



City of Key West Staff Report NR: 006-2026

Subject: Local Government Operations – DEI and Contracting Regulations
Bill Numbers: HB 1001 (2026) / SB 1134 (2026)
Effective Date: Upon becoming law
Reference Documents: HB 1001 / SB 1134

I. BILL SUMMARY

House Bill 1001 (HB 1001) and Senate Bill 1134 (SB 1134) propose prohibiting counties and municipalities from funding, promoting, or taking official action related to diversity, equity, and inclusion (DEI) initiatives. The legislation restricts local governments from:

- Adopting ordinances, rules, programs, or policies that advance DEI objectives.
- Using public funds to establish DEI offices, staff, or programs.
- Requiring contractors or grantees to implement DEI initiatives as a condition of receiving funding.

The bills also provide enforcement mechanisms, including potential legal action by residents or entities against local governments that violate the restrictions.

II. PRESENT SITUATION

Current Local Framework

Currently, municipalities and counties may establish programs, offices, or contracting requirements aimed at promoting DEI. These programs can be funded through general operating budgets, grant programs, or intergovernmental funding sources. Local governments retain discretion in implementing policies consistent with their priorities and community needs.

Non-Profit and Grant Relationships

Local governments often provide grants or contracts to non-profit partners with requirements aligned with DEI goals. These relationships are currently permitted under existing law and municipal home rule authority.

III. EFFECT OF THE BILL

1. Restrictions on Local Government Authority
HB 1001 and SB 1134 would limit the City of Key West's ability to fund or implement DEI programs and require all contracts or grants to certify that funds will not be used for DEI purposes.
2. Impacts on Local Contractors and Non-Profits
Organizations receiving City funding may no longer be allowed to pursue DEI initiatives with those funds. Non-compliance could result in the loss of funding or potential legal challenges.
3. Enforcement Mechanisms
Residents and other stakeholders would have legal recourse if the City or contractors violate the prohibitions. Municipal officials could also face administrative or judicial scrutiny.

IV. FISCAL IMPACT

Local Governments

- Potential reallocation or elimination of City-funded DEI positions or programs.
- Adjustments to contracts and grant agreements with non-profits.
- Legal costs associated with compliance or potential lawsuits.

State Government

- Minimal direct fiscal impact. Oversight and enforcement responsibilities may increase if complaints are filed.

V. POLICY CONSIDERATIONS

1. Local Control and Home Rule
The bills represent a reduction in municipal home rule authority by restricting programmatic and contracting decisions currently under local discretion.
 2. Community and Organizational Impact
Limiting DEI initiatives may affect workforce recruitment, training programs, and partnerships with non-profits aimed at promoting equity in the community.
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VI. DRAFTING ISSUES OR AMBIGUITIES

- The bills do not clearly define the scope of “DEI initiatives” or provide examples of prohibited actions.
 - Enforcement procedures and timelines for compliance may require additional clarification.
 - Interaction with existing state and federal anti-discrimination or civil rights requirements is not explicitly addressed.
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VII. EFFECTIVE DATE

The bills take effect upon becoming law, with enforcement and compliance required immediately following enactment.