900	5.2%	$214,000	1.0%	$231,431	3.8%	$231,400	3.8%	$217,000	1.4%	$240,614	4.0%	$240,600	4.0%	$221,000	1.8%
3115	Notice of Default Fee [26-10]	$2,484,840	$1,670,513	-32.8%	$1,684,000	-32.2%	$2,200,000	-11.5%	$1,241,000	-25.7%	$1,347,000	-20.0%	$2,443,000	11.0%	$1,241,000		$1,212,000	-10.0%	$2,443,000	
3271	Misc Fines/Fort	$2,851,838	$2,388,135	-16.3%	$2,500,000	-12.3%	$3,084,000	8.1%	$2,423,581	1.5%	$2,500,000		$3,084,000		$2,421,899	-0.1%	$2,500,000		$3,084,000	
	TOTAL FEES AND FINES	$58,405,467	$61,028,078	4.5%	$56,453,100	-3.3%	$59,096,000	1.2%	$65,614,842	7.5%	$57,161,900	1.3%	$60,964,000	3.2%	$70,692,061	7.7%	$58,417,200	2.2%	$62,647,000	2.8%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
NOVEMBER 30, 2012 FORECAST: FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FISCAL YEAR 2012	FISCAL YEAR 2013						FISCAL YEAR 2014						FISCAL YEAR 2015					
			AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%
	USE OF MONEY AND PROPERTY																			
	OTHER REPAYMENTS																			
4403	Forestry Nurseries Fund Repayment (05-M27)	$20,670	$20,670		$20,670		$20,670		$20,670		$20,670		$20,670		$20,670		$20,670		$20,670	
4408	Comp/Fac Repayment	$23,744	$23,744		$23,744		$23,744		$23,744		$23,744		$23,744		$23,744		$23,744		$23,744	
4408	CIP 95-M1, Security Alarm	$2,998	$2,998		$2,998		$2,998		$2,998		$2,998		$2,998		$2,998		$2,998		$2,998	
4408	CIP 95-M5, Facility Generator	$6,874	$6,874		$6,874		$6,874		$6,874		$6,874		$6,874		$6,874		$6,874		$6,874	
4408	CIP 95-S4F, Advance Planning	$1,000																		
4408	CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542	$62,542		$62,542		$62,542		$62,542		$62,542		$62,542		$62,542		$62,542		$62,542	
4408	CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107	$9,107		$9,107		$9,107		$9,107		$9,107		$9,107		$9,107		$9,107		$9,107	
4402	State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$236,082	$326,659		$326,659		$236,082		$236,082		$236,082		$236,082		$236,082		$236,082		$236,082	
	TOTAL OTHER REPAYMENTS	$363,017	$452,594	24.7%	$452,594	24.7%	$362,017	-0.3%	$362,017	-20.0%	$362,017	-20.0%	$362,017		$362,017		$362,017		$362,017	
	INTEREST INCOME																			
3290	Treasurer [9-12]	$522,729	$445,875		$445,900		$446,000		$611,997		$612,000		$612,000		$678,266		$678,300		$678,000	
3291	Other	($17,606)	$865		$9,000		$900		$865		$9,000		$900		$865		$9,000		$900	
	TOTAL INTEREST INCOME	$505,123	$446,740	-11.6%	$454,900	-9.9%	$446,900	-11.5%	$612,862	37.2%	$621,000	36.5%	$612,900	37.1%	$679,131	10.8%	$687,300	10.7%	$678,900	10.8%
	TOTAL USE OF MONEY AND PROPERTY	$868,140	$899,335	3.6%	$907,494	4.5%	$808,917	-6.8%	$974,880	8.4%	$983,017	8.3%	$974,917	20.5%	$1,041,149	6.8%	$1,049,317	6.7%	$1,040,917	6.8%
	OTHER REVENUE																			
3059	Hoover Dam Revenue	$300,000	$300,000		$300,000		$300,000		$300,000		$300,000		$300,000		$300,000		$300,000		$300,000	
	MISC SALES AND REFUNDS																			
4794	GST Commissions and Penalties / DMV [10-12]	$24,678,398	$24,678,398		$24,714,000	0.1%	$24,678,000	0.0%		-100.0%		-100.0%		-100.0%						
3047	Expired Slot Machine Wagering Vouchers [11-12]	$3,134,219	$6,607,776	110.8%	$6,607,800	110.8%	$5,100,000	62.7%	$6,722,271	1.7%	$6,722,300	1.7%	$5,095,000	-0.1%	$6,950,651	3.4%	$6,950,700	3.4%	$5,090,000	-0.1%
3071	Property Tax: 4-cent operating rate (Clark & Washoe) [13-10]	$22																		
3070	Property Tax: 5-cent capital rate (Clark & Washoe) [14-10]	$11																		
4790	Suppl. Account for Med. Assist. To Indigent [18-10][12-12]	$19,112,621	$19,218,718		$19,218,718		$19,218,718													
3107	Misc Fees	$251,299	$253,758	1.0%	$253,800	1.0%	$251,000	-0.1%	$253,807	0.0%	$253,800		$251,000		$253,890	0.0%	$253,900	0.0%	$251,000	
3109	Court Administrative Assessments [16-10][13-12]	$4,434,259	$4,434,259		$4,434,259		$4,434,259													
3114	Court Administrative Assessment Fee [28-10]	$2,537,600	$2,697,483	6.3%	$2,635,000	3.8%	$2,571,000	1.3%	$2,641,911	-2.1%	$2,676,000	1.6%	$2,604,000	1.3%	$2,587,488	-2.1%	$2,721,000	1.7%	$2,638,000	1.3%
3168	Declare of Candidacy Filing Fee	$68,541	$30,000	-56.2%	$31,000	-54.8%	$48,000	-30.0%	$30,000		$65,000	109.7%	$48,000		$30,000		$31,000	-52.3%	$48,000	
3202	Fees and Writs of Garnishments	$2,255	$3,060	35.7%	$2,500	10.9%	$3,000	33.0%	$3,140	2.6%	$2,500		$3,000		$3,220	2.5%	$2,500		$3,000	
3220	Nevada Report Sales	$5,670	$5,000	-11.8%	$5,000	-11.8%	$6,000	5.8%	$5,000		$5,000		$6,000		$5,000		$5,000		$6,000	
3222	Excess Property Sales	$32,966	$32,745	-0.7%	$32,700	-0.8%	$33,000	0.1%	$32,745		$32,700		$33,000		$32,745		$32,700		$33,000	
3240	Sale of Trust Property	$14,429	$15,230	5.5%	$15,200	5.3%	$15,000	4.0%	$16,031	5.3%	$16,000	5.3%	$16,000	6.7%	$16,831	5.0%	$16,800	5.0%	$17,000	6.3%
3243	Insurance - Misc	$432,446	$502,244	16.1%	$435,000	0.6%	$520,000	20.2%	$502,244		$435,000		$520,000		$502,244		$435,000		$520,000	
3274	Misc Refunds	$63,338	$27,860	-56.0%	$55,000	-13.2%	$53,000	-16.3%	$27,860		$55,000		$53,000		$27,860		$55,000		$53,000	
3276	Cost Recovery Plan	$8,495,233	$8,495,252	0.0%	$8,470,707	-0.3%	$8,495,000	0.0%		-100.0%	$8,412,824	-0.7%	$8,495,000				$8,395,062	-0.2%	$8,495,000	
	TOTAL MISC SALES AND REFUNDS	$63,263,309	$67,001,782	5.9%	$66,910,684	5.8%	$65,425,977	3.4%	$10,235,008	-84.7%	$18,676,124	-72.1%	$17,124,000	-73.8%	$10,409,929	1.7%	$18,898,662	1.2%	$17,154,000	0.2%
3255	Unclaimed Property [12-10][29-10][30-10][1-11][14-12]	$97,397,588	$31,051,444	-68.1%	$31,051,000	-68.1%	$31,051,000	-68.1%	$32,275,444	3.9%	$32,275,000	3.9%	$32,275,000	3.9%	$33,536,164	3.9%	$33,536,000	3.9%	$33,536,000	3.9%
	TOTAL OTHER REVENUE	$160,960,897	$98,353,226	-38.9%	$98,261,684	-39.0%	$96,776,977	-39.9%	$42,810,452	-56.5%	$51,251,124	-47.8%	$49,699,000	-48.6%	$44,246,093	3.4%	$52,734,662	2.9%	$50,990,000	2.6%
	TOTAL GENERAL FUND REVENUE	$3,081,768,174	$3,053,834,439	-0.9%	$3,080,593,778	0.0%	$3,072,114,294	-0.3%	$2,755,157,601	-9.8%	$2,800,079,741	-9.1%	$2,798,794,017	-8.9%	$2,924,957,208	6.2%	$2,981,306,579	6.5%	$2,999,337,117	7.2%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
NOVEMBER 30, 2012 FORECAST: FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L.			FISCAL YEAR 2013						FISCAL YEAR 2014						FISCAL YEAR 2015					
NO.	DESCRIPTION	FISCAL YEAR 2012	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%	AGENCY ESTIMATE	%	FISCAL ESTIMATE	%	BUDGET ESTIMATE	%

NOTES:

FY 2010 - Notes 1 to 18 represent legislative actions approved during the 2009 Regular Session.

[1-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. A.B. 552 also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by the BCCRT, SCCRT, and local option taxes (did not apply to the LSST) from 0.75% to 1.75%, effective July 1, 2009. Collectively, these changes are estimated to generate an additional $16,031,800 in FY 2010 and $16,679,000 in FY 2011. [FY 2010 - State 2%: $2,007,000 (TCA); LSST: $1,037,700 (TCA); BCCRT: $1,946,000 (GFC) + $3,700 (TCA); SCCRT: $6,806,700 (GFC) + $12,800 (TCA); LOPT: $4,210,000 (GFC) + $7,900 (TCA) and FY 2011 - State 2%: $2,049,700 (TCA); LSST: $1,081,400 (TCA); BCCRT: $2,028,000 (GFC) + $3,800 (TCA); SCCRT: $7,093,600 (GFC) + $13,300 (TCA); LOPT: $4,400,900 (GFC) + $8,300 (TCA) where GFC represents amount due to General Fund Commission rate change and TCA represents amount due to Taxpayer Collection Allowance change.]

[2-10] S.B. 429 changed the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by creating a two-tiered tax rate in lieu of the single rate of 0.63%, effective July 1, 2009. Under S.B. 429, a nonfinancial business pays a tax rate of 0.5% on all taxable wages (gross wages less allowable health care expenses) up to $62,500 per quarter, and a rate of 1.17% on taxable wages exceeding $62,500 per quarter. Estimated to generate an additional $173,330,000 in FY 2010 and $172,393,400 in FY 2011. The change to the MBT-General Business sunsets effective June 30, 2011.

[3-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. This change is estimated to generate an additional $236,200 in FY 2010 and $237,300 in FY 2011.

[4-10] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% room tax in Clark and Washoe counties but not to exceed a total combined rate of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the room tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education beginning in FY 2012.

[5-10] S.B. 429 increases the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purposes of calculating the Governmental Services Tax (GST) due, effective September 1, 2009. The portion of the GST generated from the depreciation schedule change is allocated to the State General Fund, which is estimated to generate $42,842,800 in FY 2010 and $51,411,300 in FY 2011. Under S.B. 429, additional revenue generated from the GST is deposited in the General Fund until FY 2013 and is then deposited in the State Highway Fund beginning in FY 2014.

[6-10] S.B. 429 increases the Business License Fee (BLF) by $100 to $200 for initial and annual renewals, effective July 1, 2009. Effective October 1, 2009, A.B. 146 transfers the BLF to the Secretary of State from the Department of Taxation as part of the business portal program and requires all entities filing with the Secretary of State under Title 7 to pay the initial and annual renewal $200 BLF. It is estimated to generate an additional $38,254,800 in FY 2010 and $44,802,600 in FY 2011. Under S.B. 429, the $100 increase in the BLF sunsets effective June 30, 2011.

[7-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $100,400 in FY 2010 and $102,800 in FY 2011.

[8-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting other tobacco taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $23,560 in FY 2010 and $24,270 in FY 2011.

[9-10] Effective July 1, 2009, S.B. 53 requires fees collected for expedite services provided by the Secretary of State to business entities to be deposited in the State General Fund. Estimated to generate $2,272,569 in FY 2010 and $1,818,056 in FY 2011.

[10-10] Effective October 1, 2009, S.B. 234 increases the state rate imposed on the short-term rental of a vehicle from 6.0% to 10.0% with the proceeds equivalent to 9.0% deposited in the General Fund and 1.0% deposited in the Highway Fund (maintains provisions of A.B. 595 from the 2007 Session). S.B. 234 eliminates the 4.0% recovery surcharge and allows short-term car rental companies to impose a surcharge to recover their vehicle licensing and registration costs. Estimated to generate an additional $9,883,900 in FY 2010 and $13,565,000 in FY 2011.

[11-10] A.B. 480 increases various fees collected by the State Engineer for examining and filing applications and issuing and recording permits, effective July 1, 2009. Estimated to generate an additional $900,000 in FY 2010 and FY 2011.

[12-10] A.B. 562 redirects $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011.

[13-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 4-cents worth of property tax generated from their operating rate to the State General Fund in FY 2010 and FY 2011. Estimated to generate $36,010,800 in FY 2010 and $32,446,600 in FY 2011. (Clark County: $30,380,500 - FY 2010 and $27,329,100 - FY 2011) (Washoe County: $5,630,300 - FY 2010 and $5,117,500 - FY 2011)

[14-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 3.8 cents in FY 2010 and 3.2 cents in FY 2011 worth of property tax generated from the capital rate imposed pursuant to NRS 354.59815 to the State General Fund in FY 2010 and FY 2011. Estimated to generate $34,210,300 in FY 2010 and $25,957,300 in FY 2011. (Clark County: $28,861,500 - FY 2010 and $21,863,300 - FY 2011) (Washoe County: $5,348,800 - FY 2010 and $4,094,000 - FY 2011)

[15-10] S.B. 431 requires a portion of the revenue generated from the state 3/8 of 1% room tax revenue provided to the Nevada Commission on Tourism to be allocated to the State General Fund in FY 2010 and FY 2011. Estimated to generate $2,334,563 in FY 2010 and $3,265,434 in FY 2011.

[16-10] A.B. 531 requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund, effective July 1, 2009. Estimated to generate $4,763,532 in FY 2010 and $6,133,023 in FY 2011.

[17-10] S.B. 431 requires the transfer of the estimated residual amount of revenue generated from Insurance Verification Fees to the State General Fund in FY 2010 and FY 2011. Estimated to generate $7,000,000 in FY 2010 and $6,000,000 in FY 2011.

[18-10] S.B. 431 requires the transfer of $25,199,365 in FY 2010 and $22,970,977 in FY 2011 from the Supplemental Account for Medical Assistance to Indigent Persons created in the Fund for Hospital Care to Indigent Persons to the State General Fund.

FY 2010 - Continued: Notes 19 to 30 represent legislative actions approved during the 26th Special Session in February 2010.

[19-10] Based on information provided to the Fiscal Analysis Division regarding the amount of net proceeds that would be reported to the Department of Taxation on March 1, 2010, pursuant to NRS 362.115 for calendar year 2009 for FY 2010 and information on estimated mining operations for calendar year 2010 and 2011, the Fiscal Analysis Division produced a revised estimate for FY 2010 and FY 2011 for Net Proceeds of Minerals Tax of $71,700,000 and $62,100,000, respectively. These revised estimates were $31,700,000 and $27,100,000 higher than the consensus forecast prepared by the Budget Division/Fiscal Analysis Division on February 1, 2010 of $40,000,000 for FY 2010 and $35,000,000 for FY 2011.

[20-10] Section 47 of A.B. 6 (26th S.S.) creates a new annual Mining Claims Fee based on a progressive graduated fee per mining claim associated with the total number of mining claims held by an enity in Nevada. This new Mining Claims Fee is estimated to generate $25,700,000 in FY 2011 only as the fee is scheduled to sunset effective June 30, 2011.

[21-10] The Division of Insurance of the Department of Business and Industry is required to implement a program to perform desk audits of tax returns submitted by insurance companies when filing for the Insurance Premium Tax. This program is estimated to generate an additional $10,000,000 in Insurance Premium Tax collections in FY 2011.

[22-10] Section 64 of A.B. 6 (26th S.S.) requires the Department of Taxation to conduct a tax amnesty program from July 1, 2010 to September 30, 2010 for all taxes that are required to be reported and paid to the Department. It is estimated that the tax amnesty program will generate $10,000,000 in FY 2011 from all the different applicable taxes, but an estimate of additional revenue expected from each individual revenue source was not prepared.

[23-10] A.B. 6 (26th S.S.) increased various fees authorized or imposed in NRS associated with activities of the Secretary of State's Office related to securities, commercial recordings, and UCC filing requirements as well as changed the allocation of the portion to the State General Fund for fees associated with notary training and domestic partnerships. The changes were estimated to generate the following amounts in FY 2010 and FY 2011: UCC: $155,200 - FY 2010 and $465,600 - FY 2011; Commercial Recordings: $354,342 - FY 2010 and $1,063,027 - FY 2011; Notary Fees: $0 - FY 2010 and $153,600 - FY 2011; Securities: $855,314 - FY 2010 and $4,860,193 - FY 2011; and Domestic Partnerships: $0 - FY 2010 and $50,000 - FY 2011.

[24-10] Section 45 of A.B. 6 (26th S.S.) increases the license fee from 4% to 6% on the gross receipts from admission fees to a live contest or exhibition of unarmed combat, effective July 1, 2010. This fee increase is estimated to generate $1,250,000 in additional revenue for FY 2011.

[25-10] A.B. 6 (26th S.S.) requires the current fees specified in NRS 440.700 associated with birth and death certificates to continue to be collected by the State Registrar until the State Registrar establishes new higher fees through regulation. The higher fees imposed through regulation are expected to be effective July 1, 2010, and are estimated to generate an additional $368,511 in revenue for FY 2011.

[26-10] Section 31 of A.B. 6 (26th S.S.) imposes a new fee of $150 per notice of default or election to sell with the proceeds deposited in the State General Fund, effective April 1, 2010. This new notice of default fee is estimated to generate additional General Fund revenue of $2,760,000 in FY 2010 and $11,040,000 in FY 2011.

[27-10] Section 36 of A.B. 6 (26th S.S.) requires the Legislative Commission to transfer the first $100,000 in revenue collected from lobbyist registration fees imposed pursuant to NRS 218H.500 to the State General Fund. The $100,000 transfer to the General Fund is for FY 2011 only as the provisions sunset on June 30, 2011.

[28-10] Section 34 of A.B. 6 (26th S.S.) increases the adminstrative assessment amount associated with misdemeanor violation fines by $5 effective upon passage and approval of A.B. 6 (March 12, 2010). The proceeds from the additional $5 adminstrative assessment as part of the sentence for a violation of a misdemeanor are deposited in the State General Fund and is estimated to generate an additional $192,544 in FY 2010 and $2,310,530 in FY 2011.

[29-10] Based on information provided by the Treasurer's Office, the Fiscal Analysis Division revised the estimate for unclaimed property collections to be deposited in the State General Fund to $52,000,000 in FY 2010 and $58,081,000 in FY 2011. This revised forecast for unclaimed property proceeds yields an additional $4,018,000 in FY 2010 and $15,000,000 in FY 2011 above the February 1, 2010, consensus forecast of $47,919,000 for FY 2010 and $43,081,000 for FY 2011 prepared by the Budget Division/Fiscal Division based on information provided by the Treasurer's Office.

[30-10] Section 1 of A.B. 3 (26th S.S.) redirects the full $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. A.B. 562 (75th Session) redirected $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. The net effect of the provisions of A.B. 3 is an additional $3,800,000 in General Fund revenue in FY 2010 and FY 2011 from unclaimed property proceeds.

FY 2011

[1-11] The Treasurer's Office provided the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau with information on additional unclaimed property for FY 2011, based on more complete information that became available after the Economic Forum May 2, 2011, meeting on actual unclaimed property remitted to the Treasurer's Office. Treasurer's Office estimated an additional $13,630,561 for FY 2011.

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
NOVEMBER 30, 2012 FORECAST: FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FISCAL YEAR 2012	FISCAL YEAR 2013 AGENCY ESTIMATE	%	FISCAL YEAR 2013 FISCAL ESTIMATE	%	FISCAL YEAR 2013 BUDGET ESTIMATE	%	FISCAL YEAR 2014 AGENCY ESTIMATE	%	FISCAL YEAR 2014 FISCAL ESTIMATE	%	FISCAL YEAR 2014 BUDGET ESTIMATE	%	FISCAL YEAR 2015 AGENCY ESTIMATE	%	FISCAL YEAR 2015 FISCAL ESTIMATE	%	FISCAL YEAR 2015 BUDGET ESTIMATE	%

FY 2012

[1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals Tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate $11,919,643 in addtional revenue in both FY 2012 and FY 2013.

[2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.

[3-12] S.B 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the mining claims fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011 forecast for MBT - Nonfinancial tax collections.

[4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013 generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,052,720 in FY 2012 and $1,084,301 in FY 2013.

[5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from $2 to $1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other $1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate $682,982 in FY 2012 and $692,929 in FY 2013 from non-restricted slot machines and $75,970 in FY 2012 and $77,175 in FY 2013 from restricted slot machines.

[6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $62,500 per quarter and taxable wages exceeding $62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $117,981,497 in FY 2012 and $119,161,117 in FY 2013.

[7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $29,949,000 in FY 2012 and $30,100,000 in FY 2013.

[8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate $4,402,222 in FY 2012 and $4,457,778 in FY 2013.

[9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate $105,313 in FY 2012 and $244,750 in FY 2013.

[10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed $20,894,228 from commissions and $4,672,213 from penalties in both FY 2012 and FY 2013.

[11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate $3,332,750 in FY 2012 and $13,331,000 in FY 2013.

[12-12] A.B. 529 requires transfer of $19,112,621 in FY 2012 and $19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.

[13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.

[14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than $10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of $30,594,750, but a net loss in FY 2013 of $33,669,923.

TABLE 4

Forecasts for the Major General Fund Revenues: FY 2013, FY 2014, and FY 2015

Economic Forum Forecast is the Forecast Approved at their May 2, 2011, Meeting

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum November 30, 2012, Meeting: 11/27/12 10:00 AM

	FY 2012	FY 2013			FY 2014			FY 2015			2013-2015 Biennium		
	Actual: Millions $'s	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change[2]	% Change
Sales and Use Tax	$842.942												
Economic Forum[1]		$826.134	-$16.808	-2.0%									
Agency		$869.085	$26.143	3.1%	$903.165	$34.080	3.9%	$937.244	$34.079	3.8%	$1,840.409	$128.382	7.5%
Fiscal Division		$891.445	$48.503	5.8%	$934.536	$43.091	4.8%	$972.983	$38.447	4.1%	$1,907.519	$173.132	10.0%
Budget Division		$883.490	$40.548	4.8%	$921.739	$38.249	4.3%	$968.837	$47.098	5.1%	$1,890.576	$164.144	9.5%
Moody's Analytics		$893.950	$51.008	6.1%	$953.620	$59.670	6.7%	$1,047.960	$94.340	9.9%	$2,001.580	$264.688	15.2%
Percentage Fees Tax	$653.673												
Economic Forum[1]		$683.386	$29.713	4.5%									
Agency		$672.442	$18.769	2.9%	$696.663	$24.221	3.6%	$734.551	$37.888	5.4%	$1,431.214	$105.099	7.9%
Fiscal Division		$674.408	$20.735	3.2%	$702.957	$28.549	4.2%	$726.777	$23.820	3.4%	$1,429.734	$101.653	7.7%
Budget Division		$668.821	$15.148	2.3%	$683.038	$14.217	2.1%	$708.854	$25.816	3.8%	$1,391.892	$69.398	5.2%
Moody's Analytics		$681.100	$27.427	4.2%	$706.610	$25.510	3.7%	$752.970	$46.360	6.6%	$1,459.580	$124.807	9.4%
Insurance Premium Tax	$236.787												
Economic Forum[1]		$243.300	$6.513	2.8%									
Agency		$239.545	$2.758	1.2%	$240.606	$1.061	0.4%	$241.667	$1.061	0.4%	$482.273	$5.941	1.2%
Fiscal Division		$243.687	$6.900	2.9%	$250.484	$6.797	2.8%	$258.321	$7.837	3.1%	$508.805	$28.331	5.9%
Budget Division		$240.610	$3.823	1.6%	$264.791	$24.181	10.0%	$282.383	$17.592	6.6%	$547.174	$69.777	14.6%
Real Property Transfer Tax	$48.374												
Economic Forum[1]		$52.200	$3.826	7.9%									
Agency		$45.093	-$3.281	-6.8%	$42.460	-$2.633	-5.8%	$39.828	-$2.632	-6.2%	$82.288	-$11.179	-12.0%
Fiscal Division		$44.178	-$4.196	-8.7%	$44.694	$0.516	1.2%	$47.693	$2.999	6.7%	$92.387	-$0.165	-0.2%
Budget Division		$47.412	-$0.962	-2.0%	$51.905	$4.493	9.5%	$54.323	$2.418	4.7%	$106.228	$10.442	10.9%
LET - Gaming	$125.338												
Economic Forum[1]		$121.708	-$3.630	-2.9%									
Agency		$123.513	-$1.825	-1.5%	$128.046	$4.533	3.7%	$129.967	$1.921	1.5%	$258.013	$9.162	3.7%
Fiscal Division		$122.937	-$2.401	-1.9%	$126.941	$4.004	3.3%	$131.902	$4.961	3.9%	$258.843	$10.568	4.3%
Budget Division		$127.591	$2.253	1.8%	$133.213	$5.622	4.4%	$140.642	$7.429	5.6%	$273.855	$20.926	8.3%

TABLE 4

Forecasts for the Major General Fund Revenues: FY 2013, FY 2014, and FY 2015

Economic Forum Forecast is the Forecast Approved at their May 2, 2011, Meeting

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum November 30, 2012, Meeting: 11/27/12 10:00 AM

	FY 2012	FY 2013			FY 2014			FY 2015			2013-2015 Biennium		
	Actual: Millions $'s	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change[2]	% Change
MBT - Nonfinancial	$348.943												
Economic Forum[1]		$338.569	-$10.374	-3.0%									
Agency		$359.232	$10.289	2.9%	$259.184	-$100.048	-27.9%	$266.904	$7.720	3.0%	$526.088	-$182.087	-25.7%
Fiscal Division		$358.126	$9.183	2.6%	$243.206	-$114.920	-32.1%	$251.675	$8.469	3.5%	$494.881	-$212.188	-30.0%
Budget Division		$352.476	$3.533	1.0%	$239.367	-$113.109	-32.1%	$247.336	$7.969	3.3%	$486.703	-$214.716	-30.6%
MBT - Financial	$20.717												
Economic Forum[1]		$20.000	-$0.717	-3.5%									
Agency		$21.703	$0.986	4.8%	$21.711	$0.008	0.0%	$21.720	$0.009	0.0%	$43.431	$1.011	2.4%
Fiscal Division		$21.969	$1.252	6.0%	$22.424	$0.455	2.1%	$23.335	$0.911	4.1%	$45.759	$3.073	7.2%
Budget Division		$21.915	$1.198	5.8%	$22.370	$0.455	2.1%	$22.956	$0.586	2.6%	$45.326	$2.694	6.3%
MBT - TOTAL	$369.661												
Economic Forum[1]		$358.569	-$11.092	-3.0%									
Agency		$380.935	$11.274	3.0%	$280.895	-$100.040	-26.3%	$288.624	$7.729	2.8%	$569.519	-$181.077	-24.1%
Fiscal Division		$380.095	$10.434	2.8%	$265.630	-$114.465	-30.1%	$275.010	$9.380	3.5%	$540.640	-$209.116	-27.9%
Budget Division		$374.391	$4.730	1.3%	$261.737	-$112.654	-30.1%	$270.292	$8.555	3.3%	$532.029	-$212.023	-28.5%
Total - Major Tax Sources	$2,276.774												
Economic Forum[1]		$2,285.297	$8.523	0.4%									
Agency		$2,330.613	$53.839	2.4%	$2,291.835	-$38.778	-1.7%	$2,371.881	$80.046	3.5%	$4,663.716	$56.329	1.2%
Fiscal Division		$2,356.750	$79.976	3.5%	$2,325.242	-$31.508	-1.3%	$2,412.686	$87.444	3.8%	$4,737.928	$104.404	2.3%
Budget Division		$2,342.315	$65.541	2.9%	$2,316.423	-$25.892	-1.1%	$2,425.331	$108.908	4.7%	$4,741.754	$122.665	2.7%

[1] Economic Forum's May 2, 2011, Forecast

[2] Represents the difference between the total for the 2013-15 biennium (FY 2014 and FY 2015 forecasts) and the total for the 2011-13 biennium (FY 2012 actual and FY 2013 forecast).

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2013, FY 2014, AND FY 2015
Comparison of November 30, 2012 and November 9, 2012 Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2012 Actual	FY 2013 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2014 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2015 Forecast	% Change	Dollar Difference:	Growth Difference:
STATE SALES	$842.942												
Economic Forum[1]		$826.134	-2.0%										
Agency													
November 9, 2012 Forecast		$867.788	2.9%			$900.414	3.8%			$933.041	3.6%		
November 30, 2012 Forecast		$869.085	3.1%	$1.297	0.2%	$903.165	3.9%	$2.751	0.2%	$937.244	3.8%	$4.203	0.1%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$896.881	6.4%			$937.760	4.6%			$977.061	4.2%		
November 30, 2012 Forecast		$891.445	5.8%	-$5.436	-0.6%	$934.536	4.8%	-$3.224	0.3%	$972.983	4.1%	-$4.078	-0.1%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$881.265	4.5%			$920.138	4.4%			$965.580	4.9%		
November 30, 2012 Forecast		$883.490	4.8%	$2.225	0.3%	$921.739	4.3%	$1.601	-0.1%	$968.837	5.1%	$3.257	0.2%
May 1, 2013 Forecast													
Moody's Analytics													
November 9, 2012 Forecast		$893.950	6.1%			$953.620	6.7%			$1,047.960	9.9%		
November 30, 2012 Forecast													
May 1, 2013 Forecast													
PERCENTAGE FEES	$653.673												
Economic Forum[1]		$683.386	4.5%										
Agency													
November 9, 2012 Forecast		$671.346	2.7%			$695.594	3.6%			$733.440	5.4%		
November 30, 2012 Forecast		$672.442	2.9%	$1.096	0.2%	$696.663	3.6%	$1.069	0.0%	$734.551	5.4%	$1.111	0.0%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$670.712	2.6%			$700.467	4.4%			$724.663	3.5%		
November 30, 2012 Forecast		$674.408	3.2%	$3.696	0.6%	$702.957	4.2%	$2.490	-0.2%	$726.777	3.4%	$2.114	-0.1%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$665.731	1.8%			$681.245	2.3%			$705.038	3.5%		
November 30, 2012 Forecast		$668.821	2.3%	$3.090	0.5%	$683.038	2.1%	$1.793	-0.2%	$708.854	3.8%	$3.816	0.3%
May 1, 2013 Forecast													
Moody's Analytics													
November 9, 2012 Forecast		$681.100	4.2%			$706.610	3.7%			$752.970	6.6%		
November 30, 2012 Forecast													
May 1, 2013 Forecast													

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2013, FY 2014, AND FY 2015
Comparison of November 30, 2012 and November 9, 2012 Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2012 Actual	FY 2013 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2014 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2015 Forecast	% Change	Dollar Difference:	Growth Difference:
INSURANCE PREMIUM	$236.787												
Economic Forum[1]		$243.300	2.8%										
Agency													
November 9, 2012 Forecast		$234.882	-0.8%			$230.759	-1.8%			$226.637	-1.8%		
November 30, 2012 Forecast		$239.545	1.2%	$4.663	2.0%	$240.606	0.4%	$9.847	2.2%	$241.667	0.4%	$15.030	2.2%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$244.182	3.1%			$250.989	2.8%			$258.842	3.1%		
November 30, 2012 Forecast		$243.687	2.9%	-$0.495	-0.2%	$250.484	2.8%	-$0.505	0.0%	$258.321	3.1%	-$0.521	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$240.673	1.6%			$251.423	4.5%			$265.784	5.7%		
November 30, 2012 Forecast		$240.610	1.6%	-$0.063	0.0%	$264.791	10.0%	$13.368	5.6%	$282.383	6.6%	$16.599	0.9%
May 1, 2013 Forecast													
REAL PROPERTY TRANSFER	$48.374												
Economic Forum[1]		$52.200	7.9%										
Agency													
November 9, 2012 Forecast		$46.804	-3.2%			$44.785	-4.3%			$42.765	-4.5%		
November 30, 2012 Forecast		$45.093	-6.8%	-$1.711	-3.5%	$42.460	-5.8%	-$2.325	-1.5%	$39.828	-6.2%	-$2.937	-1.7%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$44.178	-8.7%			$44.694	1.2%			$47.693	6.7%		
November 30, 2012 Forecast		$44.178	-8.7%	$0.000	0.0%	$44.694	1.2%	$0.000	0.0%	$47.693	6.7%	$0.000	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$47.412	-2.0%			$51.905	9.5%			$54.323	4.7%		
November 30, 2012 Forecast		$47.412	-2.0%	$0.000	0.0%	$51.905	9.5%	$0.000	0.0%	$54.323	4.7%	$0.000	0.0%
May 1, 2013 Forecast													
LET - GAMING	$125.338												
Economic Forum[1]		$121.708	-2.9%										
Agency													
November 9, 2012 Forecast		$123.513	-1.5%			$128.046	3.7%			$129.967	1.5%		
November 30, 2012 Forecast		$123.513	-1.5%	$0.000	0.0%	$128.046	3.7%	$0.000	0.0%	$129.967	1.5%	$0.000	0.0%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$122.959	-1.9%			$126.941	3.2%			$131.902	3.9%		
November 30, 2012 Forecast		$122.937	-1.9%	-$0.022	0.0%	$126.941	3.3%	$0.000	0.0%	$131.902	3.9%	$0.000	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$129.510	3.3%			$137.317	6.0%			$146.297	6.5%		
November 30, 2012 Forecast		$127.591	1.8%	-$1.919	-1.5%	$133.213	4.4%	-$4.104	-1.6%	$140.642	5.6%	-$5.655	-1.0%
May 1, 2013 Forecast													

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2013, FY 2014, AND FY 2015
Comparison of November 30, 2012 and November 9, 2012 Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2012 Actual	FY 2013 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2014 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2015 Forecast	% Change	Dollar Difference:	Growth Difference:
MBT - NONFINANCIAL	$348.943												
Economic Forum[1]		$338.569	-3.0%										
Agency													
November 9, 2012 Forecast		$359.232	2.9%			$259.184	-27.9%			$266.904	3.0%		
November 30, 2012 Forecast		$359.232	2.9%	$0.000	0.0%	$259.184	-27.9%	$0.000	0.0%	$266.904	3.0%	$0.000	0.0%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$358.756	2.8%			$243.922	-32.0%			$252.476	3.5%		
November 30, 2012 Forecast		$358.126	2.6%	-$0.630	-0.2%	$243.206	-32.1%	-$0.716	-0.1%	$251.675	3.5%	-$0.801	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$355.047	1.7%			$241.740	-31.9%			$250.111	3.5%		
November 30, 2012 Forecast		$352.476	1.0%	-$2.571	-0.7%	$239.367	-32.1%	-$2.373	-0.2%	$247.336	3.3%	-$2.775	-0.1%
May 1, 2013 Forecast													
MBT - FINANCIAL	$20.717												
Economic Forum[1]		$20.000	-3.5%										
Agency													
November 9, 2012 Forecast		$21.578	4.2%			$21.566	-0.1%			$21.555	-0.1%		
November 30, 2012 Forecast		$21.703	4.8%	$0.125	0.6%	$21.711	0.0%	$0.145	0.1%	$21.720	0.0%	$0.165	0.1%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$21.051	1.6%			$21.789	3.5%			$22.674	4.1%		
November 30, 2012 Forecast		$21.969	6.0%	$0.918	4.4%	$22.424	2.1%	$0.635	-1.4%	$23.335	4.1%	$0.661	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$21.139	2.0%			$21.633	2.3%			$22.242	2.8%		
November 30, 2012 Forecast		$21.915	5.8%	$0.776	3.7%	$22.370	2.1%	$0.737	-0.3%	$22.956	2.6%	$0.714	-0.2%
May 1, 2013 Forecast													
MBT - TOTAL	$369.661												
Economic Forum[1]		$358.569	-3.0%										
Agency													
November 9, 2012 Forecast		$380.810	3.0%			$280.750	-26.3%			$288.459	2.7%		
November 30, 2012 Forecast		$380.935	3.0%	$0.125	0.0%	$280.895	-26.3%	$0.145	0.0%	$288.624	2.8%	$0.165	0.0%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$379.807	2.7%			$265.711	-30.0%			$275.150	3.6%		
November 30, 2012 Forecast		$380.095	2.8%	$0.288	0.1%	$265.630	-30.1%	-$0.081	-0.1%	$275.010	3.5%	-$0.140	0.0%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$376.186	1.8%			$263.373	-30.0%			$272.353	3.4%		
November 30, 2012 Forecast		$374.391	1.3%	-$1.795	-0.5%	$261.737	-30.1%	-$1.636	-0.1%	$270.292	3.3%	-$2.061	-0.1%
May 1, 2013 Forecast													

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2013, FY 2014, AND FY 2015
Comparison of November 30, 2012 and November 9, 2012 Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2012 Actual	FY 2013 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2014 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2015 Forecast	% Change	Dollar Difference:	Growth Difference:
TOTAL - MAJOR REVENUES	$2,276.774												
Economic Forum[1]		$2,285.297	0.4%										
Agency													
November 9, 2012 Forecast		$2,325.143	2.1%			$2,280.348	-1.9%			$2,354.309	3.2%		
November 30, 2012 Forecast		$2,330.614	2.4%	$5.470	0.2%	$2,291.835	-1.7%	$11.487	0.3%	$2,371.880	3.5%	$17.571	0.2%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$2,358.719	3.6%			$2,326.562	-1.4%			$2,415.311	3.8%		
November 30, 2012 Forecast		$2,356.750	3.5%	-$1.969	-0.1%	$2,325.242	-1.3%	-$1.320	0.0%	$2,412.686	3.8%	-$2.625	-0.1%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$2,340.777	2.8%			$2,305.401	-1.5%			$2,409.375	4.5%		
November 30, 2012 Forecast		$2,342.315	2.9%	$1.538	0.1%	$2,316.423	-1.1%	$11.022	0.4%	$2,425.331	4.7%	$15.956	0.2%
May 1, 2013 Forecast													
TOTAL - ALL OTHER	$804.994												
Economic Forum[1]		$705.034	-12.4%										
Agency													
November 9, 2012 Forecast		$719.252	-10.7%			$457.984	-36.3%			$554.708	21.1%		
November 30, 2012 Forecast		$723.221	-10.2%	$3.969	0.5%	$463.323	-35.9%	$5.339	0.4%	$553.078	19.4%	-$1.630	-1.7%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$724.494	-10.0%			$475.482	-34.4%			$577.713	21.5%		
November 30, 2012 Forecast		$723.844	-10.1%	-$0.650	-0.1%	$474.837	-34.4%	-$0.645	0.0%	$568.621	19.8%	-$9.092	-1.7%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$717.131	-10.9%			$482.311	-32.7%			$581.658	20.6%		
November 30, 2012 Forecast		$729.799	-9.3%	$12.668	1.6%	$482.371	-33.9%	$0.060	-1.2%	$574.006	19.0%	-$7.652	-1.6%
May 1, 2013 Forecast													
TOTAL GF REVENUE	$3,081.768												
Economic Forum[1]		$2,990.331	-3.0%										
Agency													
November 9, 2012 Forecast		$3,044.395	-1.2%			$2,738.332	-10.1%			$2,909.017	6.2%		
November 30, 2012 Forecast		$3,053.834	-0.9%	$9.439	0.3%	$2,755.158	-9.8%	$16.826	0.3%	$2,924.957	6.2%	$15.940	-0.1%
May 1, 2013 Forecast													
Fiscal Division													
November 9, 2012 Forecast		$3,083.213	0.0%			$2,802.044	-9.1%			$2,993.024	6.8%		
November 30, 2012 Forecast		$3,080.594	0.0%	-$2.619	-0.1%	$2,800.080	-9.1%	-$1.965	0.0%	$2,981.307	6.5%	-$11.718	-0.3%
May 1, 2013 Forecast													
Budget Division													
November 9, 2012 Forecast		$3,057.908	-0.8%			$2,787.712	-8.8%			$2,991.033	7.3%		
November 30, 2012 Forecast		$3,072.114	-0.3%	$14.206	0.5%	$2,798.794	-8.9%	$11.082	-0.1%	$2,999.337	7.2%	$8.304	-0.1%
May 1, 2013 Forecast													

[1] Represents the Economic Forum May 1, 2011 Forecast for Major Revenues and Technical Advisory Committee Forecast for Non-Major Revenues approved at its November 21, 2012, Meeting.

TABLE 9

COMPARISON OF AVERAGE GROWTH REQUIRED OVER THE REMAINDER OF FY 2013 TO ACHIEVE THE FY 2013 FORECAST: MAJOR GENERAL FUND REVENUE SOURCE FORECASTS BY FORECASTER: NOVEMBER 30, 2012, FORECAST

	ACTUAL		FORECASTER							
	Fiscal Year-to-Date	% Change	Agency	% Change from FY 2012	Fiscal	% Change from FY 2012	Budget	% Change from FY 2012	Moody's Analytics	% Change from FY 2012
STATE SALES & USE TAX										
FY 2011 (July-September)	$194.0									
FY 2012 (July-September)	$205.4	5.9%								
FY 2013 (July-September)	$216.7	5.5%								
FY 2011 Actual	$795.6									
FY 2012 Actual	$842.9	6.0%								
FY 2013 Forecast			$869.1	3.1%	$891.4	5.8%	$883.5	4.8%	$894.0	6.1%
Growth Over Last 9 Months of FY 2012 compared to Last 9 Months of FY 2011			6.0%		6.0%		6.0%		6.0%	
Average Growth Required Over Last 9 Months of FY 2013 to Achieve Forecast			**2.3%**		**5.8%**		**4.6%**		**6.2%**	
GAMING PERCENTAGE FEE TAX										
FY 2011 (July-October)	$211.0									
FY 2012 (July-October)	$199.4	-5.5%								
FY 2013 (July-October)	$226.5	13.6%								
FY 2011 Actual	$652.2									
FY 2012 Actual	$653.7	0.2%								
FY 2013 Forecast			$672.4	2.9%	$674.4	3.2%	$668.8	2.3%	$681.1	4.2%
Growth Over Last 8 Months of FY 2012 compared to Last 8 Months of FY 2011			3.0%		3.0%		3.0%		3.0%	
Average Growth Required Over Last 8 Months of FY 2013 to Achieve Forecast			**-1.8%**		**-1.4%**		**-2.6%**		**0.1%**	
INSURANCE PREMIUM TAX										
FY 2011 (1st Quarter)	$61.1									
FY 2012 (1st Quarter)	$61.8	1.0%								
FY 2013 (1st Quarter)	$63.3	2.5%								
FY 2011 Actual	$234.8									
FY 2012 Actual	$236.8	0.8%								
FY 2013 Forecast			$239.5	1.2%	$243.7	2.9%	$240.6	1.6%		
Growth Over Last 3 Quarters of FY 2012 compared to Last 3 Quarters of FY 2011			0.8%		0.8%		0.8%			
Average Growth Required Over Last 3 Quarters of FY 2013 to Achieve Forecast			**0.7%**		**3.0%**		**1.3%**			
REAL PROPERTY TRANSFER TAX										
FY 2011 (1st Quarter)	$12.6									
FY 2012 (1st Quarter)	$13.6	7.7%								
FY 2013 (1st Quarter)	$11.9	-12.2%								
FY 2011 Actual	$51.6									
FY 2012 Actual	$48.4	-6.2%								
FY 2013 Forecast			$45.1	-6.8%	$44.2	-8.7%	$47.4	-2.0%		
Growth Over Last 3 Quarters of FY 2012 compared to Last 3 Quarters of FY 2011			-10.6%		-10.6%		-10.6%			
Average Growth Required Over Last 3 Quarters of FY 2013 to Achieve Forecast			**-4.7%**		**-7.3%**		**2.0%**			

TABLE 9

COMPARISON OF AVERAGE GROWTH REQUIRED OVER THE REMAINDER OF FY 2013 TO ACHIEVE THE FY 2013 FORECAST: MAJOR GENERAL FUND REVENUE SOURCE FORECASTS BY FORECASTER: NOVEMBER 30, 2012, FORECAST

	ACTUAL		FORECASTER							
	Fiscal Year-to-Date	% Change	Agency	% Change from FY 2012	Fiscal	% Change from FY 2012	Budget	% Change from FY 2012	Moody's Analytics	% Change from FY 2012
LIVE ENTERTAINMENT TAX - GAMING										
FY 2011 (July-September)	$27.5									
FY 2012 (July-September)	$33.4	21.4%								
FY 2013 (July-September)	$32.2	-3.6%								
FY 2011 Actual	$118.5									
FY 2012 Actual	$125.3	5.7%								
FY 2013 Forecast			$123.5	-1.5%	$122.9	-1.9%	$127.6	1.8%		
Growth Over Last 9 Months of FY 2012 compared to Last 9 Months of FY 2011			1.0%		1.0%		1.0%			
Average Growth Required Over Last 9 Months of FY 2013 to Achieve Forecast			**-0.7%**		**-1.3%**		**3.8%**			
MBT - NONFINANCIAL BUSINESSES										
FY 2011 (1st Quarter)	$90.5									
FY 2012 (1st Quarter)	$86.1	-4.9%								
FY 2013 (1st Quarter)	$88.6	2.9%								
FY 2011 Actual	$361.4									
FY 2012 Actual	$348.9	-3.4%								
FY 2013 Forecast			$359.2	2.9%	$358.1	2.6%	$352.5	1.0%		
Growth Over Last 3 Quarters of FY 2012 compared to Last 3 Quarters of FY 2011			-2.9%		-2.9%		-2.9%			
Average Growth Required Over Last 3 Quarters of FY 2013 to Achieve Forecast			**3.0%**		**2.5%**		**0.4%**			
MBT - FINANCIAL BUSINESSES										
FY 2011 (1st Quarter)	$5.1									
FY 2012 (1st Quarter)	$4.6	-9.7%								
FY 2013 (1st Quarter)	$5.7	22.7%								
FY 2011 Actual	$20.5									
FY 2012 Actual	$20.7	0.8%								
FY 2013 Forecast			$21.7	4.8%	$22.0	6.0%	$21.9	5.8%		
Growth Over Last 3 Quarters of FY 2012 compared to Last 3 Quarters of FY 2011			4.3%		4.3%		4.3%			
Average Growth Required Over Last 3 Quarters of FY 2013 to Achieve Forecast			**-0.4%**		**1.2%**		**0.9%**			
MBT - TOTAL										
FY 2011 (1st Quarter)	$95.6									
FY 2012 (1st Quarter)	$90.7	-5.2%								
FY 2013 (1st Quarter)	$94.2	3.9%								
FY 2011 Actual	$381.9									
FY 2012 Actual	$369.7	-3.2%								
FY 2013 Forecast			$380.9	3.0%	$380.1	2.8%	$374.4	1.3%		
Growth Over Last 3 Quarters of FY 2012 compared to Last 3 Quarters of FY 2011			-2.5%		-2.5%		-2.5%			
Average Growth Required Over Last 3 Quarters of FY 2013 to Achieve Forecast			**2.8%**		**2.5%**		**0.4%**			

TABLE 5

Technical Advisory Committee Forecasts for Selected Revenues: FY 2013, FY 2014, and FY 2015

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum November 30, 2012, Meeting: 11/27/12 10:00 AM

	FY 2012[1]	FY 2013			FY 2014			FY 2015			2013-2015 Biennium		
	Actual: Millions $'s	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change[1]	% Change
Cigarette Tax	$82.975												
Technical Advisory Committee[2]		$80.527	-$2.448	-3.0%	$78.839	-$1.688	-2.1%	$77.386	-$1.453	-1.8%	$156.225	-$7.277	-4.5%
Agency		$75.469	-$7.506	-9.0%	$69.365	-$6.104	-8.1%	$63.261	-$6.104	-8.8%	$132.626	-$25.818	-16.3%
Fiscal Division		$80.567	-$2.408	-2.9%	$79.606	-$0.961	-1.2%	$79.043	-$0.563	-0.7%	$158.649	-$4.893	-3.0%
Budget Division		$80.486	-$2.489	-3.0%	$78.071	-$2.415	-3.0%	$75.729	-$2.342	-3.0%	$153.800	-$9.661	-5.9%
SOS - Commercial Filings	$66.693												
Technical Advisory Committee[2]		$65.288	-$1.405	-2.1%	$65.037	-$0.251	-0.4%	$65.176	$0.139	0.2%	$130.213	-$1.768	-1.3%
Agency		$66.005	-$0.688	-1.0%	$66.005	$0.000	0.0%	$66.005	$0.000	0.0%	$132.010	-$0.688	-0.5%
Fiscal Division		$63.914	-$2.779	-4.2%	$63.162	-$0.752	-1.2%	$63.579	$0.417	0.7%	$126.741	-$3.866	-3.0%
Budget Division		$65.945	-$0.748	-1.1%	$65.945	$0.000	0.0%	$65.945	$0.000	0.0%	$131.890	-$0.748	-0.6%
SOS - Securities	$24.535												
Technical Advisory Committee[2]		$23.978	-$0.557	-2.3%	$24.111	$0.133	0.6%	$24.357	$0.246	1.0%	$48.468	-$0.045	-0.1%
Agency		$23.799	-$0.736	-3.0%	$23.799	$0.000	0.0%	$24.037	$0.238	1.0%	$47.836	-$0.498	-1.0%
Fiscal Division		$23.600	-$0.935	-3.8%	$24.000	$0.400	1.7%	$24.500	$0.500	2.1%	$48.500	$0.365	0.8%
Budget Division		$24.535	$0.000	0.0%	$24.535	$0.000	0.0%	$24.535	$0.000	0.0%	$49.070	$0.000	0.0%
Governmental Services Tax	$62.358												
Technical Advisory Committee[2]		$62.707	$0.349	0.6%							$0.000	-$125.065	-100.0%
Agency		$62.358	$0.000	0.0%							$0.000	-$124.716	-100.0%
Fiscal Division		$62.572	$0.214	0.3%							$0.000	-$124.930	-100.0%
Budget Division		$63.190	$0.832	1.3%							$0.000	-$125.548	-100.0%
Unclaimed Property	$97.398												
Technical Advisory Committee[2]		$31.051	-$66.347	-68.1%	$32.275	$1.224	3.9%	$33.536	$1.261	3.9%	$65.811	-$62.638	-48.8%
Agency		$31.051	-$66.347	-68.1%	$32.275	$1.224	3.9%	$33.536	$1.261	3.9%	$65.811	-$62.638	-48.8%
Fiscal Division		$31.051	-$66.347	-68.1%	$32.275	$1.224	3.9%	$33.536	$1.261	3.9%	$65.811	-$62.638	-48.8%
Budget Division		$31.051	-$66.347	-68.1%	$32.275	$1.224	3.9%	$33.536	$1.261	3.9%	$65.811	-$62.638	-48.8%
Net Proceeds of Minerals Tax	$120.415												
Technical Advisory Committee[2]		$106.744	-$13.671	-11.4%				$86.169	$86.169		$86.169	-$140.990	-62.1%
Agency		$106.744	-$13.671	-11.4%				$86.169	$86.169		$86.169	-$140.990	-62.1%
Fiscal Division		$106.744	-$13.671	-11.4%				$86.169	$86.169		$86.169	-$140.990	-62.1%
Budget Division		$106.744	-$13.671	-11.4%				$86.169	$86.169		$86.169	-$140.990	-62.1%
Liquor Tax	$40.650												
Technical Advisory Committee[2]		$41.122	$0.472	1.2%	$42.018	$0.896	2.2%	$42.831	$0.813	1.9%	$84.849	$3.077	3.8%
Agency		$38.551	-$2.099	-5.2%	$38.240	-$0.311	-0.8%	$37.929	-$0.311	-0.8%	$76.169	-$3.032	-3.8%
Fiscal Division		$40.343	-$0.307	-0.8%	$40.927	$0.584	1.4%	$41.347	$0.420	1.0%	$82.274	$1.281	1.6%
Budget Division		$41.901	$1.251	3.1%	$43.108	$1.207	2.9%	$44.314	$1.206	2.8%	$87.422	$4.871	5.9%

TABLE 5

Technical Advisory Committee Forecasts for Selected Revenues: FY 2013, FY 2014, and FY 2015

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum November 30, 2012, Meeting: 11/27/12 10:00 AM

	FY 2012[1]	FY 2013			FY 2014			FY 2015			2013-2015 Biennium		
	Actual: Millions $'s	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change	% Change	Forecast: Millions $'s	$ Change[1]	% Change
Short-Term Car Lease	$44.499												
Technical Advisory Committee[2]		$45.542	$1.043	2.3%	$46.871	$1.329	2.9%	$48.393	$1.522	3.2%	$95.264	$5.223	5.8%
Agency		$49.800	$5.301	11.9%	$54.886	$5.086	10.2%	$59.971	$5.085	9.3%	$114.857	$20.558	21.8%
Fiscal Division		$45.028	$0.529	1.2%	$46.074	$1.046	2.3%	$47.449	$1.375	3.0%	$93.523	$3.996	4.5%
Budget Division		$46.056	$1.557	3.5%	$47.668	$1.612	3.5%	$49.337	$1.669	3.5%	$97.005	$6.450	7.1%
Business License Fee	$64.790												
Technical Advisory Committee[2]		$67.852	$3.062	4.7%	$36.775	-$31.077	-45.8%	$37.085	$0.310	0.8%	$73.860	-$58.782	-44.3%
Agency		$67.835	$3.045	4.7%	$36.831	-$31.004	-45.7%	$36.831	$0.000	0.0%	$73.662	-$58.963	-44.5%
Fiscal Division		$67.852	$3.062	4.7%	$36.775	-$31.077	-45.8%	$37.085	$0.310	0.8%	$73.860	-$58.782	-44.3%
Budget Division		$68.930	$4.140	6.4%	$38.871	-$30.059	-43.6%	$40.532	$1.661	4.3%	$79.403	-$54.317	-40.6%
Live Entertainment Tax-Nongaming	$11.644												
Technical Advisory Committee[2]		$11.365	-$0.279	-2.4%	$11.470	$0.105	0.9%	$11.585	$0.115	1.0%	$23.055	$0.046	0.2%
Agency		$11.411	-$0.233	-2.0%	$11.643	$0.232	2.0%	$11.874	$0.231	2.0%	$23.517	$0.462	2.0%
Fiscal Division		$11.123	-$0.521	-4.5%	$11.207	$0.084	0.8%	$11.321	$0.114	1.0%	$22.528	-$0.239	-1.1%
Budget Division		$11.560	-$0.084	-0.7%	$11.560	$0.000	0.0%	$11.560	$0.000	0.0%	$23.120	-$0.084	-0.4%
Other Tobacco Tax	$8.274												
Technical Advisory Committee[2]		$9.972	$1.698	20.5%	$10.220	$0.248	2.5%	$10.480	$0.260	2.5%	$20.700	$2.454	13.4%
Agency		$10.082	$1.808	21.8%	$10.322	$0.240	2.4%	$10.562	$0.240	2.3%	$20.884	$2.528	13.8%
Fiscal Division		$9.862	$1.588	19.2%	$10.118	$0.256	2.6%	$10.397	$0.279	2.8%	$20.515	$2.379	13.1%
Budget Division		$9.358	$1.084	13.1%	$9.358	$0.000	0.0%	$9.358	$0.000	0.0%	$18.716	$1.084	6.1%
TOTAL - 11 Selected Revenues	$624.232												
Technical Advisory Committee[2]		$546.148	-$78.084	-12.5%	$347.616	-$198.532	-36.4%	$436.998	$89.382	25.7%	$784.614	-$385.766	-33.0%
Agency		$543.105	-$81.127	-13.0%	$343.366	-$199.739	-36.8%	$430.175	$86.809	25.3%	$773.541	-$393.796	-33.7%
Fiscal Division		$542.656	-$81.576	-13.1%	$344.144	-$198.512	-36.6%	$434.426	$90.282	26.2%	$778.570	-$388.318	-33.3%
Budget Division		$549.756	-$74.476	-11.9%	$351.391	-$198.365	-36.1%	$441.015	$89.624	25.5%	$792.406	-$381.582	-32.5%

[1] Represents the difference between the total for the 2013-15 biennium (FY 2014 and FY 2015 forecasts) and the total for the 2011-13 biennium (FY 2012 actual and FY 2013 forecast).

[2] Technical Advisory Committee November 1, 2012, Forecast.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FY 2012 ACTUAL	ECONOMIC FORUM FORECAST FY 2013	%	FY 2014	%	FY 2015	%
	TAXES							
	PROPERTY/MINE							
3064	Net Proceeds of Minerals [19-10][1-12][2-12]	$120,414,858	$106,744,000	-11.4%			$86,169,000	
3241	Net Proceeds Penalty		$50,000				$50,000	
3245	Centrally Assessed Penalties	$4,327	$50,000	1055.6%	$50,000		$50,000	
3116	Mining Claims Fee [20-10][3-12]	$6,300						
	TOTAL PROPERTY/MINE TAX	$120,425,485	$106,844,000	-11.3%	$50,000		$86,269,000	
	SALES AND USE							
3001	Sales and Use Tax [1-10]	$842,941,556						
3002	State Share - LSST [1-10][4-12]	$8,309,073						
3003	State Share - BCCRT [1-10]	$3,682,170						
3004	State Share - SCCRT [1-10]	$12,884,425						
3005	State Share - PTT [1-10]	$7,778,846						
	TOTAL SALES AND USE	$875,596,070						
	GAMING - STATE							
3032	Pari-mutuel Tax	$2,113	$2,900	37.2%	$3,100	6.9%	$3,100	
3181	Racing Fees	$11,616	$8,000	-31.1%	$11,000	37.5%	$11,000	
3247	Racing Fines/Forfeitures		$500		$500		$500	
3041	Percent Fees - Gross Revenue	$653,672,645						
3042	Gaming Penalties	$459,560	$800,000	74.1%	$600,000	-25.0%	$600,000	
3043	Flat Fees-Restricted Slots [5-12]	$8,485,702	$8,378,800	-1.3%	$8,420,700	0.5%	$8,500,000	0.9%
3044	Non-Restricted Slots [5-12]	$12,628,582	$12,357,900	-2.1%	$11,811,200	-4.4%	$12,080,900	2.3%
3045	Quarterly Fees-Games	$6,592,935	$6,395,000	-3.0%	$6,485,800	1.4%	$6,627,400	2.2%
3046	Advance License Fees	$3,996,985	$1,500,000	-62.5%	$1,763,200	17.5%	$2,136,500	21.2%
3048	Slot Machine Route Operator	$36,500	$37,000	1.4%	$37,500	1.4%	$38,000	1.3%
3049	Gaming Info Systems Annual	$18,000	$18,000		$18,000		$18,000	
3028	Interactive Gaming Fee - Operator		$1,312,000		$646,000	-50.8%	$1,250,000	93.5%
3029	Interactive Gaming Fee - Service Provider	$1,000	$14,000	1300.0%	$16,000	14.3%	$18,000	12.5%
3030	Interactive Gaming Fee - Manufacturer	$125,000	$650,000	420.0%	$400,000	-38.5%	$325,000	-18.8%
3033	Equip Mfg. License	$264,500	$265,000	0.2%	$267,500	0.9%	$271,000	1.3%
3034	Race Wire License	$38,849	$52,900	36.2%	$51,500	-2.6%	$49,500	-3.9%
3035	Annual Fees on Games	$116,425	$121,600	4.4%	$115,200	-5.3%	$112,400	-2.4%
	TOTAL GAMING - STATE	$686,450,412	$31,913,600	-95.4%	$30,647,200	-4.0%	$32,041,300	4.5%
	LIVE ENTERTAINMENT TAX							
3031G	Live Entertainment Tax-Gaming	$125,337,855						
3031NG	Live Entertainment Tax-Nongaming	$11,644,191	$11,365,000	-2.4%	$11,470,000	0.9%	$11,585,000	1.0%
	Total Casino/Live Entertainment Tax	$136,982,047	$11,365,000	-91.7%	$11,470,000	0.9%	$11,585,000	1.0%
	INSURANCE TAXES							
3061	Insurance Premium Tax [21-10]	$236,787,376						
3062	Insurance Retaliatory Tax	$396,380	$256,000	-35.4%	$256,000		$256,000	
3067	Captive Insurer Premium Tax	$675,188	$657,000	-2.7%	$657,000		$657,000	
	TOTAL INSURANCE TAXES	$237,858,943	$913,000	-99.6%	$913,000		$913,000	
	MODIFIED BUSINESS TAX							
3069NF	Modified Business Tax - Nonfinancial [2-10][6-12]	$348,943,337						
3069F	Modified Business Tax - Financial	$20,717,296						
	Total Modified Business Tax	$369,660,633						
	CIGARETTE TAX							
3052	Cigarette Tax [3-10]	$82,974,853	$80,527,000	-3.0%	$78,839,000	-2.1%	$77,386,000	-1.8%
	REAL PROPERTY TRANSFER TAX							
3055	Real Property Transfer Tax	$48,373,678						
	GOVERNMENTAL SERVICES TAX (GST)							
3051	Governmental Services Tax [5-10]	$62,358,153	$62,707,000	0.6%				

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L.			ECONOMIC FORUM FORECAST					
NO.	DESCRIPTION	FY 2012 ACTUAL	FY 2013	%	FY 2014	%	FY 2015	%
	TAXES - CONTINUED							
	OTHER TAXES							
3113	Business License Fee [6-10][7-12]	$64,790,426	$67,852,000	4.7%	$36,775,000	-45.8%	$37,085,000	0.8%
3050	Liquor Tax [7-10]	$40,649,951	$41,122,000	1.2%	$42,018,000	2.2%	$42,831,000	1.9%
3053	Other Tobacco Tax [8-10]	$8,274,310	$9,972,000	20.5%	$10,220,000	2.5%	$10,480,000	2.5%
4862	HECC Transfer	$5,000,000	$5,000,000		$5,000,000		$5,000,000	
3065	Business License Tax	$597	$2,400	302.3%				
3068	Branch Bank Excise Tax	$3,047,528	$3,038,000	-0.3%	$3,052,000	0.5%	$3,066,000	0.5%
	TOTAL TAXES	$2,742,443,087	$421,256,000	-84.6%	$218,984,200	-48.0%	$306,656,300	40.0%
	LICENSES							
3101	Insurance Licenses	$15,646,219	$15,789,000	0.9%	$15,922,000	0.8%	$16,059,000	0.9%
3120	Marriage Licenses	$404,472	$391,600	-3.2%	$384,600	-1.8%	$378,500	-1.6%
	SECRETARY OF STATE							
3105	UCC [23-10]	$1,829,710	$1,714,000	-6.3%	$1,723,000	0.5%	$1,723,000	
3129	Notary Fees [23-10]	$579,228	$602,000	3.9%	$602,000		$602,000	
3130	Commercial Recordings [9-10][23-10]	$66,693,331	$65,288,000	-2.1%	$65,037,000	-0.4%	$65,176,000	0.2%
3131	Video Service Franchise	$8,425	$500					
3121	Domestic Partnership Registry Fee [23-10]	$33,891	$37,600		$41,800	11.2%	$46,400	11.0%
3152	Securities [23-10]	$24,534,996	$23,978,000	-2.3%	$24,111,000	0.6%	$24,357,000	1.0%
	TOTAL SECRETARY OF STATE	$93,679,582	$91,620,100	-2.2%	$91,514,800	-0.1%	$91,904,400	0.4%
3172	Private School Licenses	$224,140	$235,000	4.8%	$237,000	0.9%	$239,000	0.8%
3173	Private Employment Agency	$11,800	$11,800		$11,800		$11,800	
	REAL ESTATE							
3161	Real Estate Licenses	$4,005,955	$3,200,000	-20.1%	$1,427,000	-55.4%	$1,431,000	0.3%
3162	Real Estate Fees	$3,300	$3,000	-9.1%	$3,300	10.0%	$3,300	
	TOTAL REAL ESTATE	$4,009,255	$3,203,000	-20.1%	$1,430,300	-55.3%	$1,434,300	0.3%
3102	Athletic Commission Fees [24-10]	$5,115,117	$4,088,000	-20.1%	$4,088,000		$4,088,000	
	TOTAL LICENSES	$119,090,583	$115,338,500	-3.2%	$113,588,500	-1.5%	$114,115,000	0.5%
	FEES AND FINES							
3200	Vital Statistics Fees [25-10]	$1,024,903	$1,032,800	0.8%	$1,013,300	-1.9%	$998,800	-1.4%
3203	Divorce Fees	$184,862	$184,000	-0.5%	$183,000	-0.5%	$184,000	0.5%
3204	Civil Action Fees	$1,389,756	$1,397,200	0.5%	$1,404,700	0.5%	$1,412,200	0.5%
3242	Insurance Fines	$1,431,172	$1,000,000	-30.1%	$1,000,000		$1,000,000	
3103MD	Medical Discount Pan Reg. Fees	$9,895	$10,300	4.1%	$10,300		$10,300	
	REAL ESTATE FEES							
3107IOS	IOS Application Fees	$9,800	$9,000	-8.2%	$9,000		$9,000	
3165	Land Co Filing Fees	$140,650	$137,000	-2.6%	$137,000		$137,000	
3167	Real Estate Adver Fees	$4,180	$4,200	0.5%	$4,200		$4,200	
3169	Real Estate Reg Fees	$15,725	$16,000	1.7%	$16,500	3.1%	$17,000	3.0%
4741	Real Estate Exam Fees	$218,816	$220,000	0.5%	$220,000		$220,000	
3171	CAM Certification Fees	$86,040	$60,000	-30.3%	$60,000		$60,000	
3178	Real Estate Accred Fees	$79,050	$75,000	-5.1%	$78,000	4.0%	$78,000	
3254	Real Estate Penalties	$101,285	$92,000	-9.2%	$92,000		$92,000	
3190	A.B. 165, Real Estate Inspectors	$63,250	$60,000	-5.1%	$60,000		$62,000	3.3%
	TOTAL REAL ESTATE FEES	$718,796	$673,200	-6.3%	$676,700	0.5%	$679,200	0.4%
3066	Short Term Car Lease [10-10][8-12]	$44,499,016	$45,542,000	2.3%	$46,871,000	2.9%	$48,393,000	3.2%
3103AC	Athletic Commission Licenses/Fines	$231,865	$188,000	-18.9%	$188,000		$188,000	
3205	State Engineer Sales [11-10]	$3,366,568	$2,600,000	-22.8%	$2,600,000		$2,600,000	
3206	Supreme Court Fees	$211,955	$222,900	5.2%	$231,400	3.8%	$240,600	4.0%
3115	Notice of Default Fee [26-10]	$2,484,840	$1,684,000	-32.2%	$1,347,000	-20.0%	$1,212,000	-10.0%
3271	Misc Fines/Fort	$2,851,838	$2,792,000	-2.1%	$2,792,000		$2,792,000	
	TOTAL FEES AND FINES	$58,405,467	$57,326,400	-1.8%	$58,317,400	1.7%	$59,710,100	2.4%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L.			ECONOMIC FORUM FORECAST					
NO.	DESCRIPTION	FY 2012 ACTUAL	FY 2013	%	FY 2014	%	FY 2015	%
	USE OF MONEY AND PROPERTY							
	OTHER REPAYMENTS							
4403	Forestry Nurseries Fund Repayment (05-M27)	$20,670	$20,670		$20,670		$20,670	
4408	Comp/Fac Repayment	$23,744	$23,744		$23,744		$23,744	
4408	CIP 95-M1, Security Alarm	$2,998	$2,998		$2,998		$2,998	
4408	CIP 95-M5, Facility Generator	$6,874	$6,874		$6,874		$6,874	
4408	CIP 95-S4F, Advance Planning	$1,000						
4408	CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542	$62,542		$62,542		$62,542	
4408	CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107	$9,107		$9,107		$9,107	
4402	State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$236,082	$326,659		$236,082		$236,082	
	TOTAL OTHER REPAYMENTS	$363,017	$452,594	24.7%	$362,017	-20.0%	$362,017	
	INTEREST INCOME							
3290	Treasurer [9-12]	$522,729	$445,900	-14.7%	$612,000	37.3%	$678,300	10.8%
3291	Other	($17,606)	$9,000	-151.1%	$9,000		$9,000	
	TOTAL INTEREST INCOME	$505,123	$454,900	-9.9%	$621,000	36.5%	$687,300	10.7%
	TOTAL USE OF MONEY AND PROPERTY	$868,140	$907,494	4.5%	$983,017	8.3%	$1,049,317	6.7%
	OTHER REVENUE							
3059	Hoover Dam Revenue	$300,000	$300,000		$300,000		$300,000	
	MISC SALES AND REFUNDS							
4794	GST Commissions and Penalties / DMV [10-12]	$24,678,398	$24,678,400	0.0%				
3047	Expired Slot Machine Wagering Vouchers [11-12]	$3,134,219	$6,607,800	110.8%	$6,722,300		$6,950,700	
3071	Property Tax: 4-cent operating rate (Clark & Washoe) [13-10]	$22						
3070	Property Tax: 5-cent capital rate (Clark & Washoe) [14-10]	$11						
4790	Suppl. Account for Med. Assist. To Indigent [18-10][12-12]	$19,112,621	$19,218,718	0.6%				
3107	Misc Fees	$251,299	$253,800	1.0%	$253,800		$253,900	0.0%
3109	Court Administrative Assessments [16-10][13-12]	$4,434,259	$4,434,300	0.0%				
3114	Court Administrative Assessment Fee [28-10]	$2,537,600	$2,571,000		$2,604,000		$2,638,000	
3168	Declare of Candidacy Filing Fee	$68,541	$31,000	-54.8%	$65,000	109.7%	$31,000	-52.3%
3202	Fees and Writs of Garnishments	$2,255	$3,000	33.0%	$3,000		$3,000	
3220	Nevada Report Sales	$5,670	$5,000	-11.8%	$5,000		$5,000	
3222	Excess Property Sales	$32,966	$32,700	-0.8%	$32,700		$32,700	
3240	Sale of Trust Property	$14,429	$15,200	5.3%	$16,000	5.3%	$16,800	5.0%
3243	Insurance - Misc	$432,446	$502,200	16.1%	$502,200		$502,200	
3274	Misc Refunds	$63,338	$54,000	-14.7%	$54,000		$54,000	
3276	Cost Recovery Plan	$8,495,233	$8,470,700	-0.3%	$8,412,800	-0.7%	$8,395,100	-0.2%
	TOTAL MISC SALES AND REFUNDS	$63,263,309	$66,877,818	5.7%	$18,670,800	-72.1%	$18,882,400	1.1%
3255	Unclaimed Property [12-10][29-10][30-10][1-11][14-12]	$97,397,588	$31,051,000	-68.1%	$32,275,000	3.9%	$33,536,000	3.9%
	TOTAL OTHER REVENUE	$160,960,897	$98,228,818	-39.0%	$51,245,800	-47.8%	$52,718,400	2.9%
	TOTAL GENERAL FUND REVENUE	$3,081,768,174	$693,057,212	-77.5%	$443,118,917	-36.1%	$534,249,117	20.6%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L.			ECONOMIC FORUM FORECAST					
NO.	DESCRIPTION	FY 2012 ACTUAL	FY 2013	%	FY 2014	%	FY 2015	%

NOTES:

FY 2010 - Notes 1 to 18 represent legislative actions approved during the 2009 Regular Session.

[1-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. A.B. 552 also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by the BCCRT, SCCRT, and local option taxes (did not apply to the LSST) from 0.75% to 1.75%, effective July 1, 2009. Collectively, these changes are estimated to generate an additional $16,031,800 in FY 2010 and $16,679,000 in FY 2011. [FY 2010 - State 2%: $2,007,000 (TCA); LSST: $1,037,700 (TCA); BCCRT: $1,946,000 (GFC) + $3,700 (TCA); SCCRT: $6,806,700 (GFC) + $12,800 (TCA); LOPT: $4,210,000 (GFC) + $7,900 (TCA) and FY 2011 - State 2%: $2,049,700 (TCA); LSST: $1,081,400 (TCA); BCCRT: $2,028,000 (GFC) + $3,800 (TCA); SCCRT: $7,093,600 (GFC) + $13,300 (TCA); LOPT: $4,400,900 (GFC) + $8,300 (TCA) where GFC represents amount due to General Fund Commission rate change and TCA represents amount due to Taxpayer Collection Allowance change.]

[2-10] S.B. 429 changed the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by creating a two-tiered tax rate in lieu of the single rate of 0.63%, effective July 1, 2009. Under S.B. 429, a nonfinancial business pays a tax rate of 0.5% on all taxable wages (gross wages less allowable health care expenses) up to $62,500 per quarter, and a rate of 1.17% on taxable wages exceeding $62,500 per quarter. Estimated to generate an additional $173,330,000 in FY 2010 and $172,393,400 in FY 2011. The change to the MBT-General Business sunsets effective June 30, 2011.

[3-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. This change is estimated to generate an additional $236,200 in FY 2010 and $237,300 in FY 2011.

[4-10] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% room tax in Clark and Washoe counties but not to exceed a total combined rate of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the room tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education beginning in FY 2012.

[5-10] S.B. 429 increases the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purposes of calculating the Governmental Services Tax (GST) due, effective September 1, 2009. The portion of the GST generated from the depreciation schedule change is allocated to the State General Fund, which is estimated to generate $42,842,800 in FY 2010 and $51,411,300 in FY 2011. Under S.B. 429, additional revenue generated from the GST is deposited in the General Fund until FY 2013 and is then deposited in the State Highway Fund beginning in FY 2014.

[6-10] S.B. 429 increases the Business License Fee (BLF) by $100 to $200 for initial and annuals renewal, effective July 1, 2009. Effective October 1, 2009, A.B. 146 transfers the BLF to the Secretary of State from the Department of Taxation as part of the business portal program and requires all entities filing with the Secretary of State under Title 7 to pay the initial and annual renewal $200 BLF. It is estimated to generate an additional $38,254,800 in FY 2010 and $44,802,600 in FY 2011. Under S.B. 429, the $100 increase in the BLF sunsets effective June 30, 2011.

[7-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $100,400 in FY 2010 and $102,800 in FY 2011.

[8-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting other tobacco taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $23,560 in FY 2010 and $24,270 in FY 2011.

[9-10] Effective July 1, 2009, S.B. 53 requires fees collected for expedite services provided by the Secretary of State to business entities to be deposited in the State General Fund. Estimated to generate $2,272,569 in FY 2010 and $1,818,056 in FY 2011.

[10-10] Effective October 1, 2009, S.B. 234 increases the state rate imposed on the short-term rental of a vehicle from 6.0% to 10.0% with the proceeds equivalent to 9.0% deposited in the General Fund and 1.0% deposited in the Highway Fund (maintains provisions of A.B. 595 from the 2007 Session). S.B. 234 eliminates the 4.0% recovery surcharge and allows short-term car rental companies to impose a surcharge to recover their vehicle licensing and registration costs. Estimated to generate an additional $9,883,900 in FY 2010 and $13,565,000 in FY 2011.

[11-10] A.B. 480 increases various fees collected by the State Engineer for examining and filing applications and issuing and recording permits, effective July 1, 2009. Estimated to generate an additional $900,000 in FY 2010 and FY 2011.

[12-10] A.B. 562 redirects $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011.

[13-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 4-cents worth of property tax generated from their operating rate to the State General Fund in FY 2010 and FY 2011. Estimated to generate $36,010,800 in FY 2010 and $32,446,600 in FY 2011. (Clark County: $30,380,500 - FY 2010 and $27,329,100 - FY 2011) (Washoe County: $5,630,300 - FY 2010 and $5,117,500 - FY 2011)

[14-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 3.8 cents in FY 2010 and 3.2 cents in FY 2011 worth of property tax generated from the capital rate imposed pursuant to NRS 354.59815 to the State General Fund in FY 2010 and FY 2011. Estimated to generate $34,210,300 in FY 2010 and $25,957,300 in FY 2011. (Clark County: $28,861,500 - FY 2010 and $21,863,300 - FY 2011) (Washoe County: $5,348,800 - FY 2010 and $4,094,000 - FY 2011)

[15-10] S.B. 431 requires a portion of the revenue generated from the state 3/8 of 1% room tax revenue provided to the Nevada Commission on Tourism to be allocated to the State General Fund in FY 2010 and FY 2011. Estimated to generate $2,334,563 in FY 2010 and $3,265,434 in FY 2011.

[16-10] A.B. 531 requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund, effective July 1, 2009. Estimated to generate $4,763,532 in FY 2010 and $6,133,023 in FY 2011.

[17-10] S.B. 431 requires the transfer of the estimated residual amount of revenue generated from Insurance Verification Fees to the State General Fund in FY 2010 and FY 2011. Estimated to generate $7,000,000 in FY 2010 and $6,000,000 in FY 2011.

[18-10] S.B. 431 requires the transfer of $25,199,365 in FY 2010 and $22,970,977 in FY 2011 from the Supplemental Account for Medical Assistance to Indigent Persons created in the Fund for Hospital Care to Indigent Persons to the State General Fund.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FY 2012 ACTUAL	ECONOMIC FORUM FORECAST FY 2013	%	FY 2014	%	FY 2015	%

FY 2010 - Continued: Notes 19 to 30 represent legislative actions approved during the 26th Special Session in February 2010.

[19-10] Based on information provided to the Fiscal Analysis Division regarding the amount of net proceeds that would be reported to the Department of Taxation on March 1, 2010, pursuant to NRS 362.115 for calendar year 2009 for FY 2010 and information on estimated mining operations for calendar year 2010 and 2011, the Fiscal Analysis Division produced a revised estimate for FY 2010 and FY 2011 for Net Proceeds of Minerals Tax of $71,700,000 and $62,100,000, respectively. These revised estimates were $31,700,000 and $27,100,000 higher than the consensus forecast prepared by the Budget Division/Fiscal Analysis Division on February 1, 2010 of $40,000,000 for FY 2010 and $35,000,000 for FY 2011.

[20-10] Section 47 of A.B. 6 (26th S.S.) creates a new annual Mining Claims Fee based on a progressive graduated fee per mining claim associated with the total number of mining claims held by an enity in Nevada. This new Mining Claims Fee is estimated to generate $25,700,000 in FY 2011 only as the fee is scheduled to sunset effective June 30, 2011.

[21-10] The Division of Insurance of the Department of Business and Industry is required to implement a program to perform desk audits of tax returns submitted by insurance companies when filing for the Insurance Premium Tax. This program is estimated to generate an additional $10,000,000 in Insurance Premium Tax collections in FY 2011.

[22-10] Section 64 of A.B. 6 (26th S.S.) requires the Department of Taxation to conduct a tax amnesty program from July 1, 2010 to September 30, 2010 for all taxes that are required to be reported and paid to the Department. It is estimated that the tax amnesty program will generate $10,000,000 in FY 2011 from all the different applicable taxes, but an estimate of additional revenue expected from each individual revenue source was not prepared.

[23-10] A.B. 6 (26th S.S.) increased various fees authorized or imposed in NRS associated with activities of the Secretary of State's Office related to securities, commercial recordings, and UCC filing requirements as well as changed the allocation of the portion to the State General Fund for fees associated with notary training and domestic partnerships. The changes were estimated to generate the following amounts in FY 2010 and FY 2011: UCC: $155,200 - FY 2010 and $465,600 - FY 2011; Commercial Recordings: $354,342 - FY 2010 and $1,063,027 - FY 2011; Notary Fees: $0 - FY 2010 and $153,600 - FY 2011; Securities: $855,314 - FY 2010 and $4,860,193 - FY 2011; and Domestic Partnerships: $0 - FY 2010 and $50,000 - FY 2011.

[24-10] Section 45 of A.B. 6 (26th S.S.) increases the license fee from 4% to 6% on the gross receipts from admission fees to a live contest or exhibition of unarmed combat, effective July 1, 2010. This fee increase is estimated to generate $1,250,000 in additional revenue for FY 2011.

[25-10] A.B. 6 (26th S.S.) requires the current fees specified in NRS 440.700 associated with birth and death certificates to continue to be collected by the State Registrar until the State Registrar establishes new higher fees through regulation. The higher fees imposed through regulation are expected to be effective July 1, 2010, and are estimated to generate an additional $368,511 in revenue for FY 2011.

[26-10] Section 31 of A.B. 6 (26th S.S.) imposes a new fee of $150 per notice of default or election to sell with the proceeds deposited in the State General Fund, effective April 1, 2010. This new notice of default fee is estimated to generate additional General Fund revenue of $2,760,000 in FY 2010 and $11,040,000 in FY 2011.

[27-10] Section 36 of A.B. 6 (26th S.S.) requires the Legislative Commission to transfer the first $100,000 in revenue collected from lobbyist registration fees imposed pursuant to NRS 218H.500 to the State General Fund. The $100,000 transfer to the General Fund is for FY 2011 only as the provisions sunset on June 30, 2011.

[28-10] Section 34 of A.B. 6 (26th S.S.) increases the adminstrative assessment amount associated with misdemeanor violation fines by $5 effective upon passage and approval of A.B. 6 (March 12, 2010). The proceeds from the additional $5 adminstrative assessment as part of the sentence for a violation of a misdemeanor are deposited in the State General Fund and is estimated to generate an additional $192,544 in FY 2010 and $2,310,530 in FY 2011.

[29-10] Based on information provided by the Treasurer's Office, the Fiscal Analysis Division revised the estimate for unclaimed property collections to be deposited in the State General Fund to $52,000,000 in FY 2010 and $58,081,000 in FY 2011. This revised forecast for unclaimed property proceeds yields an additional $4,018,000 in FY 2010 and $15,000,000 in FY 2011 above the February 1, 2010, consensus forecast of $47,919,000 for FY 2010 and $43,081,000 for FY 2011 prepared by the Budget Division/Fiscal Division based on information provided by the Treasurer's Office.

[30-10] Section 1 of A.B. 3 (26th S.S.) redirects the full $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. A.B. 562 (75th Session) redirected $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. The net effect of the provisions of A.B 3 is an additional $3,800,000 in General Fund revenue in FY 2010 and FY 2011 from unclaimed property proceeds.

FY 2011

[1-11] The Treasurer's Office provided the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau with information on additional unclaimed property for FY 2011, based on more complete information that became available after the Economic Forum May 2, 2011, meeting on actual unclaimed property remitted to the Treasurer's Office. Treasurer's Office estimated an additional $13,630,561 for FY 2011.

FY 2012

[1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals Tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate $11,919,643 in addtional revenue in both FY 2012 and FY 2013.

[2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.

[3-12] S.B 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the mining claims fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011 forecast for MBT - Nonfinancial tax collections.

[4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013 generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,052,720 in FY 2012 and $1,084,301 in FY 2013.

[5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from $2 to $1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other $1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate $682,982 in FY 2012 and $692,929 in FY 2013 from non-restricted slot machines and $75,970 in FY 2012 and $77,175 in FY 2013 from restricted slot machines.

[6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $62,500 per quarter and taxable wages exceeding $62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $117,981,497 in FY 2012 and $119,161,117 in FY 2013.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON NOVEMBER 26, 2012, MEETING
FY 2013, FY 2014 and FY 2015

Economic Forum November 30, 2012, Meeting - 11/27/12 10:00 AM

G.L. NO.	DESCRIPTION	FY 2012 ACTUAL	ECONOMIC FORUM FORECAST FY 2013	%	FY 2014	%	FY 2015	%

FY 2012-Continued

[7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $29,949,000 in FY 2012 and $30,100,000 in FY 2013.

[8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate $4,402,222 in FY 2012 and $4,457,778 in FY 2013.

[9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate $105,313 in FY 2012 and $244,750 in FY 2013.

[10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed $20,894,228 from commissions and $4,672,213 from penalties in both FY 2012 and FY 2013.

[11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate $3,332,750 in FY 2012 and $13,331,000 in FY 2013.

[12-12] A.B. 529 requires transfer of $19,112,621 in FY 2012 and $19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.

[13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.

[14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than $10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of $30,594,750, but a net loss in FY 2013 of $33,669,923.

TABLE 7
SUMMARY OF THE TECHNICAL ADVISORY COMMITTEE (TAC) FORECAST FOR SELECT GENERAL FUND REVENUE SOURCES
TAC November 26, 2012, Forecast for FY 2013, FY 2014, and FY 2015 Based on Current Statute

	2011-13 Biennium		2013-15 Biennium		Biennium Comparison		
	FY 2012 Actual	FY 2013 TAC Nov 26 Forecast	FY 2014 TAC Nov 26 Forecast	FY 2015 TAC Nov 26 Forecast	2011-13 Biennium: Actual/Forecast	2013-15 Biennium: Forecast	Biennium Difference
Total of All General Fund Revenue Sources Forecast by the TAC							
Total Revenue Sources Forecast by the TAC	$772,339,917	$693,057,212	$443,118,917	$534,249,117	$1,465,397,129	$977,368,034	-$488,029,095
General Fund Revenue Sources Forecast by the TAC that are Subject to Sunset Provisions based on Actions from the 2009 and 2011 Legislative Sessions							
Net Proceeds of Minerals	$120,414,858	$106,744,000	$0	$86,169,000	$227,158,858	$86,169,000	-$140,989,858
Quarterly Fees-Restricted Slots	$8,485,702	$8,378,800	$8,420,700	$8,500,000	$16,864,502	$16,920,700	$56,198
Quarterly Fees- Non-Restricted Slots	$12,628,582	$12,357,900	$11,811,200	$12,080,900	$24,986,482	$23,892,100	-$1,094,382
Governmental Services Tax	$62,358,153	$62,707,000	$0	$0	$125,065,153	$0	-$125,065,153
Business License Fee	$64,790,426	$67,852,000	$36,775,000	$37,085,000	$132,642,426	$73,860,000	-$58,782,426
GST Commissions and Penalites	$24,678,398	$24,678,400	$0	$0	$49,356,798	$0	-$49,356,798
Suppl. Account for Med. Assist. To Indigent	$19,112,621	$19,218,718	$0	$0	$38,331,339	$0	-$38,331,339
Total-Revenue Sources Subject to Sunset	$312,468,740	$301,936,818	$57,006,900	$143,834,900	$614,405,558	$200,841,800	-$413,563,758
All Other General Fund Revenue Sources Forecast by the TAC							
All Other Gaming Taxes and Fees	$11,663,483	$11,176,900	$10,415,300	$11,460,400	$22,840,383	$21,875,700	-$964,683
LET-Nongaming	$11,644,191	$11,365,000	$11,470,000	$11,585,000	$23,009,191	$23,055,000	$45,809
Cigarette	$82,974,853	$80,527,000	$78,839,000	$77,386,000	$163,501,853	$156,225,000	-$7,276,853
Liquor Tax	$40,649,951	$41,122,000	$42,018,000	$42,831,000	$81,771,951	$84,849,000	$3,077,049
Other Tobacco	$8,274,310	$9,972,000	$10,220,000	$10,480,000	$18,246,310	$20,700,000	$2,453,690
Total Secretary of State Revenues	$93,679,582	$91,620,100	$91,514,800	$91,904,400	$185,299,682	$183,419,200	-$1,880,482
Short-Term Car Rental Fee	$44,499,016	$45,542,000	$46,871,000	$48,393,000	$90,041,016	$95,264,000	$5,222,984
Expired Slot Machine Wagers	$3,134,219	$6,607,800	$6,722,300	$6,950,700	$9,742,019	$13,673,000	$3,930,981
Court Administrative Assessments	$4,434,259	$4,434,300	$0	$0	$8,868,559	$0	-$8,868,559
Unclaimed Property	$97,397,588	$31,051,000	$32,275,000	$33,536,000	$128,448,588	$65,811,000	-$62,637,588
All Others	$61,519,724	$57,702,294	$55,766,617	$55,887,717	$119,222,018	$111,654,334	-$7,567,684
Total-All Other Sources Forecast by the TAC	$459,871,176	$391,120,394	$386,112,017	$390,414,217	$850,991,570	$776,526,234	-$74,465,336

◄ March	~ April 2013 ~					May ►
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	Notes:			

◄ April	~ May 2013 ~					June ►
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	Notes: