

THE STATE OF NEVADA ECONOMIC FORUM

Leo Seevers, Chairman
Paul Cary Fisher, Co-Chairman
Steve Greathouse
David Morgan
Ronald Zideck



May 1, 2001

Members of the 71st 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, 2001, revises the forecast prepared by the Economic Forum on December 1, 2000. 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.

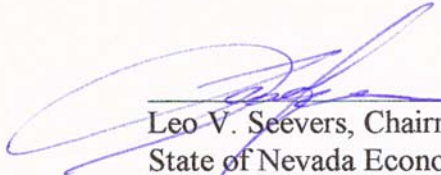
The Economic Forum re-examined its forecast from December in light of changes in the national, regional, and state economies and actual revenue collection activity in the various accounts over the last five months. In addition, the Forum asked for and received revised forecasts based on the current economic 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 2000-01 revenue estimates to reflect more current collection data, but, in general, held to the growth assumptions for fiscal years 2001-02 and 2002-03 that were used in the December 1, 2000, forecast. Several individual revenue sources including sales taxes and gaming taxes have not performed as previously anticipated while some have performed at or above expectations. There were numerous minor adjustments made to reflect the latest information available fiscal year-to-date.

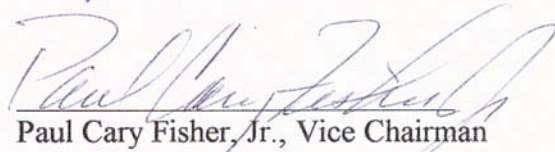
The net result of the May 1, 2001, revision is a decrease from the December 1, 2000, forecast in general fund revenues of \$34,395,400 in fiscal year 2000-01, a decrease of \$46,664,600 in fiscal year 2001-02 and a decrease of \$40,375,400 in fiscal year 2002-03. The total amount projected is \$1,715,649,032 for fiscal year 2000-01, \$1,785,809,918 for fiscal year 2001-02 and \$1,870,489,747 for fiscal year 2001-03.

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 2001-02 and 2002-03. All forecasts have been made on the basis of existing law, and no assumptions are included for any proposed law changes.

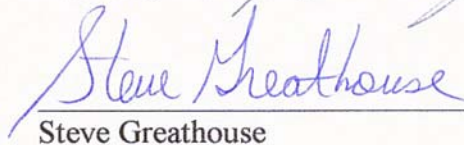
Respectfully submitted,



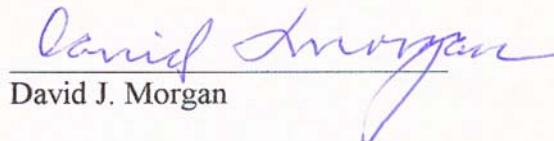
Leo V. Seevers, Chairman
State of Nevada Economic Forum



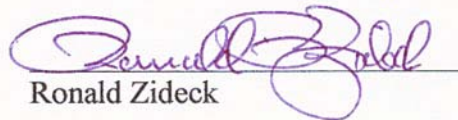
Paul Cary Fisher, Jr., Vice Chairman



Steve Greathouse



David J. Morgan



Ronald Zideck

GENERAL FUND REVENUES - ECONOMIC FORUM
ACTUALS: FY 1997 THRU FY 2000 AND FORECAST: FY 2001 THRU FY 2003

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G.L. NO.	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
ACTUALS: FY 1997 THRU FY 2000 AND FORECAST: FY 2001 THRU FY 2003

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G.L. NO.	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	93.4%	\$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%