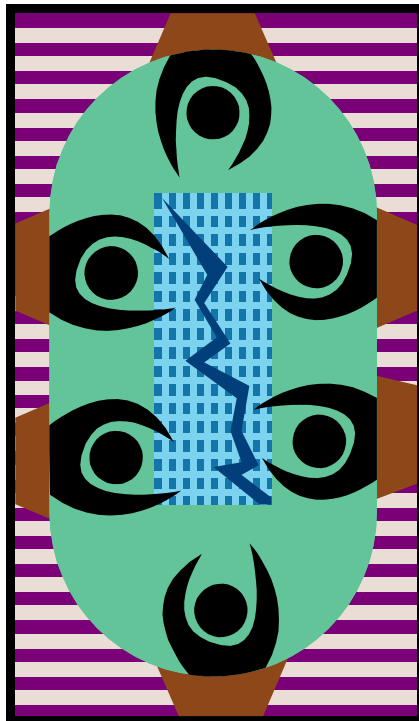


GENERAL FUND PROJECTIONS



GENERAL FUND REVENUE ESTIMATES AND PROJECTED UNAPPROPRIATED GENERAL FUND BALANCES

The 2001 Legislature adopted the General Fund budget for the 2001-03 biennium as the state's economy continued to grow rapidly, but with General Fund revenues unable to keep pace with that expansion. Although state revenues for the 1999-2001 biennium exceeded the May 1999 projections by \$189 million, the budget outlook for the 2001-03 biennium was constrained by a soft revenue picture that was not expected to keep pace with the increased demands for services, due to population growth and the higher costs associated with providing those services.

State law provides that an Economic Forum, whose membership is from the private sector, must provide a forecast of all state General Fund revenues by December 1 of even-numbered years and a revised forecast by May 1 of odd-numbered years. The Governor's proposed budget was based on the December 2000 forecast, but the legislatively approved budget was based on the Forum's revised May 1, 2001 forecast. The revised forecasts were reduced by \$34.4 million in FY 2000-01 and \$87.1 million in the 2001-03 biennium from the amounts used to support the General Fund spending proposed in The Executive Budget.

As a result of the downward revision in the revenue outlook, the Legislature balanced the budget through a combination of several modest revenue enhancements and reductions in appropriations recommended by the Governor. The revenue enhancements for the 2001-03 biennium total an estimated \$64.8 million, including \$29 million from higher fees on transactions through the Secretary of State, \$27.5 million from an increase in the percentage of the car rental fee provided to the state, and \$8.3 million from an acceleration of the crediting of unclaimed property to the state. A more detailed explanation of revenue changes is found in the Tax Policy section of this report.

The schedules that follow present the projected unappropriated General Fund balance at the close of FY 2000-01, FY 2001-02 and FY 2002-03, and recap the revenue forecasts upon which the 2001-03 budget was based. Including the revenue enhancements, total General Fund revenues are forecast to grow by 6.1 percent and 4.4 percent, respectively, in FY 2001-02 and FY 2002-03. Contributing approximately 38 percent of General Fund revenues, sales tax collections are projected to increase 6.1 percent and 5.8 percent in each year of the biennium. Meanwhile, state gaming taxes, which comprise another 34 percent of the revenue base, are forecast to grow by 3.5 percent in FY 2001-02 and another 3.9 percent in FY 2002-03.

The budget approved by the Legislature projects a General Fund balance of \$120.4 million at the end of the biennium compared to the projected balance of \$106.1 million included in The Executive Budget. In addition to the expected surplus at the end of FY 2002-03, the Legislature maintained the balance in the state "Rainy Day" fund at \$136.3 million to meet future financial emergencies.

**STATEMENT OF PROJECTED UNAPPROPRIATED
GENERAL FUND BALANCE - FISCAL YEARS 2001-03**

	GOVERNOR RECOMMENDS	LEGISLATURE APPROVES
Unappropriated Balance - July 1, 2000	\$ 168,280,733 (a.)	\$ 168,280,733 (a.)
Projected Revenues 2000-01 - Economic Forum Estimate of December 1, 2000/May 1, 2001	\$ 1,750,044,432	\$ 1,715,649,032
Projected Reversions - Distributive School Account 2000-01	\$ 24,000,000	\$ 24,000,000
Projected Reversions - NOMADS 2000-01	\$ 3,500,000	\$ 3,500,000
Projected Reversions - All Other 2000-01	\$ 35,000,000	\$ 35,000,000
Total Funds Available	\$ 1,812,544,432	\$ 1,778,149,032
Less Appropriations:		
1999 Appropriations for FY 2000-01	\$ (1,639,014,901)	\$ (1,639,014,901)
2000-01 One-Shot Appropriations	\$ (7,128,772)	\$ (7,128,772)
FY 1999-00 Appropriations Moved To FY 2000-01	\$ (5,305,679)	\$ (5,305,679)
FY 2000-01 Appropriations Moved To FY 1999-00	\$ 3,455,824	\$ 3,455,824
2000-01 Restore Fund Balances	\$ (14,900,000)	\$ (16,660,000)
2000-01 Supplemental Appropriations	\$ (4,454,533)	\$ (3,662,339)
2000-01 One-Shot Appropriations	\$ (173,985,878)	\$ (141,096,323)
2000-01 Park Improvement Program	\$ (2,093,928)	\$ (1,093,928)
2000-01 Capital Improvement Program	\$ (18,000,000)	\$ (14,000,472)
Total 2000-01 Appropriations	\$ (1,861,427,867)	\$ (1,824,506,590)
Controller's Adjustment	\$ (45,039)	\$ (45,039)
Transfer to Disaster Relief Fund (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)
Estimated Cost of the 2001 Legislative Session	\$ (11,500,000)	\$ (11,770,000) (b.)
Total Unappropriated Balance - July 1, 2001	\$ 105,852,259	\$ 108,108,136
Estimated Revenue FY 2001-02 - Economic Forum Estimate of May 1, 2001	\$ 1,832,474,518	\$ 1,785,809,918
<i>A.B. 77 - Unclaimed Property - ONE-TIME ACCELERATION</i>		\$ 8,279,686
<i>S.B. 577- Increased Secretary of State Fees</i>		\$ 14,000,000
<i>A.B. 460 - Increased Short-Term Car Rental</i>		\$ 8,032,500
<i>A.B. 460 - Increased Short-Term Car Rental - ONE-TIME ACCELERATION</i>		\$ 4,016,250
<i>S.B. 307 - Increased Licensure Fees - Appraisers</i>		\$ 24,000
Transfer to Disaster Relief Fund (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)
Estimated Reversions FY 2001-02	\$ 38,920,000	\$ 38,920,000
Total Revenue and Reversions FY 2001-02	\$ 1,869,394,518	\$ 1,857,082,354
Less Appropriations:		
2001-02 One-Time Appropriations	\$ -	\$ (18,250,000)
2001-02 Ongoing Appropriations	\$ (1,869,121,338)	\$ (1,826,553,944)
Total 2001-02 Appropriations	\$ (1,869,121,338)	\$ (1,844,803,944)
Total Unappropriated Balance July 1, 2002	\$ 106,125,439	\$ 120,386,547
Estimated Revenue FY 2002-03 - Economic Forum Estimate of May 1, 2001	\$ 1,910,865,147	\$ 1,870,489,747
<i>S.B. 577- Increased Secretary of State Fees</i>		\$ 15,000,000
<i>A.B. 460 - Increased Short-Term Car Rental</i>		\$ 15,494,500
<i>S.B. 307 - Increased Licensure Fees - Appraisers</i>		\$ 24,000
Transfer to Disaster Relief Fund (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)
Estimated Reversions FY 2002-03	\$ 81,370,000	\$ 81,370,000
Total Revenue and Reversions FY 2002-03	\$ 1,990,235,147	\$ 1,980,378,247
2002-03 Ongoing Appropriations	\$ (1,977,807,769)	\$ (1,969,730,496)
Total 2002-03 Appropriations	\$ (1,977,807,769)	\$ (1,969,730,496)
Estimated Cost of the 2003 Legislative Session	\$ (11,700,000)	\$ (11,700,000)
Total Unappropriated Balance July 1, 2003	\$ 106,852,817	\$ 119,334,298

(a.) Subject to reconciliation with the 1999-00 Controller's Annual Report; does not include \$136,340,970 in the Stabilization Fund (NRS 353.288).

(b.) Includes \$70,000 for cost of the 17th Special Session.

GENERAL FUND REVENUES - ECONOMIC FORUM - MAY 1, 2001 FORECAST
ACTUALS: FY 1997 THROUGH FY 2000 AND FORECAST: FY 2001 THROUGH FY 2003

DESCRIPTION	FY 1997		FY 1998		FY 1999		FY 2000		MAY 1, 2001 ECONOMIC FORUM FORECAST							
	ACTUAL	%	ACTUAL	%	ACTUAL	%	ACTUAL	%	FY 2001		FY 2002		FY 2003			
TAXES																
TOTAL MINING TAXES	\$15,703,138	-25.4%	\$15,797,625	0.6%	\$14,894,647	-5.7%	\$13,446,512	-9.7%	\$12,795,000	-4.8%	\$12,795,000		\$12,795,000			
TOTAL SALES AND USE TAX	\$504,374,537	10.0%	\$525,111,410	4.1%	\$580,194,636	10.5%	\$610,070,856	5.1%	\$642,207,000	5.3%	\$681,382,000	6.1%	\$720,903,000	5.8%		
TOTAL GAMING TAX	\$480,199,081	0.4%	\$491,841,979	2.4%	\$534,405,763	8.7%	\$592,335,632	10.8%	\$599,867,000	1.3%	\$620,753,000	3.5%	\$644,658,000	3.9%		
CASINO ENTERTAINMENT TAX	\$36,316,362	2.4%	\$39,109,465	7.7%	\$47,874,649	22.4%	\$58,525,658	22.2%	\$63,100,000	7.8%	\$66,886,000	6.0%	\$70,230,000	5.0%		
INSURANCE PREMIUM TAX	\$97,290,348	5.3%	\$110,747,684	13.8%	\$116,917,615	5.6%	\$129,333,474	10.6%	\$143,351,000	10.8%	\$152,468,000	6.4%	\$161,587,000	6.0%		
LIQUOR TAX*	\$13,588,833	2.5%	\$15,106,543	11.2%	\$14,670,539	-2.9%	\$15,663,964	6.8%	\$15,664,000	0.0%	\$16,056,000	2.5%	\$16,425,000	2.3%		
CIGARETTE TAX*	\$38,170,383	5.6%	\$43,353,054	13.6%	\$42,124,234	-2.8%	\$42,220,870	0.2%	\$44,000,000	4.2%	\$45,364,000	3.1%	\$46,770,000	3.1%		
OTHER TOBACCO TAX*	\$4,389,398	27.5%	\$5,394,184	22.9%	\$5,358,940	-0.7%	\$5,962,399	11.3%	\$5,527,000	-7.3%	\$5,527,000		\$5,527,000			
JET FUEL TAX	\$52,267															
LAETRILE & GEROVITAL MFG.			\$6,940				\$3,776		\$3,000							
HECC TRANSFER	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000			
BUSINESS LICENSE FEE	\$318,836	-15.4%	\$455,542	42.9%	\$407,616	-10.5%	\$513,689	26.0%	\$515,000	0.3%	\$515,000		\$515,000			
BUSINESS LICENSE TAX	\$65,047,445	6.8%	\$68,518,135	5.3%	\$71,734,950	4.7%	\$75,924,128	5.8%	\$79,000,000	4.1%	\$82,239,000	4.1%	\$85,611,000	4.1%		
TOTAL TAXES	\$1,260,450,628	4.6%	\$1,320,442,561	4.8%	\$1,433,583,589	8.6%	\$1,549,000,957	8.1%	\$1,611,029,000	4.0%	\$1,688,985,000	4.8%	\$1,770,021,000	4.8%		
LICENSES																
INSURANCE LICENSES	\$5,308,683	10.9%	\$5,476,156	3.2%	\$5,817,460	6.2%	\$6,484,965	11.5%	\$6,777,000	4.5%	\$7,082,000	4.5%	\$7,591,000	7.2%		
BANKING LICENSES	\$25,150	13.0%	\$21,750	-13.5%	\$15,400	-29.2%	\$17,525	13.8%	\$17,250	-1.6%	\$17,250		\$17,250			
MARRIAGE LICENSES	\$590,219	-39.3%	\$586,454	-0.6%	\$585,672	-0.1%	\$616,821	5.3%	\$525,000	-14.9%	\$541,000	3.0%	\$558,000	3.1%		
LAS VEGAS COMMERCIAL FILINGS	\$1,247,159	24.9%	\$1,767,731	41.7%	\$1,994,494	12.8%	\$2,553,659	28.0%	\$2,697,000	5.6%	\$3,196,000	18.5%	\$3,787,000	18.5%		
COMMERCIAL RECORDINGS	\$15,283,757	7.2%	\$17,047,693	11.5%	\$19,956,814	17.1%	\$22,859,413	14.5%	\$23,637,000	3.4%	\$25,598,000	8.3%	\$27,723,000	8.3%		
SECURITIES	\$6,915,791	8.8%	\$7,046,664	1.9%	\$7,409,420	5.1%	\$8,747,204	18.1%	\$9,600,000		\$10,080,000		\$10,584,000			
TOTAL SECRETARY OF STATE	\$1,046,485	8.2%	\$1,040,688	-0.6%	\$1,100,562	5.8%	\$1,083,412	-1.6%	\$1,055,000	-2.6%	\$1,365,000	29.4%	\$1,557,000	14.1%		
PRIVATE SCHOOL LICENSES	\$119,121	9.2%	\$129,008	8.3%	\$140,241	8.7%	\$142,461	1.6%	\$143,000	0.4%	\$148,000	3.5%	\$153,000	3.4%		
PRIVATE EMPLOYMENT AGENCY	\$25,800	1.6%	\$25,500	-1.2%	\$27,800	9.0%	\$31,500	13.3%	\$35,000	11.1%	\$38,900	11.1%	\$43,300	11.3%		
TOTAL REAL ESTATE	\$1,322,611	-7.7%	\$1,454,903	10.0%	\$1,353,498	-7.0%	\$1,518,172	12.2%	\$1,445,800	-4.8%	\$1,578,800	9.2%	\$1,502,800	-4.8%		
TOTAL FINANCIAL INSTITUTIONS	\$919,624	2.7%	\$1,187,710	29.2%	\$1,396,433	17.6%	\$1,512,027	8.3%	\$1,830,000	21.0%	\$2,194,000	19.9%	\$2,190,000	-0.2%		
ATHLETIC COMMISSION FEES	\$5,569,212	126.2%	\$983,358	-82.3%	\$1,600,478	62.8%	\$2,819,325	76.2%	\$2,200,000	-22.0%	\$1,200,000	-45.5%	\$1,200,000			
TOTAL LICENSES	\$38,373,612	15.3%	\$36,767,615	-4.2%	\$41,398,271	12.6%	\$48,386,482	16.9%	\$49,962,050	3.3%	\$53,038,950	6.2%	\$56,906,350	7.3%		
*Reflects 13 months of collections in FY 98.																

GENERAL FUND REVENUES - ECONOMIC FORUM - MAY 1, 2001 FORECAST
ACTUALS: FY 1997 THROUGH FY 2000 AND FORECAST: FY 2001 THROUGH FY 2003

DESCRIPTION	FY 1997		FY 1998		FY 1999		FY 2000		MAY 1, 2001 ECONOMIC FORUM FORECAST					
	ACTUAL	%	ACTUAL	%	ACTUAL	%	ACTUAL	%	FY 2001	%	FY 2002	%	FY 2003	%
FEES AND FINES														
REAL ESTATE EXAM FEES	\$272,823	-17.4%												
VITAL STATISTICS FEES	\$420,798	1.6%	\$502,346	19.4%	\$479,452	-4.6%	\$523,226	9.1%	\$543,100	3.8%	\$559,400	3.0%	\$576,200	3.0%
DIVORCE FEES	\$181,648	1.1%	\$183,005	0.7%	\$172,826	-5.6%	\$200,657	16.1%	\$205,000	2.2%	\$211,000	2.9%	\$218,000	3.3%
CIVIL ACTION FEES	\$1,133,161	6.6%	\$1,149,049	1.4%	\$1,139,909	-0.8%	\$1,191,315	4.5%	\$1,033,000	-13.3%	\$1,050,000	1.6%	\$1,068,000	1.7%
INSURANCE FINES	\$870,624	323.2%	\$531,172	-39.0%	\$786,282	48.0%	\$738,251	-6.1%	\$521,700	-29.3%	\$521,700		\$521,700	
TOTAL REAL ESTATE FEES	\$318,868	0.8%	\$442,830	38.9%	\$443,283	0.1%	\$435,547	-1.7%	\$361,100	-17.1%	\$373,700	3.5%	\$385,000	3.0%
SHORT TERM CAR LEASE	\$7,003,352		\$7,771,870	11.0%	\$7,998,221	2.9%	\$8,271,686	3.4%	\$8,270,000	0.0%	\$8,435,000	2.0%	\$8,604,000	2.0%
WATER PLANNING FEES	\$21,752	10.7%	\$17,305	-20.4%	\$21,164	22.3%	\$16,007	-24.4%	\$16,000	0.0%	\$16,000		\$16,000	
STATE ENGINEER SALES	\$1,474,514	-11.9%	\$1,623,045	10.1%	\$1,528,788	-5.8%	\$1,517,864	-0.7%	\$1,532,000	0.9%	\$1,532,000		\$1,532,000	
SUPREME COURT FEES	\$111,925	2.1%	\$224,029	100.2%	\$223,450	-0.3%	\$232,420	4.0%	\$232,400	0.0%	\$232,400		\$232,400	
MISC. FINES/FORFEITURES	\$171,005	92.2%	\$1,157,331	576.8%	\$172,171	-85.1%	\$117,633	-31.7%	\$229,400	95.0%	\$157,000		\$160,400	2.2%
TOTAL FEES AND FINES	\$11,980,470	13.9%	\$13,601,982	13.5%	\$12,971,100	-4.6%	\$13,244,606	2.1%	\$12,943,700	-2.3%	\$13,088,200	1.1%	\$13,313,700	1.7%
CHARGE FOR SERVICES														
LAHONTON SPECIAL USER	\$5,861	-62.7%												
TOTAL CHARGE FOR SERVICES	\$5,861	-99.7%												
USE OF MONEY AND PROPERTY														
LYON COUNTY REPAYMENTS									\$176,604					
OTHER REPAYMENTS	\$321,532	-30.2%	\$765,807	138.2%	\$957,381	25.0%	\$1,146,532		\$1,093,866	-4.6%	\$1,092,356		\$1,090,885	
MARLETTE REPAYMENT	\$2,116	-26.0%	\$2,330	10.1%	\$3,655	56.9%	\$6,338	73.4%	\$10,512	65.9%	\$10,512		\$10,512	
INTEREST INCOME	\$28,600,315	10.7%	\$26,782,509	-6.4%	\$27,675,627	3.3%	\$19,650,375	-29.0%	\$25,396,000	29.2%	\$16,149,000	-36.4%	\$15,668,300	-3.0%
TOTAL USE OF MONEY & PROPERTY	\$28,923,963	9.3%	\$27,550,646	-4.7%	\$28,636,662	3.9%	\$20,803,245	-27.4%	\$26,676,982	28.2%	\$17,251,868	-35.3%	\$16,769,697	-2.8%
OTHER REVENUE														
HOOVER DAM REVENUE	\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000	
MISC. SALES AND REFUNDS	\$2,586,851	-22.5%	\$1,664,357		\$3,218,047	93.4%	\$2,446,230	-24.0%	\$1,809,800	-26.0%	\$1,463,300	-19.1%	\$1,481,300	1.2%
COST RECOVERY PLAN	\$4,116,273	-0.9%	\$4,634,614	12.6%	\$4,497,042	-3.0%	\$4,376,469	-2.7%	\$4,376,500	0.0%	\$5,115,600	16.9%	\$5,113,700	0.0%
PETROLEUM INSPECTION FEES	\$481,191	4.8%	\$530,816	10.3%	\$517,803	-2.5%	\$534,777	3.3%	\$551,000	3.0%	\$567,000	2.9%	\$584,000	3.0%
UNCLAIMED PROPERTY	\$5,369,704	-12.0%	\$6,885,748	28.2%	\$5,834,400	-15.3%	\$7,730,573	32.5%	\$8,000,000	3.5%	\$6,000,000	-25.0%	\$6,000,000	
TOTAL OTHER REVENUE	\$12,854,019	-10.4%	\$14,015,535	9.0%	\$14,367,292	2.5%	\$15,388,049	7.1%	\$15,037,300	-2.3%	\$13,445,900	-10.6%	\$13,479,000	0.2%
TOTAL GENERAL FUND REVENUE	\$1,352,588,553	4.7%	\$1,412,378,339	4.4%	\$1,530,956,914	8.4%	\$1,646,823,340	7.6%	\$1,715,649,032	4.2%	\$1,785,809,918	4.1%	\$1,870,489,747	4.7%

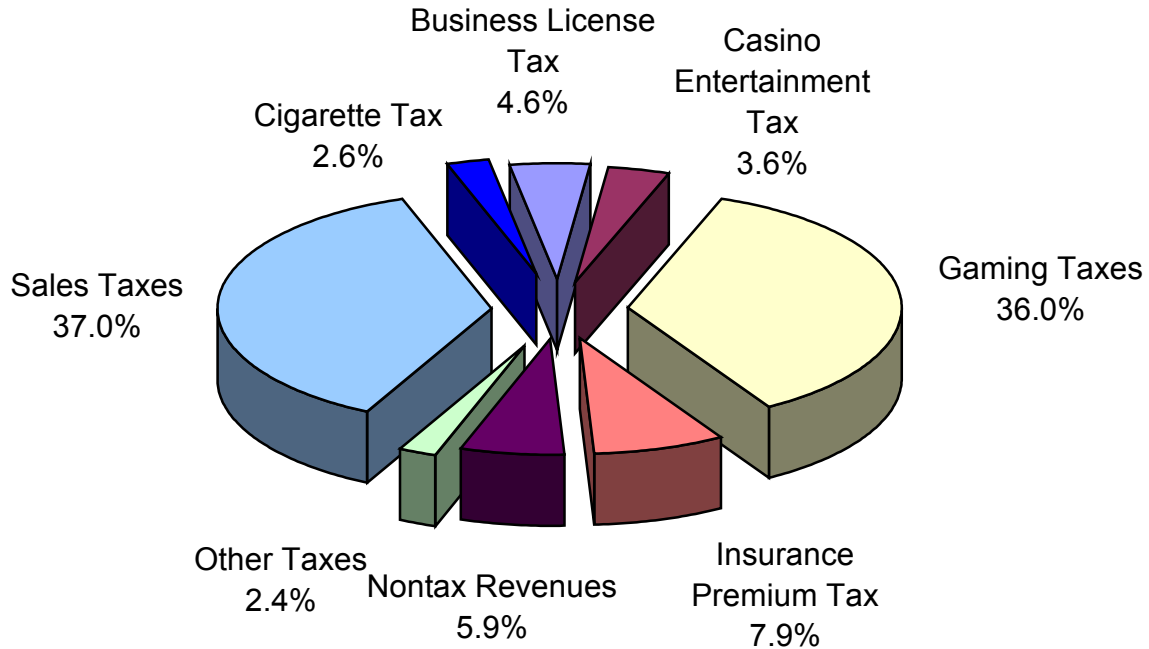
ADJUSTMENTS TO ECONOMIC FORUM FORECAST BASED ON MEASURES APPROVED BY THE 2001 LEGISLATURE

A.B. 77: Unclaimed Property - One-time acceleration from shortening of the time period for declaring property unclaimed	\$8,279,686	
A.B. 460: Short-Term Car Rental Fees - One-time acceleration in FY 2002 from changing payments from annual to quarterly and increase in the rate due to the state in FY 2002 and FY 2003	\$12,048,750	\$15,494,500
S.B. 307: Real Estate License Fees - Increase in appraiser license fees	\$24,000	\$24,000
S.B. 577: Commercial Recording Fees and Other Secretary of State Fees - Increase in commercial recording filing fees and other fees on corporate, LLC, LLP, and other profit and nonprofit busine	\$14,000,000	\$15,000,000
TOTAL ADJUSTMENTS TO ECONOMIC FORUM FORECAST	\$34,352,436	\$30,518,500

TOTAL GENERAL FUND REVENUE FORECAST FOR FY 2002 AND FY 2003: ECONOMIC FORUM MAY 1, 2001 FORECAST WITH ADJUSTMENTS FOR 2001 LEGISLATURE	\$1,820,162,354	6.1%	\$1,901,008,247	4.4%
---	------------------------	-------------	------------------------	-------------

NEVADA GENERAL FUND REVENUE

ACTUAL BY SOURCE, FY 1999-2000



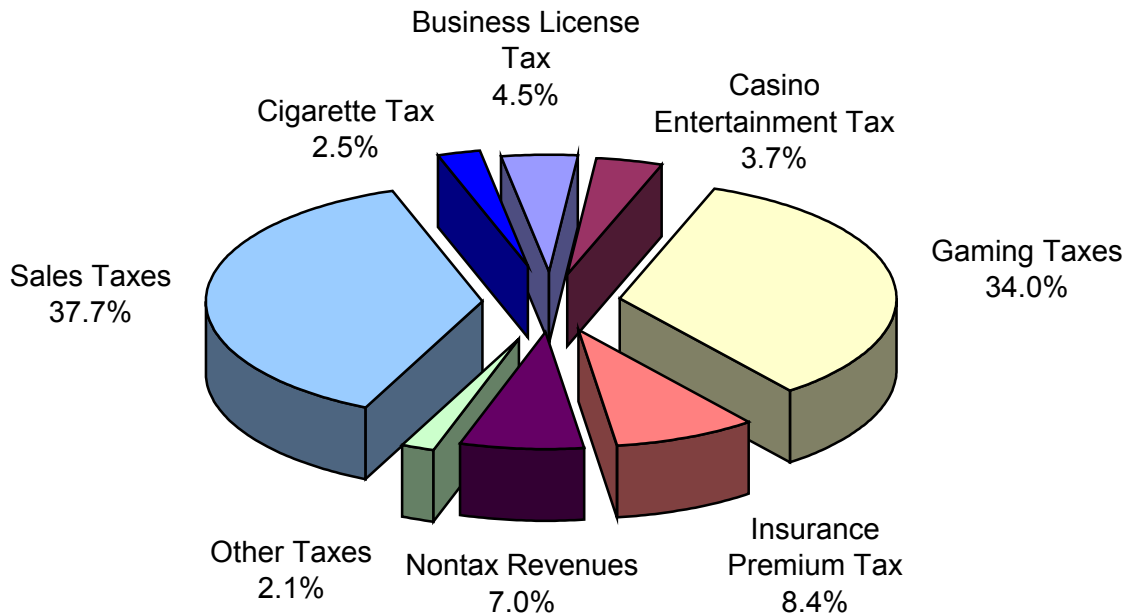
ACTUAL GENERAL FUND REVENUE - FY 1999-2000

	<u>Millions \$'s</u>	<u>% of Total</u>
State Gaming Taxes	\$592.3	36.0%
Casino Entertainment Tax	\$58.5	3.6%
Subtotal Gaming Taxes	\$650.9	39.6%
Sales and Use Taxes	\$610.1	37.0%
Business License Tax	\$76.4	4.6%
Insurance Premium Tax	\$129.3	7.9%
Cigarette Tax	\$42.2	2.6%
Other Taxes		
Mining Tax	\$13.4	0.8%
Liquor Tax	\$15.7	0.9%
Annual Slot Tax Transfer	\$5.0	0.3%
Tobacco & Other Taxes	\$6.0	0.4%
Subtotal Other Taxes	\$40.1	2.4%
Subtotal All Taxes	\$1,549.0	94.1%

	<u>Millions \$'s</u>	<u>% of Total</u>
Nontax Revenues		
Licenses	\$48.4	2.9%
Fees and Fines	\$13.2	0.8%
Charges for Services	\$0.0	0.0%
Use of Money and Property	\$20.8	1.3%
Miscellaneous Revenues	\$15.4	0.9%
Subtotal Nontax Revenues	\$97.8	5.9%
Total General Fund	\$1,646.8	100.0%

NEVADA GENERAL FUND REVENUE

ADJUSTED ECONOMIC FORUM FORECAST, 2001-03 BIENNIUM



ESTIMATED GENERAL FUND REVENUE - 2001-03 BIENNIUM

ADJUSTED* ECONOMIC FORUM MAY 1, 2001 FORECAST

	<u>Millions \$'s</u>	<u>% of Total</u>		<u>Millions \$'s</u>	<u>% of Total</u>
State Gaming Taxes	\$1,265.4	34.0%	Nontax Revenues		
Casino Entertainment Tax	\$137.1	3.7%	Licenses	\$139.0	3.7%
Subtotal Gaming Taxes	\$1,402.5	37.7%	Fees and Fines	\$53.9	1.5%
Sales and Use Taxes	\$1,402.3	37.7%	Charges for Services	\$0.0	0.0%
Business License Tax	\$168.9	4.6%	Use of Money and Property	\$34.0	0.9%
Insurance Premium Tax	\$314.1	8.4%	Miscellaneous Revenues	\$35.2	1.0%
Cigarette Tax	\$92.1	2.5%	Subtotal Nontax Revenues	\$262.2	7.1%
Other Taxes					
Mining Tax	\$25.6	0.6%	Total General Fund	\$3,721.2	100.0%
Liquor Tax	\$32.5	0.8%			
Annual Slot Tax Transfer	\$10.0	0.3%			
Tobacco & Other Taxes	\$11.1	0.3%			
Subtotal Other Taxes	\$79.1	2.0%			
Subtotal All Taxes	\$3,459.0	92.9%			

* Adjusted for Legislative actions that were approved during the 2001 Session.