

THE STATE OF NEVADA ECONOMIC FORUM

Cary Fisher, Chairman
Deborah Pierce
Leo Seevers
Michael Small



May 1, 2003

Members of the 72nd Legislature
Legislative Building
Capitol Complex
Carson City, Nevada 89701-4747

Dear Nevada Legislator:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to Nevada Revised Statute 353.228. This report, which must be presented by May 1, 2003, revises the forecast prepared by the Economic Forum on December 2, 2002. The enclosed report includes a summary schedule of state general fund revenues and shows the net difference between the December forecast and the May forecast.


The Economic Forum re-examined its forecast from December in light of changes in the national, regional, and state economies and actual revenue collection activity in the various accounts over the last five months. In addition, the Forum asked for and received revised forecasts based on the current economic outlook and fiscal year-to-date collections. All the information presented was carefully weighed by the Forum to produce this final projection.

The Economic Forum revised fiscal year 2002-03 revenue estimates to reflect more current collection data, but, in general, held to the growth assumptions for fiscal years 2003-04 and 2004-05 that were used in the December 2, 2002, forecast. Several individual revenue sources including gaming and casino entertainment taxes have performed better than previously anticipated while the sales tax and insurance premium tax have performed close to expectations. There were numerous minor adjustments made to reflect the latest information available fiscal year-to-date.

The net result of the May 1, 2003, revision is an increase from the December 2, 2002, forecast in general fund revenues of \$5,892,992 in fiscal year 2002-03, an increase of \$5,581,040 in fiscal year 2003-04 and an increase of \$4,400,775 in fiscal year 2004-05. The total amount projected is \$1,819,389,499 for fiscal year 2002-03, \$1,901,604,034 for fiscal year 2003-04 and \$1,997,383,505 for fiscal year 2004-05.

The Economic Forum submits this forecast based on the latest and best information available to it, and it is our best estimate of the state general fund revenues for fiscal years 2003-04 and 2004-05. All forecasts have been made on the basis of existing law, and no assumptions are included for any proposed law changes.

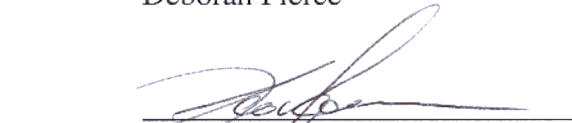
Respectfully submitted,



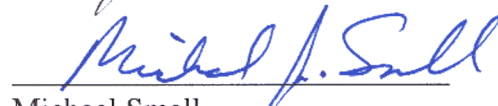
Cary Fisher, Jr. Chairman
State of Nevada Economic Forum



Deborah Pierce



Leo SeEVERS



Michael Small

GENERAL FUND REVENUES - ECONOMIC FORUM
ACTUALS: FY 1999 THRU FY 2002 AND FORECAST: FY 2003 THRU FY 2005

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G.L. NO.	DESCRIPTION	FY 1999		FY 2000		FY 2001		FY 2002		MAY 1, 2003 ECONOMIC FORUM FORECAST					
		ACTUAL	%	ACTUAL	%	ACTUAL	%	ACTUAL [a.]	%	FY 2003	%	FY 2004	%	FY 2005	%
	TAXES														
	TOTAL MINING TAXES	\$14,894,647	-5.7%	\$13,446,512	-9.7%	\$14,672,692	9.1%	\$9,418,008	-35.8%	\$11,226,000	19.2%	\$11,433,000	1.8%	\$11,616,000	1.6%
	TOTAL SALES AND USE TAX	\$580,194,636	10.5%	\$610,070,856	5.1%	\$645,767,621	5.9%	\$655,068,480	1.4%	\$687,822,000	5.0%	\$722,902,000	5.1%	\$763,385,000	5.6%
	TOTAL GAMING TAX	\$534,405,763	8.7%	\$592,335,632	10.8%	\$604,464,065	2.0%	\$589,803,811	-2.4%	\$608,732,900	3.2%	\$630,202,300	3.5%	\$659,024,300	4.6%
	CASINO ENTERTAINMENT TAX	\$47,874,649	22.4%	\$58,525,658	22.2%	\$63,919,196	9.2%	\$64,817,715	1.4%	\$70,911,000	9.4%	\$76,088,000	7.3%	\$81,414,000	7.0%
	INSURANCE PREMIUM TAX	\$116,917,615	5.6%	\$129,333,474	10.6%	\$146,925,032	13.6%	\$156,550,893	6.6%	\$168,067,000	7.4%	\$179,881,000	7.0%	\$192,458,000	7.0%
	LIQUOR TAX	\$14,670,539	-2.9%	\$15,663,964	6.8%	\$15,745,514	0.5%	\$15,995,650	1.6%	\$16,432,400	2.7%	\$16,881,200	2.7%	\$17,329,400	2.7%
	CIGARETTE TAX	\$42,124,234	-2.8%	\$42,220,870	0.2%	\$43,691,552	3.5%	\$41,843,892	-4.2%	\$41,844,000	0.0%	\$41,844,000	0.0%	\$41,844,000	0.0%
	OTHER TOBACCO TAX	\$5,358,940	-0.7%	\$5,962,399	11.3%	\$5,602,823	-6.0%	\$5,557,893	-0.8%	\$5,835,800	5.0%	\$5,894,100	1.0%	\$5,953,100	1.0%
	LAETRILE & GEROVITAL MFG.			\$3,776		\$2,692									
	HECC TRANSFER	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000	
	BUSINES LICENSE FEE	\$407,616	-10.5%	\$513,689	26.0%	\$523,072	1.8%	\$680,845	30.2%	\$650,000	-4.5%	\$650,000		\$650,000	
	BUSINESS LICENSE TAX	\$71,734,950	4.7%	\$75,924,128	5.8%	\$77,270,722	1.8%	\$78,394,651	1.5%	\$78,747,000	0.4%	\$81,232,000	3.2%	\$83,837,000	3.2%
	TOTAL TAXES	\$1,433,583,589	8.6%	\$1,549,000,957	8.1%	\$1,623,584,982	4.8%	\$1,623,131,839	0.0%	\$1,695,268,100	4.4%	\$1,772,007,600	4.5%	\$1,862,510,800	5.1%
	LICENSES														
	INSURANCE LICENSES	\$5,817,460	6.2%	\$6,484,965	11.5%	\$6,889,858	6.2%	\$7,806,594	13.3%	\$9,024,300	15.6%	\$9,430,400	4.5%	\$9,854,700	4.5%
	BANKING LICENSES	\$15,400	-29.2%	\$17,525	13.8%	\$23,785	35.7%	\$23,600	-0.8%	\$20,000	-15.3%	\$20,000		\$20,000	
	MARRIAGE LICENSES	\$585,672	-0.1%	\$616,821	5.3%	\$638,691	3.5%	\$587,774	-8.0%	\$595,700	1.3%	\$616,700	3.5%	\$635,900	3.1%
	TOTAL SECRETARY OF STATE [1.]	\$30,461,290	13.2%	\$35,243,687	15.7%	\$36,442,206	3.4%	\$50,064,820	37.4%	\$54,178,000	8.2%	\$55,495,400	2.4%	\$56,851,600	2.4%
	PRIVATE SCHOOL LICENSES	\$140,241	8.7%	\$142,461	1.6%	\$156,485	9.8%	\$181,009	15.7%	\$191,000	5.5%	\$202,000	5.8%	\$213,000	5.4%
	PRIVATE EMPLOYMENT AGENCY	\$27,800	9.0%	\$31,500	13.3%	\$29,800	-5.4%	\$29,000	-2.7%	\$27,200	-6.2%	\$27,000	-0.7%	\$26,000	-3.7%
	TOTAL REAL ESTATE	\$1,353,498	-7.0%	\$1,518,172	12.2%	\$1,451,867	-4.4%	\$1,690,734	16.5%	\$1,525,200	-9.8%	\$1,778,300	16.6%	\$1,606,300	-9.7%
	TOTAL FINANCIAL INSTITUTIONS	\$1,396,433	17.6%	\$1,512,027	8.3%	\$1,626,149	7.5%	\$1,795,162	10.4%	\$1,969,500	9.7%	\$1,969,500		\$1,969,500	
	ATHLETIC COMMISSION FEES [3.]	\$1,600,478	62.8%	\$2,819,325	76.2%	\$2,853,655	1.2%	\$1,706,730	-40.2%	\$1,950,000	14.3%	\$1,500,000	-23.1%	\$1,500,000	
	TOTAL LICENSES	\$41,398,271	12.6%	\$48,386,482	16.9%	\$50,112,496	3.6%	\$63,885,422	27.5%	\$69,480,900	8.8%	\$71,039,300	2.2%	\$72,677,000	2.3%
	*Reflects 13 months of collections in FY 98.														

GENERAL FUND REVENUES - ECONOMIC FORUM
ACTUALS: FY 1999 THRU FY 2002 AND FORECAST: FY 2003 THRU FY 2005

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G.L. NO.	DESCRIPTION	FY 1999		FY 2000		FY 2001		FY 2002		MAY 1, 2003 ECONOMIC FORUM FORECAST					
		ACTUAL	%	ACTUAL	%	ACTUAL	%	ACTUAL [a.]	%	FY 2003	%	FY 2004	%	FY 2005	%
	FEES AND FINES														
	VITAL STATISTICS FEES	\$479,452	-4.6%	\$523,226	9.1%	\$534,243	2.1%	\$576,967	8.0%	\$653,400	13.2%	\$681,500	4.3%	\$706,700	3.7%
	DIVORCE FEES	\$172,826	-5.6%	\$200,657	16.1%	\$203,454	1.4%	\$196,953	-3.2%	\$200,900	2.0%	\$207,000	3.0%	\$212,600	2.7%
	CIVIL ACTION FEES	\$1,139,909	-0.8%	\$1,191,315	4.5%	\$1,215,362	2.0%	\$1,250,147	2.9%	\$1,302,700	4.2%	\$1,346,700	3.4%	\$1,386,800	3.0%
	INSURANCE FINES	\$786,282	48.0%	\$738,251	-6.1%	\$537,507	-27.2%	\$719,183	33.8%	\$434,000	-39.7%	\$434,000		\$434,000	
	TOTAL REAL ESTATE FEES [2.]	\$443,283	0.1%	\$435,547	-1.7%	\$388,128	-10.9%	\$397,274	2.4%	\$415,625	4.6%	\$410,425	-1.3%	\$415,225	1.2%
	SHORT TERM CAR LEASE [4.]	\$7,998,221	2.9%	\$8,271,686	3.4%	\$8,288,217	0.2%	\$19,662,998	137.2%	\$22,700,000	15.4%	\$23,154,000	2.0%	\$23,617,000	2.0%
	ATHLETIC COMMISSION LICENSES/FINES [3.]							\$122,908		\$200,000	62.7%	\$150,000	-25.0%	\$150,000	
	WATER PLANNING FEES [9.]	\$21,164	22.3%	\$16,007	-24.4%	\$21,069	31.6%		-100.0%						
	STATE ENGINEER SALES [9.]	\$1,528,788	-5.8%	\$1,517,864	-0.7%	\$1,588,378	4.6%	\$1,572,066	-1.0%	\$1,600,000	1.8%	\$1,600,000		\$1,600,000	
	SUPREME COURT FEES	\$223,450	-0.3%	\$232,420	4.0%	\$204,075	-12.2%	\$207,830	1.8%	\$200,000	-3.8%	\$200,000		\$200,000	
	MISC. FINES/FORFEITURES	\$177,725	-84.6%	\$117,633	-33.8%	\$136,957	16.4%	\$172,541	26.0%	\$174,100	0.9%	\$175,400		\$176,700	0.7%
	TOTAL FEES AND FINES	\$12,971,100	-4.6%	\$13,244,606	2.1%	\$13,117,391	-1.0%	\$24,878,868	89.7%	\$27,880,725	12.1%	\$28,359,025	1.7%	\$28,899,025	1.9%
	CHARGE FOR SERVICES														
	CHILD SUPPORT ENFORCEMENT [6.]														
	TOTAL CHARGE FOR SERVICES														
	USE OF MONEY AND PROPERTY														
	LYON COUNTY REPAYMENTS					\$177,450									
	OTHER REPAYMENTS [7.] [8.]	\$957,381	25.0%	\$1,146,532		\$1,118,866		\$931,938		\$2,309,067	147.8%	\$2,027,137		\$2,027,137	
	MARLETTE REPAYMENT	\$3,655	56.9%	\$6,338	73.4%	\$10,483	65.4%	\$10,512	0.3%	\$10,512		\$10,512		\$10,512	
	INTEREST INCOME	\$27,675,627	3.3%	\$19,650,375	-29.0%	\$26,333,458	34.0%	\$12,501,357	-52.5%	\$6,184,200	-50.5%	\$4,050,300	-34.5%	\$5,895,300	45.6%
	TOTAL USE OF MONEY & PROPERTY	\$28,636,662	3.9%	\$20,803,245	-27.4%	\$27,640,257	32.9%	\$13,443,808	-51.4%	\$8,503,779	-36.7%	\$6,087,949	-28.4%	\$7,932,949	30.3%
	OTHER REVENUE														
	HOOVER DAM REVENUE	\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000	
	MISC. SALES AND REFUNDS	\$3,218,047	93.4%	\$2,446,230	-24.0%	\$4,515,462	84.6%	\$1,431,898	-68.3%	\$884,075	-38.3%	\$1,013,700	14.7%	\$976,400	-3.7%
	COST RECOVERY PLAN	\$4,497,042	-3.0%	\$4,376,469	-2.7%	\$4,251,236	-2.9%	\$5,006,463	17.8%	\$4,994,080	-0.2%	\$9,722,300	94.7%	\$9,735,451	0.1%
	PETROLEUM INSPECTION FEES	\$517,803	-2.5%	\$534,777	3.3%	\$516,320	-3.5%	\$550,736	6.7%	\$550,740	0.0%	\$567,260	3.0%	\$584,280	3.0%
	UNCLAIMED PROPERTY [5.]	\$5,834,400	-15.3%	\$7,730,573	32.5%	\$10,078,369	30.4%	\$19,328,933	91.8%	\$11,527,100	-40.4%	\$12,506,900	8.5%	\$13,767,600	10.1%
	TOTAL OTHER REVENUE	\$14,367,292	2.5%	\$15,388,049	7.1%	\$19,661,386	27.8%	\$26,618,030	35.4%	\$18,255,995	-31.4%	\$24,110,160	32.1%	\$25,363,731	5.2%
	TOTAL GENERAL FUND REVENUE	\$1,530,956,914	8.4%	\$1,646,823,340	7.6%	\$1,734,116,512	5.3%	\$1,751,957,967	1.0%	\$1,819,389,499	3.8%	\$1,901,604,034	4.5%	\$1,997,383,505	5.0%

NOTES:

[a.] Subject to adjustment based on reconciliation with the Controller's Office and Budget Division

[1.] S.B. 577 (2001 Legislative Session) increased the Secretary of State's recording and filing fees. It was estimated these changes would generate an additional \$14,000,000 in FY 2002 and \$15,000,000 in FY 2003.

[2.] S.B. 307 (2001 Legislative Session) increased the Appraiser License fees. It was estimated these changes would generate an additional \$24,000 in FY 2002 and FY 2003.

[3.] Beginning in FY 2002, Licenses/Fines (GL 3103) revenues collected by the Athletic Commission are reported separately. Previously, these revenues were recorded in GL 3102 along with the fees assessed on the gross receipts from admission fees to unarmed combat events.

[4.] A.B. 460 (2001 Legislative Session) changed the payment period for Short-Term Car Lease Fees from annual to quarterly and increased rate due to the state. It was estimated these changes would generate an additional \$12,048,750 in FY 2002 and \$15,494,500 in FY 2003.

[5.] A.B. 77 (2001 Legislative Session) shortened the time period for which certain types of property are deemed to be unclaimed. It was estimated these changes would generate an additional one-time payment in FY 2002 of \$8,279,686.

[6.] Deposited in budget account.

[7.] The Printing Division did not make the scheduled repayment of \$70,669 in FY 2002 and is currently not budgeting to make payments in FY 2003, FY 2004, and FY 2005. This will require legislation to change session law to eliminate the repayment requirement.

[8.] The Department of Information of Technology (DOIT) did not make the scheduled repayment for the noted projects totaling \$114,749 in FY 2002. These payments for FY 2002 will be made in FY 2003 in addition to their normal scheduled repayments for FY 2003.

[9.] Beginning in FY 2002, GL 3180 - Water Planning Fees were deposited in GL 3205 - State Engineer Sales due to elimination of the account by the agency.