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Galliher urges passage of budget amendment

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The state's General Fund agencies — prisons, public health, public safety, Medicaid, mental health, the court system and others — will face deep cuts next year if a constitutional amendment to bail out their budget with money from the Alabama Trust Fund isn't approved by voters Sept. 18, Rep. Blaine Galliher, R-Rainbow City, said Monday.

Galliher, chairman of the House Rules Committee, spoke Monday to the Etowah County Republican Women's Club and Associates and urged support of the amendment.

He said the Legislature is not inclined to raise taxes, so if the amendment isn't approved by voters the agencies will face additional cuts of 12 percent beginning Oct. 1.

"We will not raise taxes, we will live within our means," Galliher, who is serving his fifth term, said.

He said the choice is between shrinking state government or raising taxes, and he is opposed to tax increases.

"We're going to live with what we have," he said.

He said the general fund doesn't have any "growth taxes" like the education budget does, such as sales and property taxes.

"The General Fund is public service, that's all it is," Galliher said.

He said the amendment that will be voted Sept. 18 would move about \$146 million each year for the next three years to the general fund from the Alabama Trust Fund, which receives oil and gas royalties, to "turn around" the general fund budget.

He said that is about the amount the state's special Education Trust Fund "borrowed" from the trust fund several years ago and will pay back by 2015.

Galliher said he thinks that in the next three years Congress will pass legislation requiring sales tax to be collected on Internet purchases. When "remote," or Internet, sales tax collection is passed nationwide, it should be a big boost to the state's General Fund. Seventy-five percent of the revenue will go to the General Fund.

He said the state's General Fund budget then would be "safe and secure" without raising taxes.

The Legislature in 2011 passed legislation that based the state's education budget on a 15-year budget average rather than yearly projections, or what he termed "a guess."

School officials said they needed a budget that would not change during the year so they could plan properly.

State officials have told him the education budget should end the year with a surplus of \$80 million to \$100 million if the economy continues to improve.

"We feel like we've delivered," Galliher said.

