

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 1566

INTRODUCER: Senator DiCeglie

SUBJECT: Local Government Spending

DATE: February 9, 2026 REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Shuler	Fleming	CA	Pre-meeting
2.		AEG	
3.		RC	

I. Summary:

SB 1566 provides that the act may be cited as the “Local Government Financial Transparency and Accountability Act.”

The bill requires county and municipal tentative and final budgets, and budget amendments be posted on their official websites to allow the public to search, review, filter, download, and compare data and view graphs. County and municipal budget officers must perform a budget cutting exercise to identify reductions outside of essential public services before adoption of the budget. The bill revises timeframes for posting budget information and noticing public budget hearings.

Local governments are prohibited under the bill from expending any funds, regardless of source, for the purpose of diversity, equity, and inclusion. Contracts with private vendors for diversity, equity and inclusion purposes are prohibited and existing contracts must be terminated. Local governments must notify the Chief Financial Officer of their compliance annually beginning September 1, 2026. The bill provides a procedure for any person to report suspected local government violations of the prohibition to the Chief Financial Officer who may impose fines if a violation occurs.

The bill takes effect July 1, 2026.

II. Present Situation:

County Budget Systems and Information

Chapter 129, F.S., establishes a budget system that controls the finances of the boards of county commissioners of Florida counties. Pursuant to s. 129.01, F.S., each county is required to prepare, approve, adopt, and execute an annual budget each fiscal year. The budget must show

for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit.¹ The level of detail for the budget must meet the level of detail requirements for annual financial reports submitted to the Department of Financial Services under s. 218.32, F.S.² The budget is approved by the board of county commissioners and must be balanced so that the total of the estimated receipts, including balances brought forward, equals the total of the appropriations and reserves.³ Notwithstanding other provisions of law, the budgets of all county officers must be in sufficient detail and contain such information as the board of county commissioners may require in furtherance of their powers and responsibilities.⁴

Preparation, Adoption, and Amendment of County Budgets

On or before June 1 of each year, the sheriff, the clerk of the circuit court and county comptroller, the tax collector, and the supervisor of elections each submit to the board of county commissioners a tentative budget for their respective offices for the ensuing fiscal year.⁵ Upon receipt of the tentative budgets and any revisions, the board prepares a summary of the adopted tentative budgets.⁶ Public hearings are held to explain tentative and final budgets and to entertain community requests and complaints prior to budget adoption.⁷ The tentative budget must be posted on the county's official website at least 2 days before a public hearing and remain on the website for at least 45 days.⁸ The final budget must be posted on the website within 30 days after adoption, and remain on the website for at least 2 years.⁹ The tentative budgets, adopted tentative budgets, and final budgets are filed in the office of the county auditor as a public record.¹⁰

A board of county commissioners may amend a budget at any time within a fiscal year for that year's budget or within the first 60 days of a fiscal year for the budget for the prior fiscal year.¹¹ Except for certain amendments for specifically authorized purposes, the board may adopt an amendment by resolution or ordinance following a public hearing.¹² The board must provide notice at least 2 days, but not more than 5 days before the hearing and include each budgetary fund to be amended, the source of the funds, the use of the funds, and the total amount of each fund's appropriations.¹³ If adopted, the amendment must be posted on the website within 5 days after adoption and remain on the website for at least 2 years.¹⁴

¹ Section 129.01(1), F.S.

² *Id.*

³ Section 129.01(2), F.S.

⁴ Section 129.021, F.S.

⁵ Section 129.03(2), F.S. Section 195.087(1) F.S., outlines the budget process for property appraisers in the state.

⁶ Section 129.03(3)(b), F.S.

⁷ Section 129.03(3)(c), F.S., also outlines public hearing practices and subsequent budget website posting and public record requirements.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Section 129.06(2), F.S.

¹² Section 129.06(2)(f), F.S.

¹³ *Id.*

¹⁴ *Id.*

Municipal Budget Requirements

The preparation, adoption, and website posting of municipal budgets follows a similar process to that of counties. Section 166.241(2), F.S., provides that each municipality must annually adopt a budget by ordinance or resolution unless the municipality has a charter that specifies another method for adoption. The funds available from taxation and other sources, including balances brought forward, must equal the total appropriations for expenditures and reserves.¹⁵ The tentative budget must be posted on the municipality's official website at least 2 days before a public hearing and remain on the website for at least 45 days.¹⁶ The final budget must be posted on the website within 30 days after adoption and remain on the website for at least 2 years.¹⁷

If the governing body of a municipality amends the budget, the adopted amendment must be posted on the official website of the municipality within 5 days after adoption and must remain on the website for at least 2 years.¹⁸

Governmental Efficiency Hotline

The head of the Department of Financial Services is the Chief Financial Officer (CFO) who may also be known as the Treasurer.¹⁹ Pursuant to the State Constitution, the CFO is the chief fiscal officer of the state, and shall settle and approve accounts against the state, and shall keep all state funds and securities.²⁰ The State Constitution also provides that the CFO shall exercise such powers and perform such duties as may be prescribed by law.²¹

The CFO is directed to establish and operate a statewide toll-free telephone hotline to receive information or suggestions from the residents of this state on how to improve the operation of government, increase governmental efficiency, and eliminate waste in government.²² For each call received, the office of the CFO is required to evaluate the call for its appropriateness to be processed as a "Get Lean" call. If it is determined that it should be processed as such a call, the office of the CFO must record and log the information. If the caller is a state employee, the CFO is authorized to refer the information to an existing state awards program administered by the affected agency. The affected agency must evaluate the efficacy of the suggestion and provide the CFO with a determination of the revenues the state might save.

Unlawful Discrimination in Florida

In 2019, Governor DeSantis reaffirmed the policy of non-discrimination in government employment and declared it the policy of his administration to prohibit discrimination in

¹⁵ Section 166.241(2), F.S.

¹⁶ Section 166.241(3), F.S.

¹⁷ *Id.* If the municipality does not operate an official website, the municipality must, within a reasonable period of time as established by the county or counties in which the municipality is located, transmit the tentative budget and final budget to the manager or administrator of such county or counties who shall post the budgets on the county's website. *Id.*

¹⁸ Section 166.241(9). Just as with the tentative and final budgets, a municipality without its own website must transmit amendments to the county or counties which posted the budget within a reasonable time. *Id.*

¹⁹ Section 20.121, F.S.

²⁰ Art. IV, s. 4(c), Fla. Const.

²¹ Art. IV, s. 4(a), Fla. Const.

²² Section 17.325, F.S.

employment based on age, sex, race, color, religion, national origin, marital status, or disability.²³

Florida Civil Rights Act (Part I, Chapter 760, F.S.)

The Florida Civil Rights Act (FCRA) of 1992 protects persons from discrimination based on race, color, religion, sex, pregnancy, national origin, age, handicap, or marital status.²⁴ The FCRA establishes the Florida Commission on Human Relations (the Commission) within the Department of Management Services.²⁵

The Commission is empowered to receive, initiate, investigate, conciliate, hold hearings, and act upon complaints alleging discriminatory practices.²⁶ Additionally, the Attorney General may initiate a civil action for damages, injunctive relief, civil penalties of up to \$10,000 per violation, and other appropriate relief.²⁷

III. Effect of Proposed Changes:

Local Government Budget Procedures

The bill provides that the act may be cited as the “Local Government Financial Transparency and Accountability Act.”

The bill requires any tentative or final budget, as well as any budget amendments, posted to a county or municipality’s official website to allow members of the public to:

- View budget data in a searchable format.
- Review historical spending trends and filter data according to categories in the local government's chart of accounts, including, but not limited to, fund, department, division, program, or activity.
- Download financial data and graphs.
- View data in different graphical formats, including, but not limited to, stacked line, trend line, bar graph, and pie chart.
- View information for multiple departments, divisions, funds, or financial categories simultaneously.
- View and compare revenue and expense trends simultaneously on the same graph for any level of financial data.
- View all employee salaries in a searchable format.
- View all travel expenses for all employees of the local government in a searchable format.

The bill requires the budget officer of each county or municipality to perform a budget cutting exercise at least 14 days before the final adoption of the local government’s budget. The exercise must identify specific reductions to the tentative budget for the ensuing fiscal year which total 10

²³ Office of the Governor, *Executive Order Number 19-10*, Jan. 8, 2019 (Reaffirming Commitment to Diversity in Government).

²⁴ Section 760.01, F.S.

²⁵ Sections 760.03 and 760.04, F.S.

²⁶ Section 760.06(5), F.S.

²⁷ Section 760.021(1), F.S.

percent of the tentative budget without compromising essential public services, such as law enforcement and fire services, or legal obligations. The bill requires the budget officer to post the result of the exercise on the local government's official website.

The bill revises the length of time for which each county, municipality, or special district must post certain budget information on its official website. Specifically, the bill would require:

- Tentative budgets to be posted 14 days (rather than 2 days under current law) before the public hearing to adopt the budget;
- Proposed budget amendments to be posted 7 days (rather than 2 days) before the public hearing to adopt the amendment; and
- Final budgets and adopted budget amendments to be posted for 5 years (rather than 2 years under current law) following adoption.

The bill requires counties to provide public notice of a hearing on a proposed budget amendment at least 7 days (rather than 2 days under current law) before the hearing.

Local Government Expenditures on Diversity, Equity and Inclusion

The bill creates s. 163.212, F.S., to prohibit local governments from expending public funds, or otherwise expending any funds derived from bequests, charges, deposits, donations, grants, gifts, income, receipts, or any other source of funds, for the purpose of diversity, equity, and inclusion.

A local government is prohibited from contracting with a private vendor for the provision of services promoting, advocating for, or providing training or education on diversity, equity, and inclusion. A contract between a local government and a private vendor which includes language promoting, advocating for, or providing training or education on diversity, equity, and inclusion, constitutes grounds for immediate termination of the contract and the local government must provide written notice of termination to the vendor.

Each local government is required to certify its compliance to the CFO by September 1, 2026, and annually thereafter. The CFO is authorized to adopt rules to implement this requirement.

If a person believes a local government has violated the prohibitions against diversity, equity, and inclusion expenditures, that person may call the governmental efficiency hotline operated by the office of the CFO. The CFO is then required to evaluate the information. If the CFO determines a violation has occurred, the CFO may impose administrative fines of \$1,000 per day for a first violation and \$5,000 per day for a second violation. Fine proceeds must be deposited in the Insurance Regulatory Trust Fund.

Expenditure of public funds through local government contracting, which is reasonably necessary for the normal operation of government functions, is not prohibited under the bill.

“Diversity, equity, and inclusion” (DEI) is defined as any effort by a local government to:

- Affect the composition of its employees as it relates to race, sex, color, or ethnicity, other than to ensure compliance with relevant state and federal antidiscrimination laws;
- Promote differential treatment of or provide special benefits to a person based on his or her race, sex, color, or ethnicity;

- Promote or adopt policies or procedures designed or implemented with reference to race, sex, color, or ethnicity, other than policies or procedures approved in writing by the Attorney General for the sole purpose of ensuring compliance with any applicable court order or state or federal law;
- Promote or adopt training, programming, or activities designed or implemented with reference to race, color, ethnicity, gender identity, or sexual orientation, other than training, programming, or activities developed by an attorney licensed in this state and approved in writing by the Attorney General for the sole purpose of ensuring compliance with any applicable court order or state or federal law;
- Promote, as the official position of a local government agency, a particular opinion referencing unconscious or implicit bias, cultural appropriation, allyship, transgender ideology, microaggressions, group marginalization, antiracism, systemic oppression, social justice, intersectionality, neopronouns, heteronormativity, disparate impact, gender theory, racial or sexual privilege, or any related formulation of such concepts; or
- Advance, promote, entertain, or support fundamental considerations of social justice, including, but not limited to, critical race theory, or otherwise defend the concept that mankind is inherently racist, sexist, or oppressive, whether consciously or unconsciously, solely by virtue of his or her race or sex. This also includes the concept that mankind is responsible for the past actions of other members of the same race or sex.

The term does not include equal opportunity or equal employment opportunity materials designed to inform the public about the prohibition of discrimination based on protected status under state or federal law.

The effective date of the bill is July 1, 2026.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. The mandate requirement does not apply to laws having an insignificant impact,²⁸ which for Fiscal Year 2026-2027²⁹ is forecast at approximately \$2.4 million or less.

The fiscal impact of the bill has not been determined, however the bill may require municipalities and counties to incur additional costs related to posting budget information. If the impact exceeds the threshold for insignificant impact, the mandate requirements may apply.

²⁸ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See FLA. SENATE COMM. ON COMTY. AFFAIRS, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb. 9, 2026).

²⁹ Based on the Demographic Estimating Conference's estimated population adopted on June 30, 2025, <https://edr.state.fl.us/Content/conferences/population/archives/250630demographic.pdf> (last visited Feb. 9, 2026).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Both the Federal and Florida Constitutions prohibit legislatures from enacting laws which impair the obligation of existing contracts. Article I, s. 10 of the United States Constitution provides that “No state shall . . . pass any . . . law impairing the obligation of contracts.” Art. I, s. 10 of the State Constitution provides, “No... law impairing the obligation of contracts shall be passed.” To the extent this bill affects previously executed contracts between local governments and vendors, the bill may violate the Contract Clauses of both the United States and Florida Constitutions.

Courts have stated that there must be a significant and legitimate public purpose behind the enactment of the government regulation that impairs the rights of the parties to the contract, and the regulation must not unreasonably intrude into the parties' bargain to a degree greater than is necessary to achieve the stated public purpose.³⁰ The factors to be considered in determining this balance are:³¹

- Was the law enacted to deal with a broad, generalized economic or social problem;
- Does the law operate in an area that was already subject to state regulation at the time the contract was entered into; and
- Is the law's effect on the contractual relationships temporary or is it severe, permanent, immediate, and retroactive.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Vendors offering services related to diversity, equity, and inclusion may have fewer opportunities to contract with local governments. Vendors with existing contracts in violation of the bill will have those contracts terminated.

³⁰ *Pomponio v Claridge of Pompano Condominium, Inc.*, 378 So. 2d 774 (Fla. 1979).

³¹ *Id.* at 779.

C. Government Sector Impact:

Counties and municipalities may incur costs related to the budget data posting and formatting requirements.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The evaluations the CFO is directed to conduct pursuant to s. 17.325, F.S., relate to information regarding state agencies. However, SB 1566 directs the CFO to conduct an evaluation pursuant to s. 17.325, F.S., if a caller reports local government violations. Section 17.325, F.S. should be amended to clarify the duties of the CFO in handling information reported related to local government violations to conform to the requirements proposed by SB 1566.

VIII. Statutes Affected:

This bill substantially amends sections 129.03, 129.06, 163.212, and 166.241 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
