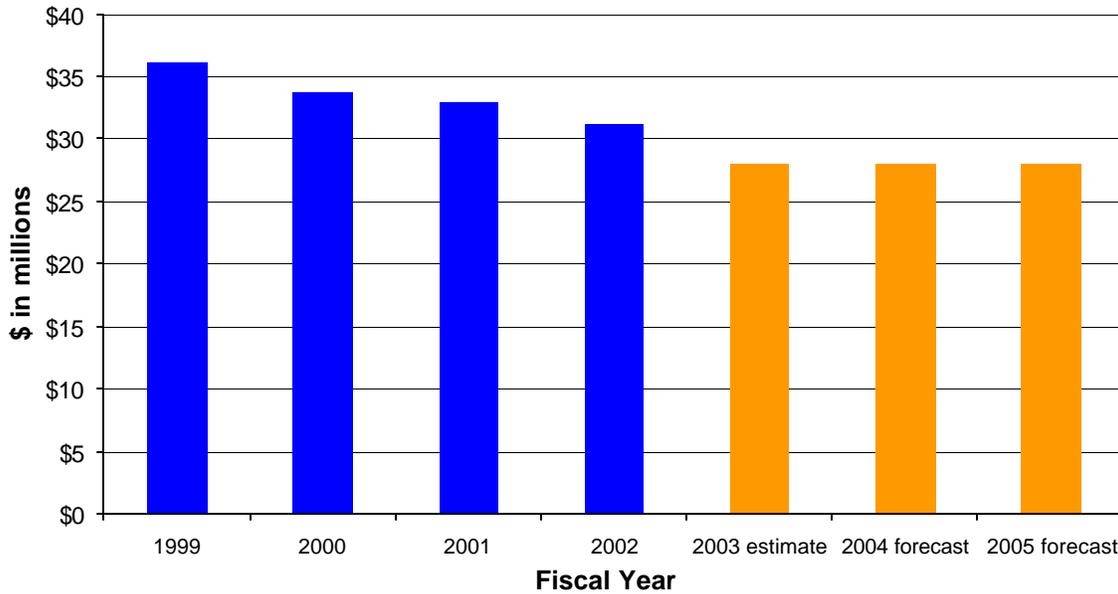


**Licenses and Fees**

**GRF Revenues from Licenses and Fees**  
(in millions)



	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Forecast	FY 2005 Forecast
Licenses and Fees	\$36.1	\$33.7	\$32.9	\$31.1	\$28.0	\$28.0	\$28.0
growth	-0.6%	-6.6%	-2.4%	-5.5%	-10.0%	0.0%	0.0%

The General Revenue Fund benefits from a number of licenses and fees that are either completely or partially deposited into the GRF. LSC estimates licenses and fees will annually generate \$28.0 million of revenue for the GRF in fiscal years 2003 - 2005.

The two largest contributors of license and fee revenue have traditionally been the license fees deposited by the Department of Insurance and liquor permits deposited by the Department of Commerce. Motor vehicle licenses, fees and license revenues deposited by the Environmental Protection Agency, and various business licenses also contribute revenues to the GRF.

Revenue generated by licenses and fees has been steadily declining over the years. Several factors have contributed to this decline. A decline in license fees paid to the Department of Insurance account for part of the decline. Another contributor is the trend away from depositing these moneys into the GRF. Many licenses and fees that were once completely or partially deposited into the GRF are now being deposited into various State Special Revenue funds. In fact, in FY 2003 the bingo licensing fee paid to the Office of the Attorney General and a plan approval fee for water treatment facilities paid to the

Environmental Protection Agency will no longer be deposited into the GRF. Instead, the fees will be deposited into SSR funds. As a result of these changes, the GRF will lose approximately \$400,000 annually.