

Miami Police Union Sues County Over Illegal Income Tax

BY CAROLINA BOLADO

Law360, Miami (April 24, 2014, 8:35 PM ET) -- A Miami police union on Tuesday sued Miami-Dade County for imposing an allegedly illegal 5 percent tax, purportedly for health care cost contributions, that ended up funding the county's other non-health care expenses.

In a complaint filed in the Eleventh Judicial Circuit Court of Florida, the Dade County Police Benevolent Association said that the county did not negotiate in good faith with the union and imposed the allegedly illegal tax on police officers but not on other county employees.

The union added that Miami-Dade Mayor Carlos Gimenez had abused his mayoral powers to circumvent a collective bargaining agreement the county had entered into with the union.

“The county cleverly disguised an unconstitutional and illegal income tax as 'health care contributions': the first imposed by the Miami-Dade County Board of County Commissioners during Mayor [Carlos] Alvarez's administration and the second after eight negotiations sessions with the county and Mayor

Gimenez, which the county did not conduct in good faith.”

The 5 percent contribution was included in a collective bargaining agreement from October 2008 until September 2011, according to the suit. The union was told that the contribution was meant to offset health care costs for the police officers.

In June 2011, shortly before Gimenez was sworn in as county mayor, the union and the county began negotiating a new collective bargaining agreement, according to the suit. During negotiations that lasted several months, the county tried to add another 5 percent contribution for healthcare costs, and the union says that Gimenez threatened layoffs if the union did not concede.

In December 2011, the PBA learned that the money collected from the police officers' paychecks went into the county's internal fund and was used to balance the budget, not to offset health-care costs, according to the complaint. The PBA also found out that the contribution was not imposed on all county employees.

The county commissioners voted against imposing the additional tax increase in the collective bargaining agreement, but that decision was vetoed by Gimenez, according to the suit. He also sent 222 layoff and demotion notices to PBA members.

The PBA's suit includes counts of fraud, fraudulent inducement and breach of fiduciary duty, in addition to other counts, and is requesting restitution of the money collected through the tax as well as additional damages.

The PBA is represented by Israel Reyes and Christopher Reyes of the Reyes Law Firm PA.

Counsel information for the county was unavailable Thursday.

The case is Dade County Police Benevolent Association v. Miami-Dade County, case number 2014-10608, in the Eleventh Judicial Circuit Court of Florida.