# STATE OF NEVADA

# ECONOMIC FORUM


# FORECAST OF FUTURE

# STATE REVENUES

# December 2, 2002

THE STATE OF NEVADA ECONOMIC FORUM

**Cary Fisher, Chairman**
**Ron Zideck, Vice Chairman**
**Deborah Pierce**
**Leo Seevers**
**Michael Small**

December 2, 2002

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 Statutes 353.228. This report, which must be presented by December 1, 2002, includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated general fund revenues, economic assumptions and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections before May 1, 2003 to determine if any adjustment is necessary.

Respectfully submitted,

Cary Fisher, Chairman
State of Nevada Economic Forum

Ron Zideck, Vice-Chairman

Deborah Pierce

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Enclosure

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December 2, 2002

The Honorable Kenny Guinn
Governor of Nevada
Capitol Building
Carson City, Nevada 89701-4747

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**REPORT TO THE GOVERNOR**
**AND THE LEGISLATURE ON**
**FUTURE STATE REVENUES**

**December 2, 2002**

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Senate Bill 23 (1993) provided for the creation of an Economic Forum to forecast future state general fund revenues. The Forum, a panel of five economic and taxation experts from the private sector, is required to adopt an official forecast of unrestricted general fund revenues for the biennial budget cycle. All agencies of the state, including the Governor and the Legislature, must use the Forum's forecast. A seven-member Technical Advisory Committee made up of Executive and Legislative Branch staff members as well as a representative of local government was also created in SB 23 to provide whatever assistance and resources the Forum required.

The Forum must present its forecast to the Governor and the Legislature by December 2, 2002, and any required revisions by May 1, 2003. This report includes forecasts of unrestricted general fund revenues for fiscal years 2002-03, 2003-04 and 2004-05.

**<u>Methodology and Procedures</u>**

The Governor appointed the five members of the Economic Forum in 2002 for a two-year term. These appointments include two members nominated by the leadership of the Senate and Assembly. The Forum has since met in open meeting three times between September 19 and December 2, 2002.

The first meeting of the Forum was devoted to organizing, reviewing the assigned task, reviewing previous forecasts and outcomes and determining a course of action. At that time, the Forum directed the Technical Advisory Committee to prepare independent forecasts for those revenues normally projected by each agency and by the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau. The Forum also requested that the economic assumptions underlying the projections be provided. In addition, the Forum solicited information from others known to develop such data and asked for commentary from economic experts not directly involved in the forecast process.

In response to this request, the Budget Division and Fiscal Analysis Division, respectively, provided projections and economic analyses for six major general fund revenues and economic forecasts at the second meeting of the Forum on October 30, 2002. The Department of Taxation and the Gaming Control Board also provided projections and economic analysis concerning the major revenues they have the responsibility to collect. The Forum also received forecasts of all minor general fund revenues developed by the Technical Advisory Committee for its review and consideration.

In addition to the state agency information, the Economic Forum received forecasts of gaming percentage fees and sales taxes and state and national economic analysis from Global Insight (formerly WEFA), an economic and information consulting firm under contract to the state. Other public and private experts provided various economic and revenue analysis to the Forum. This process allowed the Forum to review results from a variety of econometric models and other analytical approaches to revenue estimation. The Economic Forum reviewed the forecast information and developed preliminary forecasts of general fund revenues and requested that updated forecasts and information be provided at the meeting on December 2, 2002.

At its third meeting, the Economic Forum received the updated economic and revenue information from the state agencies, the Technical Advisory Committee, Global Insight and others to produce the binding forecast of all unrestricted general fund revenue. A copy of that forecast is attached. A final meeting of the Forum will be scheduled on or before May 1, 2003, to make any necessary revisions to the December forecast.

## Economic Review and Outlook

The longest U.S. economic expansion on record ended in March 2001 as recessionary conditions took hold following a sharp slowdown in economic activity during the latter half of 2000. The national economy then declined, as measured by real Gross Domestic Product (GDP), for three consecutive quarters. GDP has since increased over the last four quarters at a rate of 3.2 percent. By most accounts, the national economy remains sluggish, but three percent growth is slightly stronger than average GDP growth in the first three years following the end of the previous recession in March 1991. However, the National Bureau of Economic Research, the organization charged with dating recessions and recoveries, has not as yet dated the official end of the recession.

The table below highlights GDP growth in recent years measured from fourth quarter to fourth quarter each year.

| YEAR | RATE | YEAR | RATE |
|---|---|---|---|
| **1997** | 4.3% | **2000** | 2.3% |
| **1998** | 4.8% | **2001** | 0.1% |
| **1999** | 4.3% | **2002**[1] | 3.4% |

[1]***First three quarters only.***

Many economists believe 2.5 to 3.5 percent is the optimum growth range for the nation to maintain price stability and to avoid other economic shocks that may lead to a recession. However, growth following a recession is often above that range as the growing economy reverses some of the negative consequences of a recession such as higher unemployment and lower business inventories.

Because of the sluggishness of the apparent recovery, principally caused by falling stock prices and a resulting decline in business investment, actions of the Federal Reserve Board in conjunction with market forces have helped to reduce short-term interest rates to levels not seen since 1958. The 3-month Treasury Bill, for example, traded at an average rate of 1.58 percent in October. In addition, low inflation, which has averaged only 2.3 percent over the past five years and two percent over the last twelve months, in combination with the sluggish economy has prompted a steady decline in long-term rates since January 2000. For instance, the 10-year Treasury Bond, which is the key determinant of mortgage rates, has traded at or below four percent in recent months. That is the lowest 10-year rate since 1963. Low mortgage rates for original home loans and refinancings have added strength to both the housing market and consumer demand over the past year.

On another positive note, non-farm productivity, which gained strength in the late 1990s and continued to advance throughout the economic slowdown in 2000 and the recession of 2001 has posted real growth of more than five percent over the last 12 months. Productivity growth is a key economic indicator because it results in real income growth for most participants in the U.S. economy. The downside of productivity growth, at least for the short term, is that firms do not have to hire as many workers as demand picks up, thereby reducing job growth and keeping unemployment higher than it otherwise would be. As a result, there has been no net job growth reported in the U.S. this year, and the unemployment rate, which averaged 4.0 percent in 2000, currently stands at 5.7 percent, down only slightly from the 6.0 percent peak reached in April 2002.

The Nevada economy was holding its own in the face of the national recession until September 11, 2001. At that point, key indicators of the state economy such as jobs, taxable sales and gaming win were continuing to grow, albeit slowly. The state's unemployment rate had increased to the 5.0 percent range because the number of jobseekers was growing faster than new jobs were being created. The effects of the terrorist attacks on air travel to Nevada and the resulting effect on tourism spending immediately produced a statewide economic downturn. All of the state's economic indicators turned negative and remained negative or flat during the following 12 months. Only in September have the indicators turned positive largely because they are being compared to the depressed year-ago levels.

The recessionary conditions produced by the September 11 attacks would have led to a decline in state general fund revenue during FY 2001-02 had the 2001 Legislature not approved several tax and fee increases. For example, a small $9 million increase in sales tax revenue was more than offset by a nearly $15 million decline in gaming taxes and fees. And combined, these two revenue sources, which generate over 70 percent of general fund revenue, produced $47 million less than the amount budgeted for FY 2001-02. The only general fund revenue source to show a healthy increase, other than those affected by rate increases, was the insurance premium tax, which grew by 6.6 percent.

Forecasts produced by Global Insight show the U.S. economy picking up speed during the next three years. For example, their estimate of 2.6 percent GDP growth for 2003 is above the estimated growth rate of 2.3 percent for 2002. The forecasts for the unemployment rate, housing starts, the consumer price index and interest rates all reflect sound fundamentals and a solid U.S. economic performance throughout the state's next biennium. Under most circumstances, the Nevada economy should be expected to thrive if the Global Insight forecasts shown below prove to be accurate.

| | **2003** | **2004** | **2005** |
|---|---|---|---|
| ***Real Gross Domestic Product (% Change)*** | **2.6%** | **4.1%** | **3.8%** |
| ***Unemployment Rate*** | **6.0%** | **5.3%** | **5.0%** |
| ***Housing Starts (millions of units)*** | **1.58** | **1.69** | **1.71** |
| ***Consumer Price Index (% Change)*** | **2.3%** | **2.4%** | **2.3%** |
| ***3-month Treasury Bill Rate*** | **1.7%** | **3.1%** | **3.9%** |
| ***10-year Treasury Note Rate*** | **4.6%** | **5.7%** | **6.0%** |

As always, there are many uncertainties connected with forecasts beyond a few months. Global Insight admits as much by assigning a 30 percent probability to the U.S. experiencing a "double-dip" recession, with economic activity again declining in 2003 before picking up in 2004. In addition, the uncertainty surrounding war with Iraq and the potential for another large-scale terrorist attack makes forecasting particularly problematic.

Although the Nevada economy should be expected to do well if the U.S. economy prospers, the expansion of gaming into other jurisdictions, particularly California Indian gaming, continues to cloud Nevada's future. However, gaming expansion in other locales is unlikely to do irreparable harm to Nevada's tourism economy, especially in southern Nevada, if the U.S. economy remains healthy. The Reno-Tahoe area, however, may have to continue to expand its appeal to visitors beyond the traditional gaming environment, because additional competition from both California and Las Vegas will likely reduce visitor volume without such efforts. Rural Nevada will continue to face the challenges posed by the ups and downs of the mining industry, but the uncertainty over war and terrorism is likely to benefit rural Nevada because gold is seen as a store of value in times of international tension.

The few available statewide forecasts confirm a healthy economic outlook for the next few years. The Nevada Blue Chip consensus projects personal income to grow by 6.3 percent, employment by 3.8 percent and the number of housing permits by 2.5 percent in 2003. Separately, the state Bureau of Research and Analysis forecasts that employment will grow by 2.5, 3.3, and 3.2 percent, respectively, during the next three years. Global Insight's own forecast of the Nevada economy is consistent with these expectations through 2005. In addition, the leading indicators series produced by the Center for Business and Economic Research at UNLV has been trending upward throughout this year, suggesting that southern Nevada should do well in the months ahead.

Although the Nevada economy appears to have some momentum and the expectations for economic performance are positive, the outlook is expected to produce only modest state revenue increases overall. Because Nevada's general fund tax base is dependent on a number of inelastic tax sources, general fund revenue usually does not keep pace with economic growth. Increases in employment and personal income presage continued gains in sales tax revenues. However, the picture for gaming percentage fees is less positive because growth in visitor volume and thus taxable gaming revenue is often sluggish without the opening of major new properties.

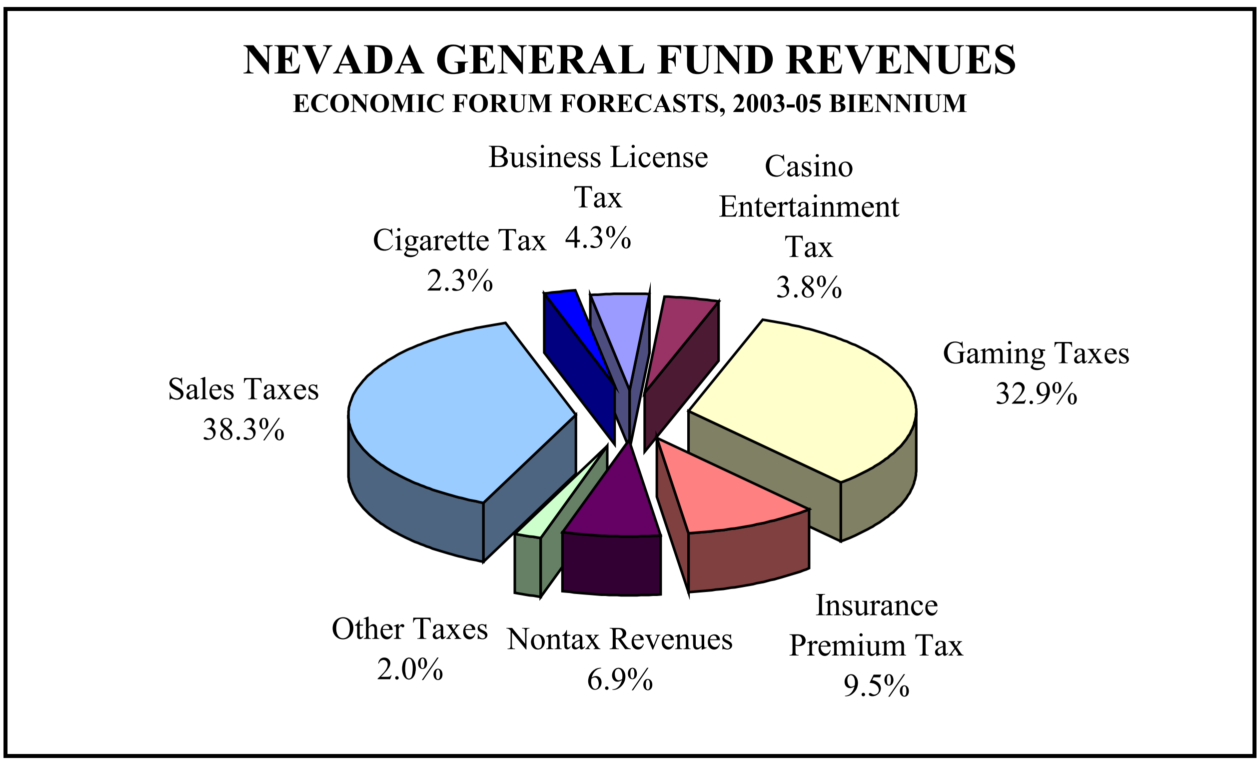
Gains in certain major revenue sources such as the insurance premium tax and the casino entertainment tax are expected to keep pace with economic activity. However, other important tax sources such as the business license tax and cigarette and liquor taxes do not have an inflation component and will not match state economic growth.

## General Fund Revenue Forecast

Following is a summary of the general fund revenue forecast by the Nevada Economic Forum. This forecast should be considered neither optimistic nor pessimistic, but has been developed based on the economic conditions and available economic data at the time the forecast was made. Due consideration, however, was given to the increasing uncertainty of economic circumstances two and a half years into the future. All forecasts have been made on the basis of existing law; thus, no assumptions are included for any proposed law changes.

Total General Fund Revenues

Total Nevada general fund revenues are forecast at $1.896 billion for FY 2003-04 and $1.993 billion for FY 2004-05. The 2003-2005 biennial total of $3.889 billion is 9.1 percent higher than the revised revenue estimate of $3.565 billion for the 2001-2003 biennium.




As you will note in the above chart, gaming taxes are forecast to provide 32.9 percent of all general fund revenues during the 2003-2005 biennium, a decrease from the 33.5 percent now estimated for the current biennium. Sales tax collections are forecast to provide 38.3 percent of all general fund revenues during the 2003-05 biennium, an increase from the

37.7 percent now estimated for the current biennium. More detailed information on specific revenues in addition to gaming and sales taxes is available in the accompanying table.

Sales Taxes

Sales taxes have been forecast consistent with increased consumption due to employment and population gains. Sales taxes are forecast to end FY 2002-2003 at $689.1 million, a 5.2 percent increase from FY 2001-2002 levels. Sales taxes are expected to grow by 5.1 percent in FY 2003-04 and by another 5.6 percent in FY 2004-05. These increases result in total sales tax receipts of $1.489 billion during the 2003-2005 biennium.

Gaming Percentage Fee Taxes

The revenue estimates for gaming percentage fee taxes, while consistent with the expectations for the state economy, are based on the assumption that growth in visitor volume will be slow in the absence of gaming expansion. In part, these forecasts rely on the expertise of the Gaming Control Board in identifying market developments throughout the forecast period.

Total gaming percentage fee tax revenues are forecast to reach $572.6 million in FY 2002-03, an increase of 3.2 percent from actual FY 2001-02 collections. From this base, gaming taxes are estimated to grow by 3.7 percent in FY 2003-04 and 4.0 percent in FY 2004-05 to yield revenues of $1.211 billion for the general fund during the 2003-2005 biennium.

**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 ACTUAL | % | FY 2000 ACTUAL | % | FY 2001 ACTUAL | % | FY 2002 ACTUAL [a.] | % | | DECEMBER 2, 2002 ECONOMIC FORUM FORECAST 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% | | $10,705,862 | 13.7% | $10,264,000 | -4.1% | $9,816,207 | -4.4% |
| | 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% | | $689,131,000 | 5.2% | $724,277,000 | 5.1% | $764,836,000 | 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% | | $605,605,786 | 2.7% | $625,868,375 | 3.3% | $654,594,570 | 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% | | $68,707,000 | 6.0% | $72,486,000 | 5.5% | $76,835,000 | 6.0% |
| | INSURANCE PREMIUM TAX | $116,917,615 | 5.6% | $129,333,474 | 10.6% | $146,925,032 | 13.6% | $156,550,893 | 6.6% | | $167,471,243 | 7.0% | $179,191,243 | 7.0% | $191,731,243 | 7.0% |
| | LIQUOR TAX | $14,670,539 | -2.9% | $15,663,964 | 6.8% | $15,745,514 | 0.5% | $15,995,650 | 1.6% | | $16,432,397 | 2.7% | $16,881,202 | 2.7% | $17,329,384 | 2.7% |
| | CIGARETTE TAX | $42,124,234 | -2.8% | $42,220,870 | 0.2% | $43,691,552 | 3.5% | $41,843,892 | -4.2% | | $42,703,000 | 2.1% | $43,483,000 | 1.8% | $44,153,000 | 1.5% |
| | OTHER TOBACCO TAX | $5,358,940 | -0.7% | $5,962,399 | 11.3% | $5,602,823 | -6.0% | $5,557,893 | -0.8% | | $5,835,788 | 5.0% | $5,894,146 | 1.0% | $5,953,087 | 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% | | $600,000 | -11.9% | $600,000 | | $600,000 | |
| | BUSINESS LICENSE TAX | $71,734,950 | 4.7% | $75,924,128 | 5.8% | $77,270,722 | 1.8% | $78,394,651 | 1.5% | | $79,493,000 | 1.4% | $81,957,000 | 3.1% | $84,662,000 | 3.3% |
| | 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% | | $1,691,685,076 | 4.2% | $1,765,901,966 | 4.4% | $1,855,510,491 | 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% | | $8,274,990 | 6.0% | $8,771,489 | 6.0% | $9,297,779 | 6.0% |
| | BANKING LICENSES | $15,400 | -29.2% | $17,525 | 13.8% | $23,785 | 35.7% | $23,600 | -0.8% | | $24,000 | 1.7% | $24,000 | | $24,000 | |
| | MARRIAGE LICENSES | $585,672 | -0.1% | $616,821 | 5.3% | $638,691 | 3.5% | $587,774 | -8.0% | | $614,000 | 4.5% | $636,000 | 3.6% | $656,000 | 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% | | $54,278,098 | 8.4% | $55,996,837 | 3.2% | $57,782,279 | 3.2% |
| | PRIVATE SCHOOL LICENSES | $140,241 | 8.7% | $142,461 | 1.6% | $156,485 | 9.8% | $181,009 | 15.7% | | $183,250 | 1.2% | $188,500 | 2.9% | $192,000 | 1.9% |
| | PRIVATE EMPLOYMENT AGENCY | $27,800 | 9.0% | $31,500 | 13.3% | $29,800 | -5.4% | $29,000 | -2.7% | | $30,000 | 3.4% | $30,190 | 0.6% | $30,380 | 0.6% |
| | TOTAL REAL ESTATE | $1,353,498 | -7.0% | $1,518,172 | 12.2% | $1,451,867 | -4.4% | $1,690,734 | 16.5% | | $1,526,091 | -9.7% | $1,779,176 | 16.6% | $1,607,209 | -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% | | $1,814,780 | 1.1% | $1,814,780 | | $1,814,780 | |
| | ATHLETIC COMMISSION FEES [3.] | $1,600,478 | 62.8% | $2,819,325 | 76.2% | $2,853,655 | 1.2% | $1,706,730 | -40.2% | | $1,658,000 | -2.9% | $1,658,000 | | $1,658,000 | |
| | TOTAL LICENSES | $41,398,271 | 12.6% | $48,386,482 | 16.9% | $50,112,496 | 3.6% | $63,885,422 | 27.5% | | $68,403,209 | 7.1% | $70,898,972 | 3.6% | $73,062,427 | 3.1% |

*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**

EF DECEMBER 2, 2002: 12/2/02 1:00 PM

| G.L. NO. | DESCRIPTION | FY 1999 ACTUAL | % | FY 2000 ACTUAL | % | FY 2001 ACTUAL | % | FY 2002 ACTUAL [a.] | % | DECEMBER 2, 2002 ECONOMIC FORUM FORECAST | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 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% | $623,109 | 8.0% | $672,940 | 8.0% | $726,757 | 8.0% |
| | DIVORCE FEES | $172,826 | -5.6% | $200,657 | 16.1% | $203,454 | 1.4% | $196,953 | -3.2% | $211,000 | 7.1% | $217,000 | 2.8% | $223,000 | 2.8% |
| | CIVIL ACTION FEES | $1,139,909 | -0.8% | $1,191,315 | 4.5% | $1,215,362 | 2.0% | $1,250,147 | 2.9% | $1,306,000 | 4.5% | $1,350,000 | 3.4% | $1,390,000 | 3.0% |
| | INSURANCE FINES | $786,282 | 48.0% | $738,251 | -6.1% | $537,507 | -27.2% | $719,183 | 33.8% | $719,813 | 0.1% | $719,813 | | $719,813 | |
| | TOTAL REAL ESTATE FEES [2.] | $443,283 | 0.1% | $435,547 | -1.7% | $388,128 | -10.9% | $397,274 | 2.4% | $455,700 | 14.7% | $447,500 | -1.8% | $455,400 | 1.8% |
| | 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% | $22,895,849 | 16.4% | $23,697,204 | 3.5% | $24,526,606 | 3.5% |
| | ATHLETIC COMMISSION LICENSES/FINES [3.] | | | | | | | $122,908 | | $100,000 | -18.6% | $100,000 | | $100,000 | |
| | 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% | $1,548,000 | -1.5% | $1,548,000 | | $1,548,000 | |
| | SUPREME COURT FEES | $223,450 | -0.3% | $232,420 | 4.0% | $204,075 | -12.2% | $207,830 | 1.8% | $209,900 | 1.0% | $212,000 | | $214,100 | 1.0% |
| | MISC. FINES/FORFEITURES | $177,725 | -84.6% | $117,633 | -33.8% | $136,957 | 16.4% | $172,541 | 26.0% | $169,904 | -1.5% | $172,515 | | $175,178 | 1.5% |
| | TOTAL FEES AND FINES | $12,971,100 | -4.6% | $13,244,606 | 2.1% | $13,117,391 | -1.0% | $24,878,868 | 89.7% | $28,239,275 | 13.5% | $29,136,972 | 3.2% | $30,078,854 | 3.2% |
| | 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 | | $1,266,962 | 35.9% | $1,437,530 | | $1,435,383 | |
| | 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% | $5,380,085 | -57.0% | $7,585,310 | 41.0% | $10,599,544 | 39.7% |
| | 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% | $6,657,559 | -50.5% | $9,033,352 | 35.7% | $12,045,439 | 33.3% |
| | 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% | $1,122,836 | -21.6% | $1,160,258 | 3.3% | $1,115,571 | -3.9% |
| | 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% | $6,500,000 | 30.2% | $6,500,000 | |
| | PETROLEUM INSPECTION FEES | $517,803 | -2.5% | $534,777 | 3.3% | $516,320 | -3.5% | $550,736 | 6.7% | $567,400 | 3.0% | $584,600 | 3.0% | $602,300 | 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% | $11,527,072 | -40.4% | $12,506,873 | 8.5% | $13,767,647 | 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% | $18,511,388 | -30.5% | $21,051,731 | 13.7% | $22,285,518 | 5.9% |
| | 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% | $1,813,496,507 | 3.5% | $1,896,022,994 | 4.6% | $1,992,982,730 | 5.1% |

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.